

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): August 4, 2020

ICONIC BRANDS, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other
jurisdiction of incorporation)

000-53162
(Commission
File Number)

13-4362274
(I.R.S. Employer
Identification No.)

44 Seabro Avenue
Amityville, NY 11701
(Address of principal executive offices) (zip code)

(866) 219-8112
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report.)

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

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

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

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.

Item 1.01 Entry into a Material Definitive Agreement.

Exchange Agreement

On August 4, 2020, Iconic Brands, Inc. (the “Company”) entered into an Exchange Agreement, effective as of July 29, 2020, with Can B Corp., a Florida corporation fka Canbiola, Inc. (“CANB”), pursuant to which the Company agreed to exchange the one million (1,000,000) shares of common stock of CANB (the “CANB Shares”) that it owned for the five hundred forty-three thousand seven hundred fourteen (543,714) shares of the Company’s common stock (the “ICNB Shares”) that were owned by CANB. As previously reported, the ICNB Shares were originally issued by the Company, in May 2019, in connection with the purchase of Green Grow Farms, Inc. from New York Farms Group, Inc. In addition, as previously reported, the Company subsequently sold its interests in Green Grow to CANB for the CANB Shares pursuant to a Stock Purchase Agreement dated December 4, 2019, as amended on January 27, 2020.

5% Original Issue Discount Promissory Notes

On August 7, 2020, the Company issued an aggregate of \$2,100,000 face amount of 5% Original Issue Discount Promissory Notes (the “Notes”) to accredited investors for an aggregate purchase price of \$2,000,000. The Notes are due on the earlier of: (i) September 4, 2020 (the “Maturity Date”); or (ii) the occurrence of an Event of Default (as defined). At the Company’s sole option, and so long as no Event of Default has occurred and is continuing, the Maturity Date may be extended by thirty (30) calendar days in exchange for an increase to the original issue discount of the Notes to 10%. The Company may prepay, in whole or in part, the principal sum and interest under the Notes without the prior written consent of holders. The Notes are unsecured obligations of the Company, however the Company has agreed that it shall not incur any other indebtedness which is senior in preference to the Notes.

The outstanding principal amount of the Notes together with all accrued and unpaid interest thereunder shall be exchangeable into such securities as may be issued by the Company in the Qualified Financing (as defined). In addition, if the Notes have not been exchanged in connection with a Qualified Financing, the holders shall have the right, in their sole discretion, to convert the principal balance of the Notes (including the original issue discount), in whole or in part, into securities of the Company (or its successor or parent) (a “Conversion”) being issued in any private or public offering of equity securities of the Company (or its successor or parent) (an “Offering”) announced while the Notes are outstanding, upon the terms and conditions of the Offering, at a rate equal to, for each \$1 of principal amount of this Note surrendered, \$1 of new consideration offered for such securities. Finally, at the holders sole option, to the extent that such Offering is not consummated at least two (2) business days prior to the Maturity Date, the holder shall be entitled to revoke its Conversion election and, upon such revocation, all outstanding amounts owing under the Notes shall be due and payable on the Maturity Date in accordance with the terms of the Notes.

The foregoing description of the Exchange Agreements and Notes is not complete and is qualified in its entirety by reference to the full text of the Exchange Agreement and the Form of the Notes, copies of which are filed as Exhibit 10.1 and 10.2, respectively, to this Current Report on Form 8-K and are incorporated by reference herein.

Item 3.02 Unregistered Sales of Equity Securities.

The disclosure under item 1.01 above is incorporated herein by reference. The securities have not been registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and issued in reliance on the exemption from registration under the Securities Act of 1933, as amended, afforded by Section 4(a)(2) and Rule 506 of Regulation D promulgated thereunder.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit

Number	Title of Document
10.1	Exchange Agreement by and among the Company and Can B Corp dated as of July 29, 2020
10.2	Form of 5% Original Issue Discount Promissory Note

SIGNATURES

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

Iconic Brands, Inc.

Dated: August 7, 2020

By: /s/ Richard J. DeCicco

Name: Richard J. DeCicco

Title: Chief Executive Officer

STOCK EXCHANGE AGREEMENT

This Stock Exchange Agreement (this “**Agreement**”) is made and entered into as of July 29, 2020 (the “**Effective Date**”) by and among Can B Corp., a Florida corporation f/k/a Canbiola, Inc. (“**CANB**”), on one hand, and Iconic Brands, Inc., a Nevada corporation (the “**ICNB**”) on the other hand. CANB and ICNB are sometimes referred to herein individually as a “**Party**” and collectively as the “**Parties**.”

