

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 24, 2021

MARIJUANA COMPANY OF AMERICA, INC.

(Exact Name of Registrant as Specified in Charter)

Utah
(State or jurisdiction of
incorporation or organization)

000-27039
(Commission File
Number)

98-1246221
(IRS Employer
Identification No.)

633 W. 5th Street, Suite 2826
Los Angeles, California ,90071
Telephone: (888) 777-4362
(Address and Telephone Number of Registrant's Principal
Executive Offices and Principal Place of Business)

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

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

Securities registered pursuant to Section 12(b) of the Act: None.

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

Emerging growth company

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

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Unless otherwise provided in this Current Report on Form 8-K, all references to “we,” “us,” “Company,” “our,” “Marijuana Company of America,” “MCOA,” or the “Registrant” refer to the parent entity, Marijuana Company of America, Inc., a Utah corporation. Unless otherwise indicated in this Current Report on Form 8-K, all references to the Company’s board of directors shall refer to the board of directors of Marijuana Company of America, Inc., a Utah corporation.

Item 1.01 Entry into a Material Definitive Agreement.

As previously announced, on June 29, 2021, Marijuana Company of America, Inc., a Utah corporation (the “Company”), entered into an Agreement and Plan of Merger (the “Merger Agreement”) with cDistro, Inc., a Nevada Corporation (“cDistro”), and cDistro Merger Sub, Inc., a Nevada corporation and wholly owned subsidiary of the Company (“Merger Sub”).

On November 24, 2021, the Company entered into a letter agreement (“Letter Agreement”) with an attached amendment to the Merger Agreement (“Amendment No. 1 to the Merger Agreement”) with cDistro and Beach Labs, Inc., a Florida corporation and the former stockholder of cDistro prior to the effective date of the Merger Agreement (“Beach Labs”). Capitalized terms used and not defined herein have the respective meanings assigned to them in the Merger Agreement, as amended by Amendment No. 1 thereto.

Pursuant to the Letter Agreement, the Company and cDistro agreed to adjust the compensation paid to Beach Labs under the Merger Agreement to maintain the stipulated value of the compensation paid under the Merger Agreement by issuing part of the stipulated value of that compensation as a promissory note and performing a true-up on the remaining stipulated value held as stock, and by amending the Merger Agreement to accommodate another true-up to the stock in the event the market value of the compensation is lower than the stipulated value at the date of Rule 144 availability to Beach Labs, December 29, 2021. The Letter Agreement also terminates the board observation rights letter with Beach Labs executed in connection with the Merger Agreement.

Pursuant to the Letter Agreement and Amendment No. 1 to the Merger Agreement, the Company made a promissory note to Beach Labs in the amount of \$625,000, agreed to satisfy half of the stated Merger Agreement compensation value of \$1,200,000 (the “Note”), and performed a true-up of the Merger Agreement stock compensation to reach the value of \$600,000, equaling half of the stated Merger Agreement compensation value of \$1,200,000 (the “True-Up”), and amended the Merger Agreement to add a true-up provision that will maintain that \$600,000 of stock compensation value at the date of Beach Lab’s Rule 144 eligibility. The Note is payable in declining monthly installments over a 4-year period, carries 10% interest, and is convertible at the holder’s option to the Company’s common stock at a conversion per share price of a 30% discount on the 20-day preceding average closing price of our common stock. In performing the True-Up, the Company issued 109,134,121 shares of restricted common stock to Beach Labs.

Except as expressly modified by Amendment No. 1 to the Merger Agreement, all terms, covenants and provisions of the Merger Agreement remain in full force and effect. Copies of Amendment No. 1 to the Merger Agreement and the Letter Agreement have been filed as exhibits to this Current Report on Form 8-K to provide investors with information regarding their terms. It is not intended to provide any other factual information about the Company, cDistro or any of their respective subsidiaries or affiliates.

The foregoing description of the Letter Agreement, Amendment No. 1 to the Merger Agreement and the Note are only summaries and are qualified in their entirety by reference to the complete text of Amendment No. 1 to the Merger Agreement, the Letter Agreement, and the Note, which are filed as Exhibit 2.1, Exhibit 10.1, and Exhibit 10.2, respectively, to this Current Report on Form 8-K and incorporated herein by reference.

Item 3.02 Unregistered Sale of Equity Securities.

The description of the True-Up set forth in Item 1.01 of this Current Report on Form 8-K is incorporated into this Item 3.02 by reference. The issuance of the Company’s common stock was made in reliance on the exemption provided by Section 4(a)(2) of the Securities Act of 1933, as amended, for the offer and sale of securities not involving a public offering.

Item 9.01 Financial Statement and Exhibits.

(d) Exhibits

Exhibit Number	Description
2.1*	Form of Amendment No. 1 to the Merger Agreement, dated November 24, 2021, by and among Marijuana Company of America, Inc. and cDistro, Inc.*
10.1*	Form of Letter Agreement.*
10.2*	Form of Promissory Note.*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

SIGNATURES

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

MARIJUANA COMPANY OF AMERICA, INC.

Date: December 1, 2021

By: */s/ Jesus M. Quintero*
Name: Jesus M. Quintero
Title: Chief Executive Officer

EXHIBIT INDEX

Exhibit Number	Description
2.1*	Form of Amendment No. 1 to the Merger Agreement, dated November 24, 2021, by and among Marijuana Company of America, Inc. and cDistro, Inc. *
10.1*	Form of Letter Agreement *
10.2*	Form of Promissory Note *
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

CONFIDENTIAL

AMENDMENT TO MERGER AGREEMENT

This AMENDMENT TO MERGER AGREEMENT, dated as of November 24, 2021 (this "Amendment"), is made and entered into by and among (i) Marijuana Company of America, Inc., a Utah corporation ("Acquiror") and cDistro, Inc., a Nevada corporation (the "Company"). Capitalized terms used herein but not defined shall have the meanings specified in the Merger Agreement (as defined below).