BACKGROUND

A. CANB currently owns and holds one million (1,000,000) shares of the issued and outstanding shares of common stock of ICNB (the “**ICNB Shares**”);

B. ICNB currently owns and holds five hundred forty-three thousand seven hundred fourteen (543,714) shares of the issued and outstanding shares of common stock of CANB (the “**CANB Shares**”);

C. Upon the terms and subject to the conditions set forth herein, CANB wishes to exchange the ICNB Shares for the CANB Shares, and ICNB wishes to exchange the CANB Shares for the ICNB Shares (the “**Exchange**”); and

D. The Parties desire to make certain representations, warranties, covenants and agreements in connection with the Stock Purchase and also to prescribe various conditions to the Exchange.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the holder and the company, intending to be legally bound hereby, agree as follows:

1. Exchange. Subject to the terms and conditions of this Agreement, at Closing (as defined), CANB and ICNB shall exchange the ICNB Shares held by CANB for the CANB Shares held by ICNB.

2. Closing. The closing of the Exchange (the “Closing”) will take place at the New York offices of Sheppard, Mullin, Richter & Hampton, LLP. Unless otherwise agreed in writing by the parties hereto, the Closing shall occur no later than July 31, 2020.

3. Closing Deliveries. On or prior to the Closing Date:

(a) CANB shall deliver or cause to be delivered to ICNB the ICNB Shares, together with a duly executed Stock Power(s) or other documents satisfactory to ICNB permitting the transfer from CANB to ICNB of the Shares; and

(b) ICNB shall deliver or cause to be delivered to CANB the CANB Shares, together with a duly executed Stock Power(s) or other documents satisfactory to CANB permitting the transfer from ICNB to CANB of the Shares.

4. (a) Representations and Warranties of CANB. CANB hereby represents and warrants to ICNB as follows:

(i) Organization. Standing and Power. CANB is duly organized, validly existing and in good standing under the laws of the state in which it was organized and has the requisite power and authority and all government licenses, authorizations, permits, consents and approvals required to own, lease and operate its properties and carry on its business as now being conducted. CANB is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification or licensing necessary, other than in such jurisdictions where the failure to be so qualified or licensed (individually or in the aggregate) would not have a material adverse effect on either Party.

(ii) Corporate Authority. Non-contravention. CANB has all requisite power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement by CANB and the consummation by them of the transactions contemplated hereby have been duly authorized by all necessary action on the part of CANB. This Agreement has been duly executed and when delivered by CANB shall constitute a valid and binding obligation of CANB, enforceable against CANB in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally or by general principles of equity. The execution and delivery of this Agreement do not, and the consummation of the transactions contemplated by this Agreement and compliance with the provisions hereof will not, conflict with, or result in any breach or violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of or "put" right with respect to any obligation or to a loss of a material benefit under, or result in the creation of any security interest upon any of the properties or assets of CANB under, (i) its certificate or article of incorporation, bylaws or other organizational or charter documents, (ii) any loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, instrument, permit, concession, franchise or license applicable to CANB, its properties or assets, or (iii) subject to the governmental filings and other matters referred to in the following sentence, any judgment, order, decree, statute, law, ordinance, rule, regulation or arbitration award applicable to CANB, its properties or assets, other than, in the case of clauses (ii) and (iii), any such conflicts, breaches, violations, defaults, rights, losses or security interests that individually or in the aggregate could not have a material adverse effect with respect to CANB or could not prevent, hinder or materially delay the ability of CANB to consummate the transactions contemplated by this Agreement.

(iii) Governmental Authorization. No consent, approval, order or authorization of, or registration, declaration or filing with, or notice to, any United States federal or state court, administrative agency or commission, or other federal, state or local government or other governmental authority, agency, domestic or foreign, is required by or with respect to CANB in connection with the execution and delivery of this Agreement by CANB or the consummation by CANB of the transactions contemplated hereby.

(iv) Certain Fees. No brokerage or finder's fees or commissions are or will be payable by CANB to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other person with respect to the transactions contemplated by this Agreement.

(v) Ownership of Shares. CANB is the record owner, and has good and valid title to, the ICNB Shares, free and clear of any charge, mortgage, pledge, security interest, lien, or encumbrance, other than restrictions on transfer imposed by applicable securities laws. CANB is not a party to any option, warrant, right, contract, call, put or other agreement or commitment providing for the disposition or acquisition of any such Shares, nor is CANB a party to any voting trust, proxy or other contract, agreement or understanding with respect to the voting of any such Shares. Upon delivery to ICNB at the Closing of stock certificates representing the ICNB Shares, good and valid title to the Shares will pass to ICNB, free and clear of any charge, mortgage, pledge, security interest, lien, or encumbrance, other than restrictions on transfer imposed by applicable securities laws.

(vi) Litigation. There is no suit, action or proceeding or investigation pending or, to the knowledge of CANB, threatened against or affecting CANB or any of its respective officers, directors, or key employees or any basis for any such suit, action, proceeding or investigation that, individually or in the aggregate, which could reasonably be expected to have a material adverse effect with respect to CANB or prevent, hinder or materially delay the ability of CANB to consummate the transactions contemplated by this Agreement, nor is there any judgment, decree, injunction, rule or order of any Governmental Entity or arbitrator outstanding against CANB having, or which, insofar as reasonably could be foreseen by CANB, in the future could have, any such effect.

(a) Representations and Warranties of ICNB. ICNB hereby represents and warrants to CANB as follows:

(i) Organization. Standing and Power. ICNB is duly organized, validly existing and in good standing under the laws of the state in which it was organized and has the requisite power and authority and all government licenses, authorizations, permits, consents and approvals required to own, lease and operate its properties and carry on its business as now being conducted. ICNB is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification or licensing necessary, other than in such jurisdictions where the failure to be so qualified or licensed (individually or in the aggregate) would not have a material adverse effect on either Party.

(ii) Corporate Authority. Non-contravention. ICNB has all requisite power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement by ICNB and the consummation by them of the transactions contemplated hereby have been duly authorized by all necessary action on the part of ICNB. This Agreement has been duly executed and when delivered by ICNB shall constitute a valid and binding obligation of ICNB, enforceable against ICNB in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally or by general principles of equity. The execution and delivery of this Agreement do not, and the consummation of the transactions contemplated by this Agreement and compliance with the provisions hereof will not, conflict with, or result in any breach or violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of or "put" right with respect to any obligation or to a loss of a material benefit under, or result in the creation of any security interest upon any of the properties or assets of ICNB under, (i) its certificate or article of incorporation, bylaws or other organizational or charter documents, (ii) any loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, instrument, permit, concession, franchise or license applicable to ICNB, its properties or assets, or (iii) subject to the governmental filings and other matters referred to in the following sentence, any judgment, order, decree, statute, law, ordinance, rule, regulation or arbitration award applicable to ICNB, its properties or assets, other than, in the case of clauses (ii) and (iii), any such conflicts, breaches, violations, defaults, rights, losses or security interests that individually or in the aggregate could not have a material adverse effect with respect to ICNB or could not prevent, hinder or materially delay the ability of ICNB to consummate the transactions contemplated by this Agreement.

(iii) Governmental Authorization. No consent, approval, order or authorization of, or registration, declaration or filing with, or notice to, any United States federal or state court, administrative agency or commission, or other federal, state or local government or other governmental authority, agency, domestic or foreign, is required by or with respect to ICNB in connection with the execution and delivery of this Agreement by ICNB or the consummation by ICNB of the transactions contemplated hereby.

(iv) Certain Fees. No brokerage or finder's fees or commissions are or will be payable by ICNB to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other person with respect to the transactions contemplated by this Agreement.

(v) Ownership of Shares. ICNB is the record owner, and has good and valid title to, the CANB Shares, free and clear of any charge, mortgage, pledge, security interest, lien, or encumbrance, other than restrictions on transfer imposed by applicable securities laws. ICNB is not a party to any option, warrant, right, contract, call, put or other agreement or commitment providing for the disposition or acquisition of any such Shares, nor is ICNB a party to any voting trust, proxy or other contract, agreement or understanding with respect to the voting of any such Shares. Upon delivery to CANB at the Closing of stock certificates representing the CANB Shares, good and valid title to the Shares will pass to CANB, free and clear of any charge, mortgage, pledge, security interest, lien, or encumbrance, other than restrictions on transfer imposed by applicable securities laws.