WITNESSETH:

WHEREAS, on June 29, 2021, Acquiror, cDistro Merger Sub, Inc. and the Company entered into an Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which cDistro Merger Sub, Inc. did merge with and into the Company (with the Company surviving such merger as a wholly-owned subsidiary of Acquiror) upon the terms and subject to the conditions set forth therein;

WHEREAS, in accordance with Section 7.3 of the Merger Agreement, Acquiror and the Company desire to amend the Merger Agreement as provided in this Amendment; and

WHEREAS, the respective boards of directors of each of Acquiror and the Company have approved this Amendment and determined that it is fair to, advisable for and in the best interests of such parties, respectively, to enter into this Amendment.

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

SECTION 1. True-up. A new paragraph 2.1(c) is hereby added to Section 2.1 of the Merger Agreement to read in its entirety as follows:

"(c) True-up of Company Common Stock. On the date that is the earlier of (A) the initial date of the "effectiveness" of an effective registration statement on Form S-1 covering the resale of the Company Common Stock, or (B) the date as of which Beach Labs, Inc. or its assigns ("Beach") may sell all of the Company Common Stock without restriction pursuant to Rule 144 promulgated under the Securities Act without any restrictions (including any restrictions under Rule 144(c) or Rule 144(i)) (such earlier date, the "True-up Date"), in the event that the aggregate market value of the Company Common Stock (or such shares of Company Common Stock then held by Beach or its assigns, if less) is less than the total Exchange Ratio value at which the Company Common Stock was originally issued under Section 2(b) above ("Initial Company Common Stock Value"), with such calculation based on the Exchange Ratio as of the True-up Date, the Company must deliver to Beach, and Beach shall be entitled to receive, a balance amount of Common Stock equal to the difference of the value of the Initial Company Common Stock Value (the "True-up Shares"). The price per share of the True-up Shares for purposes of determining the amount of shares to be issued shall be equal to the Exchange Ratio as of the True-up Date. The Company shall immediately deliver within 24 hours after the True-up Date written notice to Beach regarding its calculation of True-up Shares and an acknowledgement that the Company will comply with the terms of this Section 2(c). The Company shall deliver the True-up Shares to Beach within 48 hours after the True-up Date. Beach shall have the right to have the True-Up Shares, if required to be issued pursuant to this Agreement, be issued in accordance with any applicable beneficial ownership limitations, and in successive tranches if required to comply with such beneficial ownership limitations (each an "Additional Tranche"). The Company shall issue each Additional Tranche within two (2) business days of the request by Beach. Additionally, in the event of a reverse stock split by the Company any fractional shares held by Beach shall be rounded up to the nearest whole share."

SECTION 2. Agreements Still Binding.

(a) Lock-Up Agreement Remains Binding. The Company represents, warrants, agrees and acknowledges that the Lock-Up Agreement delivered to the Acquiror in connection with the Merger Agreement prior to the date of this Amendment shall, upon execution of this Amendment, remain binding upon the holder of shares of Company Capital Stock signatory thereto in accordance with its terms and, upon the effectiveness of this Amendment, shall be effective in accordance with its terms.

(b) Earnout Agreement Remains Binding. The Company represents, warrants, agrees and acknowledges that the Earnout Agreement delivered to the Acquiror in connection with the Merger Agreement prior to the date of this Amendment shall, upon execution of this Amendment, remain binding and, upon the effectiveness of this Amendment, shall be effective in accordance with its terms.

SECTION 3. Miscellaneous.

(a) Modification; Full Force and Effect. Except as expressly modified and superseded by this Amendment, the terms, representations, warranties, covenants and other provisions of the Merger Agreement are and shall continue to be in full force and effect in accordance with their respective terms.

(b) References to the Merger Agreement. After the date of this Amendment, all references to “this Agreement,” “the transactions contemplated by this Agreement,” “the Merger Agreement” and phrases of similar import, shall refer to the Merger Agreement as amended by this Amendment (it being understood that all references to “the date hereof” or “the date of this Agreement” shall continue to refer to June 29, 2021).

(c) Other General Provisions. The provisions of Article VIII (General Provisions) of the Merger Agreement shall apply mutatis mutandis to this Amendment, and to the Merger Agreement as modified by this Amendment, taken together as a single agreement, reflecting the terms therein as modified hereby.

[Remainder of page intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, the parties have caused this Amendment to Merger Agreement to be executed as of the first date above written.

ACQUIROR:

Marijuana Company of America, Inc.
a Utah corporation

By: /s/ Jesus M. Quintero

Name: Jesus M. Quintero
Title: Chief Executive Officer

COMPANY:

cDistro, Inc.,
a Nevada corporation

By: /s/ Ronald P. Russo, Jr.

Name: Ronald P. Russo, Jr.
Title: Chief Executive Officer

*[Signature Page to Amendment to Merger Agreement by and among
Marijuana Company of America, Inc. and cDistro, Inc.]*

FORM OF LETTER AGREEMENT

Marijuana Company of America, Inc.
633 West Fifth Street, Suite 2826
Los Angeles, California 90071

VIA ELECTRONIC MAIL

November 24, 2021

cDistro, Inc.
Attention: Ronald P. Russo, Jr., Chief Executive Officer
3450 S. Ocean Blvd., #122
Palm Beach, FL 33480
Email: rr@cdistro.com

Beach Labs, Inc.
Attention: Ronald P. Russo, Jr., Chief Executive Officer
3450 S. Ocean Blvd., #122
Palm Beach, FL 33480
Email: rr@cdistro.com

Re: **True-Up of Merger Shares;
Agreement to Amend Merger Agreement;
Agreement to Issue Promissory Note;
Agreement to Rescind Board Observation Rights Letter Agreement.**

Dear Mr. Russo:

Reference is made to that certain Agreement and Plan of Merger (the "Merger Agreement"), entered into on June 29, 2021 by and among Marijuana Company of America, Inc. (the "Company") and cDistro, Inc. ("cDistro").

Reference is also made to that certain Observation Rights Letter Agreement (the "Board Letter"), entered into on June 29, 2021 by and among the Company and Beach Labs, Inc. ("Beach Labs").

In light of our recent discussions regarding the compensation to Beach Labs under the Merger Agreement, the Company proposes that Beach Labs accept the Company's offer of an adjustment designed to maintain the agreed-upon value of the compensation paid under the Merger Agreement. Specifically, we discussed making a promissory note in the amount of \$625,000, which will satisfy half of the stated Merger Agreement Section 2.1(b) compensation value of \$1,200,000 (the "Note"), making a true-up of the Merger Agreement stock compensation to reach the value of \$600,000, equaling half of the stated Merger Agreement Section 2.1(b) compensation value of \$1,200,000 (the "True-Up"), and amending the Merger Agreement to add a true-up provision that will maintain that \$600,000 of stock compensation value at the date of Beach Lab's Rule 144 eligibility (the "Amendment"). Beach Labs will additionally release the Company from the Board Letter.

By your agreement and acknowledgment below, this Letter Agreement shall serve as written confirmation that:

1. You agree, as of the date of this letter, to perform the True-Up in the form of Exhibit A to this letter.
2. You agree to the terms of the Note in substantially the form of Exhibit B to this letter.
3. You agree to the terms of the Amendment in substantially the form of Exhibit C to this letter.
4. You agree that the Board Letter is terminated and no longer in effect.

By signing below, this Letter Agreement shall serve as written confirmation that you have reviewed this Letter Agreement (and consulted with your legal and tax advisors to the extent you deemed necessary) and agree to the terms and conditions as described herein. Upon the Effective Date of this letter agreement, you understand that you will be releasing and discharging the Company and its affiliates from any and all obligations and duties that such persons may have to you with respect to the Merger Agreement.

This Letter Agreement contains the entire understanding between and among the parties and supersedes any prior understandings and agreements among them respecting the subject matter of this Letter Agreement. This Letter Agreement shall be governed by and construed in accordance with the laws of the State of Florida without regard to choice of law principles. This Letter Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument. In case any provision of this Letter Agreement shall be held to be invalid, illegal or unenforceable, such provision shall be severable from the rest of this Letter Agreement, and the validity legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

The parties hereby consent and agree that if this Letter Agreement shall at any time be deemed by the parties for any reason insufficient, in whole or in part, to carry out the true intent and spirit hereof or thereof, the parties will execute or cause to be executed such other and further assurances and documents as in the reasonable opinion of the parties may be reasonably required in order more effectively to accomplish the purposes of this Letter Agreement.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

Please indicate confirmation of the terms provided herein by executing and returning this letter in the space provided below.

Very truly yours,

MARIJUANA COMPANY OF AMERICA, INC.

By: /s/ Jesus M. Quintero

Name: Jesus M. Quintero

Title: Chief Executive Officer

Date: November 24, 2021

ACCEPTED AND AGREED:

Beach Labs, Inc.

/s/ Ronald P. Russo, Jr.

Ronald P. Russo, Jr.

Date: November 24, 2021

cDistro, Inc.

/s/ Ronald P. Russo, Jr.

Ronald P. Russo, Jr.

Date: November 24, 2021

EXHIBIT A

Form of True-Up

True-Up Per-share Price		20-day average	\$ 0.00229
MCOA Common Stock Closing Prices		Discount	
Closing	11/20/2021		70.00%
1	11/19/2021 \$ 0.00260	True-Up Per-share price	
2	11/18/2021 \$ 0.00250	\$ 0.00160	
3	11/17/2021 \$ 0.00260		
4	11/16/2021 \$ 0.00260		
5	11/15/2021 \$ 0.00280		
6	11/12/2021 \$ 0.00270	\$ 600,000	Target Value
7	11/11/2021 \$ 0.00230	374,298,191	Shares with value of \$600,000 on date of True-Up
8	11/10/2021 \$ 0.00210	265,164,070	Shares issued at Merger Agreement closing
9	11/9/2021 \$ 0.00210	109,134,121	True-Up Shares Issuable
10	11/8/2021 \$ 0.00220		
11	11/5/2021 \$ 0.00220		
12	11/4/2021 \$ 0.00210		
13	11/3/2021 \$ 0.00220		
14	11/2/2021 \$ 0.00200		
15	11/1/2021 \$ 0.00210		
16	10/29/2021 \$ 0.00200		
17	10/28/2021 \$ 0.00200		
18	10/27/2021 \$ 0.00210		
19	10/26/2021 \$ 0.00220		
20	10/25/2021 \$ 0.00240		

EXHIBIT B

Form of Promissory Note

EXHIBIT C

Form of Amendment to Merger Agreement

**FORM OF
CONVERTIBLE PROMISSORY NOTE**

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR RECEIPT BY THE COMPANY OF AN OPINION OF COUNSEL IN THE FORM, SUBSTANCE AND SCOPE REASONABLY SATISFACTORY TO THE COMPANY THAT THIS NOTE MAY BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF, UNDER AN EXEMPTION FROM REGISTRATION UNDER THE ACT AND SUCH STATE SECURITIES LAWS.

MARIJUANA COMPANY OF AMERICA, INC.

Convertible Promissory Note

USD \$ 625,000.00

Issuance Date: November 24, 2021

FOR VALUE RECEIVED, **Marijuana Company of America, Inc.**, a Utah corporation with an address of 633 West Fifth Street, Suite 2826, Los Angeles, CA 90071 (the "Maker"), promises to pay to the order of **Beach Labs, Inc.**, a Florida corporation with an address of 3450 S. Ocean Blvd., #122, Palm Beach, FL 33480 (hereinafter referred to as the "Payee"), the principal sum of Six Hundred Twenty-Five Thousand Dollars (\$625,000)(the "Principal Amount"), together with interest at the rate of TEN percent (10%) per annum ("Stipulated Rate"), on the outstanding Principal Amount (as hereinafter defined) of this promissory note ("Note"), which principal and interest shall be payable as follows, with no pre-payment penalty:

- (1) Commencing on the Issuance Date, twelve (12) consecutive monthly payments of Twenty Thousand Eight Hundred Thirty-Three Dollars (\$20,833) plus accrued interest at the Stipulated Rate, with the first payment due on the Issuance Date and the subsequent payments on the 15th of each month thereafter.
- (2) Commencing on the date that is the first anniversary date of this Note, and the same day of each month for the calendar year thereafter, twelve (12) consecutive monthly payments of Nine Thousand Three Hundred Seventy-Five Dollars (\$9,375) plus accrued interest at the Stipulated Rate.
- (3) Commencing on the date that is the second anniversary date of this Note, and the same day of each month for the calendar year thereafter, twelve (12) consecutive monthly payments of Four Thousand Three Hundred Seventy-Five Dollars (\$4,375) plus accrued interest at the Stipulated Rate.
- (4) Commencing on the date that is the third anniversary date of this Note, and the same day of each month for the calendar year thereafter, twelve (12) consecutive monthly payments of One Thousand Seven Hundred Fifty Dollars (\$1,750) plus accrued interest at the Stipulated Rate.