(vi) Litigation. There is no suit, action or proceeding or investigation pending or, to the knowledge of ICNB, threatened against or affecting ICNB or any of its respective officers, directors, or key employees or any basis for any such suit, action, proceeding or investigation that, individually or in the aggregate, which could reasonably be expected to have a material adverse effect with respect to ICNB or prevent, hinder or materially delay the ability of ICNB to consummate the transactions contemplated by this Agreement, nor is there any judgment, decree, injunction, rule or order of any Governmental Entity or arbitrator outstanding against ICNB having, or which, insofar as reasonably could be foreseen by ICNB, in the future could have, any such effect.

5. Entire Agreement. This Agreement contains the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes and replaces all prior negotiations and agreements between the parties, whether written or oral. Each party acknowledges that no party has made any promise, representation, or warranty whatsoever, express or implied, not contained herein concerning the subject matter hereof.

6. No Assignment; Successors and Assigns. No party to this Agreement may assign any of its rights or delegate any of its obligations under this Agreement, by operation of law or otherwise, without the prior written consent of the other parties to this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

7. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together shall constitute one and the same agreement. This Agreement may be executed and delivered by facsimile or other means of electronic delivery and upon such delivery the signature will be deemed to have the same effect as if the original signature had been delivered to the other party.

8. Severability. If any provision of this Agreement is determined by any court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such provision will be enforced to the maximum extent possible given the intent of the parties hereto. If such clause or provision cannot be so enforced, such provision shall be stricken from this Agreement and the remainder of this Agreement shall be enforced as if such invalid, illegal or unenforceable clause or provision had (to the extent not enforceable) never been contained in this Agreement. Notwithstanding the foregoing, if the value of this Agreement based upon the substantial benefit of the bargain for any party is materially impaired, which determination as made by the presiding court of competent jurisdiction shall be binding, then the parties hereto agree to substitute such provision(s) with suitable and equitable provision(s).

9. Governing Law. This Agreement shall be construed, interpreted and enforced in accordance with, and shall be governed by, the laws of the State of New York without reference to, and regardless of, any applicable choice or conflicts of laws principles. Venue for any dispute relating to this Agreement shall be Nassau County, New York.

10. Equitable Relief. Each Party is entitled to bring an action for temporary or preliminary injunctive relief at any time in any court of competent jurisdiction in order to prevent irreparable injury that might result from a breach of this Agreement.

11. Attorneys' Fees. If either party brings a claim or lawsuit against the other party to this Agreement to interpret or enforce any of the terms of this Agreement, the prevailing party shall, in addition to all other damages, be entitled to reasonable attorneys' fees and costs, costs of witnesses, and costs of investigation from the non-prevailing party.

12. Further Assurances. Each of the parties hereto shall from time to time at the request of the other party hereto, and without further consideration, execute and deliver to such other party such further instruments of assignment, transfer, conveyance and confirmation and take such other action as the other party may reasonably request in order to more effectively fulfill the purposes of this Agreement.

IN WITNESS WHEREOF, the Shareholder and the Company have each executed this Agreement as of the Effective Date.

CAN B CORP.

By: /s/ Marco Alfonsi

Name: Marco Alfonsi

Title: Chief Executive Officer

ICONIC BRANDS, INC.

By: /s/ Richard DeCicco

Name: Richard DeCicco

Title: Chief Executive Officer

5% ORIGINAL ISSUE DISCOUNT PROMISSORY NOTE

\$ _____

August 6, 2020

FOR VALUE RECEIVED, Iconic Brands, Inc., a Nevada corporation (the "Maker") promises to pay to the order of _____, or its registered assigns (the "Payee"), upon the terms set forth below, the principal sum of _____ Dollars (\$ _____)¹ which includes an original issue discount of 5%.

1. Payments.

(a) The full amount of principal (including the original issue discount) under this Note shall be due on the earlier of: (i) September 4, 2020 (the "Maturity Date"); or (ii) the occurrence of an Event of Default (as defined below), unless due earlier in accordance with the terms of this Note and subject to Section 1(b) hereunder.