The due date of any outstanding Principal Amount and interest are referred to herein as the "Maturity Date," respectively.

All payments under or pursuant to this Note refer to and shall be made in United States Dollars in immediately available funds to the Holder at the address of the Holder first set forth above or at such other place as the Holder may designate from time to time in writing to the Company or by wire transfer of funds to the Holder' account (s).

ARTICLE I

Section 1.1 Interest. Beginning on the issuance date of this Note (the "Issuance Date"), the outstanding principal balance of this Note shall bear annual interest at 10 percent,

Section 1.2 Payment on Non-Business Days. Whenever any payment to be made shall be due on a Saturday, Sunday or a public holiday under the laws of the State of California, such payment may be due on the next succeeding business day and such next succeeding day shall be included in the calculation of the amount of accrued interest payable on such date.

Section 1.3 Transfer. This Note may be transferred or sold, subject to the provisions of Section 4.8 of this Note, or pledged, hypothecated or otherwise granted as security by the Holder.

Section 1.4 Replacement. Upon receipt of a duly executed, notarized and unsecured written statement from the Holder with respect to the loss, theft or destruction of this Note (or any replacement hereof), and without requiring an indemnity bond or other security, or, in the case of a mutilation of this Note, upon surrender and cancellation of such Note, the Company shall issue a new Note, of like tenor and amount, in lieu of such lost, stolen, destroyed or mutilated Note.

ARTICLE II

EVENTS OF DEFAULT; REMEDIES

Section 2.1 Events of Default. The occurrence of any of the following events shall be an "Event of Default" under this Note:

- (a) the Company shall fail to make the payment of any amount of principal outstanding on the date such payment is due hereunder;
- (b) the Company shall fail to make any payment of interest for a period of three (3) days after the date such interest is due;
- (c) the suspension from listing, or the failure of the Common Stock to be quoted on the OTC Markets Pink tier for a period of five (5) consecutive Trading Days;
- (d) the Company's notice to the Holder, including by way of public announcement, at any time, of its inability to comply or its intention not to comply with proper requests for conversion of this Note into shares of Common Stock;
- (e) the Company shall fail to (i) timely deliver the shares of Common Stock upon conversion of the Note or any accrued and unpaid interest, or (ii) make the payment of any fees and/or liquidated damages under this Note or the Purchase Agreement, which failure in the case of items (i) and (ii) of this Section 2.1(e) is not remedied within three (3) business days after the incurrence thereof;
- (f) default shall be made in the performance or observance of (i) any material covenant, condition or agreement contained in this Note (other than as set forth in clause (e) of this Section 2.1) and such default is not fully cured within five (5) business days after the occurrence thereof or (ii) any material covenant, condition or agreement contained in the Purchase Agreement or any other Transaction Document which is not covered by any other provisions of this Section 2.1 and such default is not fully cured within five (5) business days after the occurrence thereof;
- (g) any material representation or warranty made by the Company herein or in the Purchase Agreement or any other Transaction Document shall prove to have been false or incorrect or breached in a material respect on the date as of which made;

(h) the Company shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property or assets, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the United States Bankruptcy Code (as now or hereafter in effect) or under the comparable laws of any jurisdiction (foreign or domestic), (iv) file a petition seeking to take advantage of any bankruptcy, insolvency, moratorium, reorganization or other similar law affecting the enforcement of creditors' rights generally, (v) acquiesce in writing to any petition filed against it in an involuntary case under United States Bankruptcy Code (as now or hereafter in effect) or under the comparable laws of any jurisdiction (foreign or domestic), (vi) issue a notice of bankruptcy or winding down of its operations or issue a press release regarding same, or (vii) take any action under the laws of any jurisdiction (foreign or domestic) analogous to any of the foregoing;

(i) a proceeding or case shall be commenced in respect of the Company, without its application or consent, in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, moratorium, dissolution, winding up, or composition or readjustment of its debts, (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of it or of all or any substantial part of its assets in connection with the liquidation or dissolution of the Company or (iii) similar relief in respect of it under any law providing for the relief of debtors, and such proceeding or case described in clause (i), (ii) or (iii) shall continue un-dismissed, or un-stayed and in effect, for a period of sixty (60) days or any order for relief shall be entered in an involuntary case under United States Bankruptcy Code (as now or hereafter in effect) or under the comparable laws of any jurisdiction (foreign or domestic) against the Company or action under the laws of any jurisdiction (foreign or domestic) analogous to any of the foregoing shall be taken with respect to the Company and shall continue un-dismissed, or un-stayed and in effect for a period of sixty (60) days; or

(j) the failure of the Company to instruct its transfer agent to remove any legends from shares of Common Stock eligible to be sold under Rule 144 of the Securities Act and issue such un-legended certificates to the Holder within five (5) business days of the Holder' request so long as the Holder has provided reasonable assurances and opinions of counsel to the Company that such shares of Common Stock can be resold pursuant to Rule 144; or

(k) the failure of the Company to pay any amounts due to the Holder herein within three (3) business days of receipt of notice to the Company.

Section 2.2 Remedies Upon An Event of Default. If an Event of Default shall have occurred and shall be continuing, the Holder of this Note may at any time at its option, (a) declare the entire unpaid principal balance of this Note, together with all interest accrued hereon, due and payable, and thereupon, the same shall be accelerated and so due and payable, without presentment, demand, protest, or notice, all of which are hereby expressly unconditionally and irrevocably waived by the Company; provided, however, that upon the occurrence of an Event of Default described in (i) Sections 2.1 (k) or (l), the outstanding principal balance and interest hereunder shall be automatically due and payable and (ii) Sections 2.1 (a)-(j) and 2.1(m)-(n), demand the prepayment of this Note pursuant to Section 3.6 hereof, (b) subject to Section 3.4 hereof, demand that the principal amount of this Note then outstanding shall be converted into shares of Common Stock at a Conversion Price (as defined in Section 3.2(a) hereof) per share calculated pursuant to Section 3.1 hereof assuming that the date that the Event of Default occurs is the Conversion Date and demand that all accrued and unpaid interest under this Note shall be converted into shares of Common Stock in accordance with Section 1.2 hereof, or (c) exercise or otherwise enforce any one or more of the Holder' rights, powers, privileges, remedies and interests under this Note. No course of delay on the part of the Holder shall operate as a waiver thereof or otherwise prejudice the right of the Holder. No remedy conferred hereby shall be exclusive of any other remedy referred to herein or now or hereafter available at law, in equity, by statute or otherwise.

ARTICLE III

CONVERSION; ANTIDILUTION; PREPAYMENT

Section 3.1 Conversion Option.

(a) At any time after the Issuance Date, this Note shall be convertible (in whole or in part), at the option of the Holder (the "Conversion Option"), into such number of fully paid and non-assessable shares of Common Stock (the "Conversion Rate") as is determined by dividing that portion of the outstanding principal balance and any accrued interest due under this Note as of such date that the Holder elect to convert by the Conversion Price (as defined in Section 3.2(a) hereof) then in effect on the date on which the Holder delivers a notice of conversion (the "Conversion Notice"), duly executed, to the Company (the "Voluntary Conversion Date"), provided, however, that the Conversion Price shall be subject to adjustment as described in Section 3.5 below. The Holder shall deliver this Note to the Company at the address designated in the Purchase Agreement at such time that this Note is fully converted. With respect to partial conversions of this Note, the Company shall keep written records of the amount of this Note converted as of each Conversion Date.

(b) Furthermore, upon the occurrence of an Event of Default (as defined in Section 2.1 hereof), then to the extent permitted by law, the Company will pay interest to the Holder, payable on demand, on the outstanding principal balance of the Note from the date of the Event of Default until such Event of Default is cured at the rate of the lesser of fifteen percent (15%) and the maximum applicable legal rate per annum.

Section 3.2 Conversion Price.

(a) The term "Conversion Price" is the per share price equal to the average closing price of Marijuana Company of America, Inc. common stock for the 20-day period immediately preceding the Effective Time, as reported by OTC Markets, multiplied by 70%.

(b) Registration Rights. If at any time the Company shall determine to prepare and file with the Commission a registration statement (a "Registration Statement") relating to an offering for its own account or the account of others under the Securities Act of any of its equity on Form S-1, the Company shall cause the registration under the Securities Act of all the shares issuable upon conversion of this Note.

(c) Holder's Conversion Limitations. The Company shall not effect any conversion of this Note, and a Holder shall not have the right to convert any portion of this Note, to the extent that after giving effect to the conversion set forth on the applicable Notice of Conversion, the Holder (together with the Holder's Affiliates, and any Persons acting as a group together with the Holder or any of the Holder's Affiliates) (such Persons, "Attribution Parties") would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of shares of Common Stock issuable upon conversion of this Note with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which are issuable upon (i) conversion of the remaining, unconverted principal amount of this Note beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 4(d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. 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 conversion of this Note held by the Holder. The limitations contained in this paragraph shall apply to a successor holder of this Note.

d) True-Up. On the date that is seven (7) Trading Days (a "True-Up Date") from each Conversion Date there shall be a true-up where the Company shall deliver to Holder an amount in cash or additional Conversion Shares ("True-Up Amount") if the Closing Price as of the True-Up Date is less than the Conversion Price used in the applicable Notice of Conversion. In such event, the Company shall deliver to the Holder within one (1) Trading Day of the True-Up Date (the "True-Up Delivery Date") either an amount in cash or such number of Conversion Shares having a value equal to the difference between the Closing Price and the aggregate value of the amount converted as set forth in the Notice of Conversion. The number of shares of Common Stock to be delivered to the Holder in satisfaction of the True-Up Amount to be delivered in accordance with this Section shall be equal to True-Up Amount divided by the Conversion Price in effect on the Conversion Date. No fractional shares shall be issued and any fractional shares that are required to be delivered in accordance with this Section shall be rounded up to the nearest whole share. For the avoidance of doubt, if the Closing Price as of the True-Up Date is higher than the Conversion Price set forth in the applicable Notice of Conversion, then Company shall have no obligation to deliver a True-Up Amount to the Holder.

Section 3.3 Mechanics of Conversion.

(a) Not later than three (3) Trading Days after any Conversion Date, the Company or its designated transfer agent, as applicable, shall issue and deliver to the Depository Trust Company ("DTC") account on the Holder' behalf via the Deposit Withdrawal Agent Commission System ("DWAC") as specified in the Conversion Notice, registered in the name of the Holder' or its designees, for the number of shares of Common Stock to which the Holder shall be entitled. In the alternative, not later than three (3) Trading Days after any Conversion Date, the Company shall deliver to the applicable Holder by express courier a certificate or certificates which shall be free of restrictive legends and trading restrictions representing the number of shares of Common Stock being acquired upon the conversion of this Note (the "Delivery Date"). Notwithstanding the foregoing to the contrary, the Company or its transfer agent shall only be obligated to issue and deliver the shares to the DTC on the Holder' behaves via DWAC (or certificates free of restrictive legends) if such conversion is in connection with a sale and the Holder have complied with the applicable prospectus delivery requirements. If in the case of any Conversion Notice such certificate or certificates are not delivered to or as directed by the applicable Holder by the Delivery Date, the applicable Holder shall be entitled by written notice to the Company at any time on or before its receipt of such certificate or certificates thereafter, to rescind such conversion, in which event the Company shall immediately return this Note if tendered for conversion, whereupon the Company and the applicable Holder shall each be restored to its position immediately prior to the delivery of such notice of revocation, except that any amounts described in Section 3.3(b) shall be payable through the date notice of rescission is given to the Company.