(b) At the Maker's sole option, and so long as no Event of Default has occurred and is continuing, the Maturity Date may be extended by thirty (30) calendar days in exchange for an increase to the original issue discount of this Note to 10%.

(c) Maker may prepay, in whole or in part, the principal sum and interest under this Note without the prior written consent of Payee.

(d) To the extent that the Payee receives any payment on of any amounts owing under this Note, and any such payment(s) or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, subordinate and/or required to be repaid to a trustee, receiver or any other person or entity under any bankruptcy act, state or federal law, common law or equitable cause, then, to the extent of such payment(s) received, the Maker's obligations or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment(s) had not been received by the Payee and applied on account of the Maker's obligations under this Note.

2. Unsecured Obligation. This Note is an unsecured obligation of the Company provided however the Company shall not incur any other indebtedness which is senior in preference to the Note.

3. Events of Default.

(a) "Event of Default", wherever used herein, means any one of the following events (whatever the reason and whether it shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court, or any order, rule or regulation of any administrative or governmental body):

(i) any default in the payment of the principal of this Note, as and when the same shall become due and payable;

¹ 1.05% of payment.

(ii) Maker shall fail to observe or perform any obligation or shall breach any term or provision of this Note and such failure or breach shall not have been remedied within five calendar days after the date on which notice of such failure or breach shall have been delivered;

(iii) Maker or any of its subsidiaries shall fail to observe or perform any of their respective obligations owed to Payee or any other covenant, agreement, representation or warranty contained in, or otherwise commit any breach hereunder or in any other agreement executed in connection herewith;

(iv) Maker or any of its subsidiaries shall commence, or there shall be commenced against Maker or any subsidiary a case under any applicable bankruptcy or insolvency laws as now or hereafter in effect or any successor thereto, or Maker or any subsidiary commences any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to Maker or any subsidiary, or there is commenced against Maker or any subsidiary any such bankruptcy, insolvency or other proceeding which remains undismissed for a period of 60 days; or Maker or any subsidiary is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding is entered; or Maker or any subsidiary suffers any appointment of any custodian or the like for it or any substantial part of its property which continues undischarged or unstayed for a period of 60 days; or Maker or any subsidiary makes a general assignment for the benefit of creditors; or Maker or any subsidiary shall fail to pay, or shall state that it is unable to pay, or shall be unable to pay, its debts generally as they become due; or Maker or any subsidiary shall call a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts; or Maker or any subsidiary shall by any act or failure to act expressly indicate its consent to, approval of or acquiescence in any of the foregoing; or any corporate or other action is taken by Maker or any subsidiary for the purpose of effecting any of the foregoing;

(v) Maker or any subsidiary shall default in any of its respective obligations under any other note or any mortgage, credit agreement or other facility, indenture agreement, factoring agreement or other instrument under which there may be issued, or by which there may be secured or evidenced any indebtedness for borrowed money or money due under any long term leasing or factoring arrangement of Maker or any subsidiary, whether such indebtedness now exists or shall hereafter be created and such default shall result in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise become due and payable; or

(vi) Maker shall (a) be a party to any Change of Control Transaction (as defined below), (b) agree to sell or dispose all or in excess of 50% of its assets in one or more transactions (whether or not such sale would constitute a Change of Control Transaction), (c) redeem or repurchase more than a de minimis number of shares of Common Stock or other equity securities of Maker, or (d) make any distribution or declare or pay any dividends (in cash or other property, other than common stock) on, or purchase, acquire, redeem, or retire any of Maker's capital stock, of any class, whether now or hereafter outstanding. "Change of Control Transaction" means the occurrence of any of: (i) 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 Securities Exchange Act of 1934, as amended) of effective control (whether through legal or beneficial ownership of capital stock of Maker, by contract or otherwise) of in excess of 50% of the voting securities of Maker, (ii) a replacement at one time or over time of more than one-half of the members of Maker's board of directors which is not approved by a majority of those individuals who are members of the board of directors on the date hereof (or by those individuals who are serving as members of the board of directors on any date whose nomination to the board of directors was approved by a majority of the members of the board of directors who are members on the date hereof), (iii) the merger of Maker with or into another entity that is not wholly-owned by Maker, consolidation or sale of 50% or more of the assets of Maker in one or a series of related transactions, or (iv) the execution by Maker of an agreement to which Maker is a party or by which it is bound, providing for any of the events set forth above in (i), (ii) or (iii).