(b) The Company understands that a delay in the delivery of the shares of Common Stock upon conversion of this Note beyond the Delivery Date could result in economic loss to the Holder. If the Company fails to deliver to the applicable Holder such shares via DWAC or a certificate or certificates pursuant to this Section hereunder by the Delivery Date, the Company shall pay to such Holder, in cash, an amount per Trading Day for each Trading Day until such shares are delivered via DWAC or certificates are delivered, together with interest on such amount at a rate of 10% per annum, accruing until such amount and any accrued interest thereon is paid in full, equal to the greater of (A) (i) 1% of the aggregate principal amount of the Note requested to be converted for the first five (5) Trading Days after the Delivery Date and (ii) 2% of the aggregate principal amount of the Note requested to be converted for each Trading Day thereafter and (B) \$2,000 per day (which amount shall be paid as liquidated damages and not as a penalty). Nothing herein shall limit a Holder' right to pursue actual damages for the Company's failure to deliver certificates representing shares of Common Stock upon conversion within the period specified herein and such Holder shall have the right to pursue all remedies available to it at law or in equity (including, without limitation, a decree of specific performance and/or injunctive relief). Notwithstanding anything to the contrary contained herein, the applicable Holder shall be entitled to withdraw a Conversion Notice, and upon such withdrawal the Company shall only be obligated to pay the liquidated damages accrued in accordance with this Section 3.3(b) through the date the Conversion Notice is withdrawn.

Section 3.4 Adjustment of Conversion Price.

(a) The Conversion Price shall be subject to adjustment from time to time as follows:

(i) Adjustments for Stock Splits and Combinations. If the Company shall at any time or from time to time after the Issuance Date, effect a stock split of the outstanding Common Stock, the applicable Conversion Price in effect immediately prior to the stock split shall be proportionately decreased. If the Company shall at any time or from time to time after the Issuance Date, combine the outstanding shares of Common Stock, the applicable Conversion Price in effect immediately prior to the combination shall be proportionately increased. Any adjustments under this Section 3.5(a)(i) shall be effective at the close of business on the date the stock split or combination occurs.

(ii) Adjustments for Certain Dividends and Distributions. If the Company shall at any time or from time to time after the Issuance Date, make or issue or set a record date for the determination of Holder of Common Stock entitled to receive a dividend or other distribution payable in shares of Common Stock, then, and in each event, the applicable Conversion Price in effect immediately prior to such event shall be decreased as of the time of such issuance or, in the event such record date shall have been fixed, as of the close of business on such record date, by multiplying, the applicable Conversion Price then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date; and

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

(iii) Adjustment for Other Dividends and Distributions. If the Company shall at any time or from time to time after the Issuance Date, make or issue or set a record date for the determination of Holder of Common Stock entitled to receive a dividend or other distribution payable in other than shares of Common Stock, then, and in each event, an appropriate revision to the applicable Conversion Price shall be made and provision shall be made (by adjustments of the Conversion Price or otherwise) so that the Holder of this Note shall receive upon conversions thereof, in addition to the number of shares of Common Stock receivable thereon, the number of securities of the Company which they would have received had this Note been converted into Common Stock on the date of such event and had thereafter, during the period from the date of such event to and including the Conversion Date, retained such securities (together with any distributions payable thereon during such period), giving application to all adjustments called for during such period under this Section 3.5(a)(iii) with respect to the rights of the Holder of this Note; provided, however, that if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Conversion Price shall be adjusted pursuant to this paragraph as of the time of actual payment of such dividends or distributions.

(iv) Adjustments for Reclassification, Exchange or Substitution. If the Common Stock issuable upon conversion of this Note at any time or from time to time after the Issuance Date shall be changed to the same or different number of shares of any class or classes of stock, whether by reclassification, exchange, substitution or otherwise (other than by way of a stock split or combination of shares or stock dividends provided for in Sections 3.5(a)(i), (ii) and (iii), or a reorganization, merger, consolidation, or sale of assets provided for in Section 3.5(a)(v)), then, and in each event, an appropriate revision to the Conversion Price shall be made and provisions shall be made (by adjustments of the Conversion Price or otherwise) so that the Holder shall have the right thereafter to convert this Note into the kind and amount of shares of stock and other securities receivable upon reclassification, exchange, substitution or other change, by Holder of the number of shares of Common Stock into which such Note might have been converted immediately prior to such reclassification, exchange, substitution or other change, all subject to further adjustment as provided herein.

(v) Adjustments for Reorganization, Merger, Consolidation or Sales of Assets. If at any time or from time to time after the Issuance Date there shall be a capital reorganization of the Company (other than by way of a stock split or combination of shares or stock dividends or distributions provided for in Section 3.5(a) (i), (ii) and (iii), or a reclassification, exchange or substitution of shares provided for in Section 3.5(a)(iv)), or a merger or consolidation of the Company with or into another corporation where the Holder of outstanding voting securities prior to such merger or consolidation do not own over fifty percent (50%) of the outstanding voting securities of the merged or consolidated entity, immediately after such merger or consolidation, or the sale of all or substantially all of the Company's properties or assets to any other person (an "Organic Change"), then as a part of such Organic Change an appropriate revision to the Conversion Price shall be made and provision shall be made (by adjustments of the Conversion Price or otherwise) so that the Holder shall have the right thereafter to convert such Note into the kind and amount of shares of stock and other securities or property of the Company or any successor corporation resulting from Organic Change. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 3.5(a)(v) with respect to the rights of the Holder after the Organic Change to the end that the provisions of this Section 3.5(a)(v) (including any adjustment in the applicable Conversion Price then in effect and the number of shares of stock or other securities deliverable upon conversion of this Note) shall be applied after that event in as nearly an equivalent manner as may be practicable.

(vi) Consideration for Stock. In case any shares of Common Stock or any Common Stock Equivalents shall be issued or sold:

(1) in connection with any merger or consolidation in which the Company is the surviving corporation (other than any consolidation or merger in which the previously outstanding shares of Common Stock of the Company shall be changed to or exchanged for the stock or other securities of another corporation), the amount of consideration therefor shall be, deemed to be the fair value, as determined reasonably and in good faith by the Board of Directors of the Company, of such portion of the assets and business of the non-surviving corporation as such Board may determine to be attributable to such shares of Common Stock, Convertible Securities, rights or warrants or options, as the case may be; or

(2) in the event of any consolidation or merger of the Company in which the Company is not the surviving corporation or in which the previously outstanding shares of Common Stock of the Company shall be changed into or exchanged for the stock or other securities of another corporation, or in the event of any sale of all or substantially all of the assets of the Company for stock or other securities of any corporation, the Company shall be deemed to have issued a number of shares of its Common Stock for stock or securities or other property of the other corporation computed on the basis of the actual exchange ratio on which the transaction was predicated, and for a consideration equal to the fair market value on the date of such transaction of all such stock or securities or other property of the other corporation. If any such calculation results in adjustment of the applicable Conversion Price, or the number of shares of Common Stock issuable upon conversion of the Note, the determination of the applicable Conversion Price or the number of shares of Common Stock issuable upon conversion of the Note immediately prior to such merger, consolidation or sale, shall be made after giving effect to such adjustment of the number of shares of Common Stock issuable upon conversion of the Note. In the event Common Stock is issued with other shares or securities or other assets of the Company for consideration which covers both, the consideration computed as provided in this Section 3.5(viii) shall be allocated among such securities and assets as determined in good faith by the Board of Directors of the Company.

(b) Record Date. In case the Company shall take record of the Holder of its Common Stock for the purpose of entitling them to subscribe for or purchase Common Stock or Convertible Securities, then the date of the issue or sale of the shares of Common Stock shall be deemed to be such record date.

(c) Certain Issues Excepted. Anything herein to the contrary notwithstanding, the Company shall not be required to make any adjustment to the Conversion Price in connection with (i) securities issued (other than for cash) in connection with a merger, acquisition, or consolidation, (ii) securities issued pursuant to a bona fide firm underwritten public offering of the Company's securities, (iii) securities issued pursuant to the conversion or exercise of convertible or exercisable securities issued or outstanding on or prior to the date hereof or issued pursuant to the Purchase Agreement, (iv) the shares of Common Stock issuable upon the exercise of Warrants, (v) securities issued in connection with strategic license agreements or other partnering arrangements so long as such issuances are not for the purpose of raising capital, (vi) Common Stock issued or options to purchase Common Stock granted or issued pursuant to the Company's stock option plans and employee stock purchase plans as they now exist and (vii) the payment of any accrued interest in shares of Common Stock pursuant to this Note.

(d) No Impairment. The Company shall not, by amendment of its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith, assist in the carrying out of all the provisions of this Section 3.5 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the Holder against impairment. In the event a Holder shall elect to convert any Note as provided herein, the Company cannot refuse conversion based on any claim that such Holder or any one associated or affiliated with such Holder has been engaged in any violation of law, violation of an agreement to which such Holder is a party or for any reason whatsoever, unless, an injunction from a court, or notice, restraining and or adjoining conversion of all or of said Note shall have issued and the Company posts a surety bond for the benefit of such Holder in an amount equal to one hundred thirty percent (130%) of the amount of the Note the Holder has elected to convert, which bond shall remain in effect until the completion of arbitration/litigation of the dispute and the proceeds of which shall be payable to such Holder in the event it obtains judgment.

(e) Certificates as to Adjustments. Upon occurrence of each adjustment or readjustment of the Conversion Price or number of shares of Common Stock issuable upon conversion of this Note pursuant to this Section 3.5, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to the Holder a certificate setting forth such adjustment and readjustment, showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon written request of the Holder, at any time, furnish or cause to be furnished to the Holder a like certificate setting forth such adjustments and readjustments, the applicable Conversion Price in effect at the time, and the number of shares of Common Stock and the amount, if any, of other securities or property which at the time would be received upon the conversion of this Note. Notwithstanding the foregoing, the Company shall not be obligated to deliver a certificate unless such certificate would reflect an increase or decrease of at least one percent (1%) of such adjusted amount.

(f) Issue Taxes. The Company shall pay any and all issue and other taxes, excluding federal, state or local income taxes, that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of this Note pursuant thereto; provided, however, that the Company shall not be obligated to pay any transfer taxes resulting from any transfer requested by the Holder in connection with any such conversion.

(g) Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of this Note. In lieu of any fractional shares to which the Holder would otherwise be entitled, the Company shall pay cash equal to the product of such fraction multiplied by the average of the Closing Bid Prices of the Common Stock for the five (5) consecutive Trading Days immediately preceding the Conversion Date.

(h) Reservation of Common Stock. The Company shall at all times when this Note shall be outstanding, reserve and keep available out of its authorized but unissued Common Stock, such number of shares of Common Stock equal to 312,500,000 shares.

(i) Regulatory Compliance. If any shares of Common Stock to be reserved for the purpose of conversion of this Note or any interest accrued thereon require registration or listing with or approval of any governmental authority, stock exchange or other regulatory body under any federal or state law or regulation or otherwise before such shares may be validly issued or delivered upon conversion, the Company shall, at its sole cost and expense, in good faith and as expeditiously as possible, endeavor to secure such registration, listing or approval, as the case may be.

Section 3.6 Prepayment.

(a) Prepayment Upon an Event of Default. Notwithstanding anything to the contrary contained herein, upon the occurrence of an Event of Default described in Sections 2.1(a)-(j) and 2.1(m)-(o) hereof, the Holder shall have the right, at such Holder' option, to require the Company to prepay in cash all or a portion of this Note the aggregate principal amount of this Note plus all accrued and unpaid interest applicable at the time of such request (the "Event of Default Prepayment Price"). Nothing in this Section 3.6(a) shall limit the Holder' rights under Section 2.2 hereof.