4. Remedies.

Upon the occurrence of any Event of Default, the Payee may, without notice or demand to the Maker, exercise any or all of the following remedies:

(a) Declare the full principal amount of this Note, together with all accrued interest thereon, at the Payee's election, to be immediately due and payable in cash. Commencing 5 days after the occurrence of any Event of Default that results in the acceleration of this Note, the interest rate on this Note shall accrue at the rate of 18% per annum, or such lower maximum amount of interest permitted to be charged under applicable law. The Payee need not provide and Maker hereby waives any presentment, demand, protest or other notice of any kind, and the Payee may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such declaration may be rescinded and annulled by Payee at any time prior to payment hereunder. No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon; or

(b) Proceed to enforce such other and additional rights and remedies the Payee may have hereunder or as may be provided by applicable law.

5. Automatic Exchange of Principal and Interest upon Qualified Financing. Concurrently with completion of a financing transaction contemplated by that certain term sheet of the Maker, dated as of July 30, 2020 (attached hereto as Annex A), in which at least \$12,000,000 in securities are subscribed for (the "Qualified Financing"), the outstanding principal amount of this Note together with all accrued and unpaid interest hereunder shall be exchanged into such securities as are issued in the Qualified Financing (the "Automatic Exchange"). Upon the Automatic Exchange, the Payee shall be deemed a Purchaser (as such term is defined in the Share Purchase Agreement of such Qualified Financing) in the Qualified Financing.

6. Most Favored Nations. In the event the Automatic Exchange pursuant to Section 5 above has not occurred, the Payee shall have the right, in its sole discretion, to convert the principal balance of this Note (including the original issue discount), in whole or in part, into securities of the Maker (or its successor or parent) (a "Conversion") being issued in any private or public offering of equity securities of the Maker (or its successor or parent) (an "Offering") announced while this Note is outstanding, upon the terms and conditions of the Offering, at a rate equal to, for each \$1 of principal amount of this Note surrendered, \$1 of new consideration offered for such securities. At the Payee's sole option, to the extent that such Offering is not consummated at least two (2) business days prior to the Maturity Date, the Payee shall be entitled to revoke its Conversion election and, upon such revocation, all outstanding amounts owing under this Note shall be due and payable on the Maturity Date in accordance with the terms of this Note.

7. No Waiver of Payee's Rights. All payments of principal and interest shall be made without setoff, deduction or counterclaim. No delay or failure on the part of the Payee in exercising any of its options, powers or rights, nor any partial or single exercise of its options, powers or rights shall constitute a waiver thereof or of any other option, power or right, and no waiver on the part of the Payee of any of its options, powers or rights shall constitute a waiver of any other option, power or right. Maker hereby waives presentment of payment, protest, and all notices or demands in connection with the delivery, acceptance, performance, default or endorsement of this Note. Acceptance by the Payee of less than the full amount due and payable hereunder shall in no way limit the right of the Payee to require full payment of all sums due and payable hereunder in accordance with the terms hereof.

8. Modifications. No term or provision contained herein may be modified, amended or waived except by written agreement or consent signed by the party to be bound thereby.

9. Cumulative Rights and Remedies; Usury. The rights and remedies of Payee expressed herein are cumulative and not exclusive of any rights and remedies otherwise available under this Note, the Security Agreements, or applicable law (including at equity). The election of Payee to avail itself of any one or more remedies shall not be a bar to any other available remedies, which Maker agrees Payee may take from time to time. If it shall be found that any interest due hereunder shall violate applicable laws governing usury, the applicable rate of interest due hereunder shall be reduced to the maximum permitted rate of interest under such law.

10. Use of Proceeds. Maker shall use the proceeds from this Note hereunder for working capital purposes and not for the satisfaction of any portion of Maker's or Subsidiary's debt (other than payment of trade payables in the ordinary course of Maker's business and prior practices), to redeem any of Maker's equity or equity-equivalent securities or to settle any outstanding litigation.