(b) Prepayment at the Election of the Company. Notwithstanding anything to the contrary contained in this Note, at any time during the period beginning on the Issuance Date and ending on the date which is one hundred and eighty (180) days following the issue date, the Company shall have the right to prepay the outstanding Note (principal and accrued interest), in full.

(c) Section 3.7 No Rights as Shareholders. Nothing contained in this Note shall be construed as conferring upon the Holder, prior to the conversion of this Note, the right to vote or to receive dividends or to consent or to receive notice as a shareholders in respect of any meeting of shareholders for the election of directors of the Company or of any other matter, or any other rights as a shareholders of the Company.

ARTICLE IV

MISCELLANEOUS

Section 4.1 Notices. Any notice, demand, request, waiver or other communication required or permitted to be given hereunder shall be in writing and shall be effective (a) upon hand delivery by telex (with correct answer back received), telecopy or facsimile at the address or number designated in the Purchase Agreement (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The Company will give written notice to the Holder at least ten (10) days prior to the date on which the Company takes a record (x) with respect to any dividend or distribution upon the Common Stock, (y) with respect to any pro rata subscription offer to Holder of Common Stock or (z) for determining rights to vote with respect to any Organic Change, dissolution, liquidation or winding-up and in no event shall such notice be provided to such Holder prior to such information being made known to the public. The Company will also give written notice to the Holder at least ten (10) days prior to the date on which any Organic Change, dissolution, liquidation or winding-up will take place and in no event shall such notice be provided to the Holder prior to such information being made known to the public.

Section 4.2 Secured Obligation. The obligations of the Company under this Note are secured by all assets of the Company and each Subsidiary pursuant to the Security Agreement, dated as of approximate equal date herewith between the Company, the Subsidiaries of the Company and the Secured Parties (as defined therein).

Section 4.3 Governing Law. This Note shall be governed by and construed in accordance with the internal laws of the State of California, without giving effect to any of the conflicts of law principles which would result in the application of the substantive law of another jurisdiction. This Note shall not be interpreted or construed with any presumption against the party causing this Note to be drafted.

Section 4.4 Headings. Article and section headings in this Note are included herein for purposes of convenience of reference only and shall not constitute a part of this Note for any other purpose.

Section 4.5 Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Note shall be cumulative and in addition to all other remedies available under this Note, at law or in equity (including, without limitation, a decree of specific performance and/or other injunctive relief), no remedy contained herein shall be deemed a waiver of compliance with the provisions giving rise to such remedy and nothing herein shall limit a Holder' right to pursue actual damages for any failure by the Company to comply with the terms of this Note. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by the Holder thereof and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable and material harm to the Holder and that the remedy at law for any such breach may be inadequate. Therefore the Company agrees that, in the event of any such breach or threatened breach, the Holder shall be entitled, in addition to all other available rights and remedies, at law or in equity, to seek and obtain such equitable relief, including but not limited to an injunction restraining any such breach or threatened breach, without the necessity of showing economic loss and without any bond or other security being required.

Section 4.6 Enforcement Expenses. The Company agrees to pay all costs and expenses of enforcement of this Note, including, without limitation, reasonable attorneys' fees and expenses.

Section 4.7 Binding Effect. The obligations of the Company and the Holder set forth herein shall be binding upon the successors and assigns of each such party, whether or not such successors or assigns are permitted by the terms hereof.

Section 4.8 Amendments. This Note may not be modified or amended in any manner except in writing executed by the Company and the Holder.

Section 4.9 Compliance with Securities Laws. The Holder of this Note acknowledges that this Note is being acquired solely for the Holder' own account and not as a nominee for any other party, and for investment, and that the Holder shall not offer, sell or otherwise dispose of this Note. This Note and any Note issued in substitution or replacement thereof shall be stamped or imprinted with a legend in substantially the following form:

“THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR RECEIPT BY THE COMPANY OF AN OPINION OF COUNSEL IN THE FORM, SUBSTANCE AND SCOPE REASONABLY SATISFACTORY TO THE COMPANY THAT THIS NOTE MAY BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE DISPOSED OF, UNDER AN EXEMPTION FROM REGISTRATION UNDER THE ACT AND SUCH STATE SECURITIES LAWS.”

Section 4.10 Consent to Jurisdiction. Each of the Company and the Holder (i) hereby irrevocably submits to the exclusive jurisdiction of the State of California for the purposes of any suit, action or proceeding arising out of or relating to this Note and (ii) hereby waives, and agrees not to assert in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such court, that the suit, action or proceeding is brought in an inconvenient forum or that the venue of the suit, action or proceeding is improper. Each of the Company and the Holder consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address in effect for notices to it under the Purchase Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing in this Section 4.9 shall affect or limit any right to serve process in any other manner permitted by law. Each of the Company and the Holder hereby agree that the prevailing party in any suit, action or proceeding arising out of or relating to this Note shall be entitled to reimbursement for reasonable legal fees from the non-prevailing party.

Section 4.11 Parties in Interest. This Note shall be binding upon, inure to the benefit of and be enforceable by the Company, the Holder and its successors and permitted assigns.

Section 4.12 Failure or Indulgence Not Waiver. No failure or delay on the part of the Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

Dated: November 24, 2021

MARIJUANA COMPANY OF AMERICA, INC.

By:

Jesus M. Quintero
Chief Executive Officer

**FORM OF
NOTICE OF CONVERSION**

(To be Executed by the Registered Holder in order to Convert the Note)

The undersigned hereby irrevocably elects to convert \$ _____ of the principal amount of the above Note No. ____ into shares of Common Stock of Marijuana Company of America, Inc. (the "Company") according to the conditions hereof, as of the date written below.

Date of Conversion: _____

Applicable Conversion Price: _____

Number of shares of Common Stock beneficially owned or deemed beneficially owned by the Holder on the Date of Conversion: _____

Signature: _____

Print Name: _____

Address: _____