11. Collection Expenses. Maker shall reimburse Payee for all reasonable out-of-pocket costs and expenses, including reasonable attorneys' fees, incurred by the Payee in the collection of the indebtedness evidenced by this Note, in enforcing any of the rights, powers, remedies and privileges of the Payee hereunder, or in connection with any further negotiations, modifications, releases, or otherwise incurred by the Payee in connection with this Note. As used in this Note, the term "attorneys' fees" shall mean reasonable charges and expenses for legal services rendered to or on behalf of the Payee in connection with the collection of the indebtedness evidenced by this Note at any time whether prior to the commencement of judicial proceedings and/or thereafter.

12. Severability. If any provision of this Note is declared by a court of competent jurisdiction to be in any way invalid, illegal or unenforceable, the balance of this Note shall remain in effect, and if any provision is inapplicable to any person or circumstance, it shall nevertheless remain applicable to all other persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder shall violate applicable laws governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum permitted rate of interest.

13. Successors and Assigns. This Note shall be binding upon Maker and its successors and shall inure to the benefit of the Payee and its successors and assigns, provided, however, that the Maker shall not assign any of its rights or obligations hereunder without the prior written consent of the Payee. Assignment of all or any portion of this Note in violation of this Section 13 shall be null and void. The term "Payee" as used herein, shall also include any endorsee, assignee or other holder of this Note.

14. Lost or Stolen Promissory Note. If this Note is lost, stolen, mutilated or otherwise destroyed, Maker shall execute and deliver to the Payee a new promissory note containing the same terms, and in the same form, as this Note. In such event, Maker may require the Payee to deliver to Maker an affidavit of lost instrument and customary indemnity in respect thereof as a condition to the delivery of any such new promissory note.

15. Due Authorization. This Note has been duly authorized, executed and delivered by Maker and is the legal obligation of Maker, enforceable against Maker in accordance with its terms. No consent of any other party and no consent, license, approval or authorization of, or registration or declaration with, any governmental authority, bureau or agency is required in connection with the execution, delivery or performance by the Maker, or the validity or enforceability of this Note other than such as have been met or obtained. The execution, delivery and performance of this Note and all other agreements and instruments executed and delivered or to be executed and delivered pursuant hereto or thereto or the securities issuable upon conversion of this will not violate any provision of any existing law or regulation or any order or decree of any court, regulatory body or administrative agency or the certificate of incorporation or by-laws of the Maker or any mortgage, indenture, contract or other agreement to which the Maker is a party or by which the Maker or any property or assets of the Maker may be bound.

16. Construction. The parties agree that each of them and/or their respective counsel has reviewed and had an opportunity to revise this Note and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the terms hereof or any amendments hereto.

17. Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Note shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each of Maker and Payee agree that all legal proceedings concerning the interpretations, enforcement and defense of this Note shall be commenced in the state and federal courts sitting in the City of New York, Borough of Manhattan (the "New York Courts"). Each of Maker and Payee hereby irrevocably submit to the exclusive jurisdiction of the New York Courts for the adjudication of any dispute hereunder (including with respect to the enforcement of this Note), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper. Each of Maker and Payee hereby irrevocably waive personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to the other at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each of Maker and Payee hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Note or the transactions contemplated hereby.

18. Notice. Any and all notices or other communications or deliveries to be provided by the Payee hereunder, including, without limitation, any conversion notice, shall be in writing and delivered personally, by facsimile, sent by a nationally recognized overnight courier service or sent by certified or registered mail, postage prepaid, addressed to the Maker, at its address above, or such other address or facsimile number as the Maker may specify for such purposes by notice to the Payee delivered in accordance with this paragraph. Any and all notices or other communications or deliveries to be provided by the Maker hereunder shall be in writing and delivered personally, by facsimile, sent by a nationally recognized overnight courier service or sent by certified or registered mail, postage prepaid, addressed to each Payee at the address of such Payee appearing on the books of the Maker, or if no such address appears, at the principal place of business of the Payee. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission if delivered by hand or by telecopy that has been confirmed as received by 5:00 P.M. on a business day, (ii) one business day after being sent by nationally recognized overnight courier or received by telecopy after 5:00 P.M. on any day, or (iii) five business days after being sent by certified or registered mail, postage and charges prepaid, return receipt requested.

The undersigned signs this Note as a maker and not as a surety or guarantor or in any other capacity.

ICONIC BRANDS, INC.

By: _____
Name:
Title:

Annex A
Term Sheet

See attached.