

CO-PACKING AGREEMENT

Effective Date: July 28, 2021

Vancouver, British Columbia, Canada

This Co-Packing Agreement (“**Agreement**”) is made as of the Effective Date by and between the following Parties:

Service Provider: BevCanna Enterprises Inc. (“Service Provider”)
Address: 6401 Sidley Mountain Rd.
Bridesville, BC V0H 1B0
Tel: [redacted]
E-mail: [redacted]
Authorized Officer: Melise Panetta, President

Client: The BC Bud Co.
Address: redacted: personal address]
Tel: [redacted]
E-mail: [redacted]
Authorized Officer: Josh Taylor, Director

WHEREAS:

- A. Service Provider is in the business of developing, infusing, packaging, and distributing beverage products infused with Cannabis;
- B. Client is in the business of branding and marketing such products; and,
- C. The Parties seek an arrangement whereby Client may purchase from Service Provider services provided with quality and compliance aspects of the arrangement addressed in the Quality Agreement between Service Provider and Client executed as of the date of this Agreement (“**Quality Agreement**”).

NOW THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. GENERAL OBLIGATIONS OF THE PARTIES

- 1.1 **Purchase and Sale of Service.** Client shall buy, and Service Provider shall sell, in quantities set forth pursuant to purchase orders submitted by Client from time-to-time, the co-packing service for Products as identified on Exhibit A attached hereto (which may be amended by mutual consent of the Parties from time-to-time, listing the “**Products**” covered by this Agreement). This Agreement shall be considered a ‘requirements’ contract imposing no obligation on Client to purchase any specific quantities of Products, except as set out herein, but requiring Client to obtain such Services from Service Provider as provided herein. All Products shall be processed and manufactured at the Service Provider facility located at 1450 Sidley Camp McKinny Road, Bridesville, British Columbia, or such affiliated facility as Service Provider may be licensed to use for such manufacturing.

1.2 **Licensing and Independent Contractor Status.**

- (a) **Licensing.** Each Party shall obtain and maintain all licenses and permits required to fulfill its respective obligations under this Agreement at all times. Each Party shall notify the other Party promptly if such Party fails to maintain any required license or permit.
- (b) **Independent Contractor.** The sole relationship of the Parties hereunder shall be that of independent contractors. Neither Party shall have the authority to assume or create any obligation or responsibility on behalf of the other Party.

1.3 **Minimum Purchase, Additions to Product List, and Product Specification.**

- (a) **Minimum Purchase.** Client agrees to purchase Services from the Service Provider of at least 120,000 beverage units of Products during the twelve months following a successful pilot production, as determined by the Client acting reasonably, by the Service Provider ("Annual MOQ").
- (b) **Additions to Product List.** If Client develops or wishes to market new SKUs associated with different beverage based products not reflected on Exhibit A that it wishes to introduce, Client will give Service Provider the right of first opportunity to manufacture such new SKUs. If Service Provider agrees to add such products to Exhibit A, orders of such products shall be included in the calculation of the Annual MOQ provided that the product format is the same as the initial Products

1.4 **Grant of License to Use Intellectual Property.** Client hereby grants to Service Provider a non-exclusive, revocable, limited license to use all applicable trademarks (set out in Exhibit A) (the "Trademarks"), patents, Specifications (as defined in the Quality Agreement), formulas and confidential information related to the Products (collectively the "Intellectual Property") in connection with manufacturing, packaging, and distributing of the Products. In the event of any regulatory or proprietary change invalidating Client's right to use such Intellectual Property for any Product, Client shall solely bear the costs incurred by Service Provider in discontinuing use of such Intellectual Property. At the termination of this Agreement, Service Provider shall immediately return Client's Intellectual Property to Client and cease all use of the Client's Trademarks.

1.5 **Orders.** Client's purchase of Services hereunder shall be made pursuant to purchase orders, the blank form of which is attached hereto as Exhibit C (a "**Purchase Order**"). Client shall submit Purchase Orders to Service Provider pursuant to such procedures as may be mutually and reasonably agreed upon in writing by the parties. Purchase Orders shall specify Products listed on Exhibit A with specificity as to quantity, delivery date, and any other details required by Service Provider. The following shall apply to all Purchase Orders:

In submitting a Purchase Order, Client must give Service Provider minimum lead time of at least thirty (30) days from Service Provider's receipt of the Purchase Order, or the Deposit as noted in 1.5(c) below, whichever occurs later ("**Minimum Lead Time**"). Purchase Orders shall not be binding on Service Provider until Service Provider accepts such orders in writing, and acceptance or rejection of a Service Order will be provided to Client within five (5) business days from Service Provider's receipt of the Purchase Order or the Deposit. Notwithstanding the previous sentences, the Service Provider and the Client agree to conduct R&D Activities such as: formula & materials

production validation at the facility, samples production for 3rd party Health Canada accredited stability testing, in respect of the Client's first SKU and, subject to such R&D Activities being successful, as determined by the Client, acting reasonably, to enter into first production runs as soon as commercially reasonable following execution of this Agreement.

- (a) The minimum quantity of total Product ordered with respect to any one Product in any one Purchase Order shall be stated on Exhibit A.
- (b) A deposit of fifty (50%) of the Purchase Order total price shall accompany each Purchase Order (the "**Deposit**").
- (c) In the event of cancellation of a Purchase Order, Client shall purchase all Products already manufactured, and Client shall purchase all ingredients, materials, or packaging already acquired by Service Provider for said Purchase Order. In addition, Client shall pay a cancellation fee of 50% of the original Purchase Order total, and any warehousing fees incurred by Service Provider.
- (d) In the event of a proposed modification of a Purchase Order, Service Provider will use commercially reasonable efforts to implement requested changes, with Client making any additional Deposits that may be required. Service Provider shall promptly notify Client if the changes can be accommodated, and if not, Client may agree to continue to with the original Purchase Order or may cancel the Purchase Order and the cancellation process set forth above shall be followed.

1.6 **Rolling Forecasts.** To aid Service Provider's production planning, Client shall submit to Service Provider monthly, by the tenth of each month, a rolling forecast of Product requirements for the following ninety (90) day period. Such forecast shall be non-binding, but made in good faith.

1.7 **Delivery and Shipment.**

- (a) Service Provider shall arrange for delivery and shipment to licensed recipients and pass through to Client the costs of all freight relating to shipments, including any warehousing, pallet costs, taxes or duties.
- (b) All recipients of shipments shall be licensed to receive the Products under Applicable Law. Service Provider shall not be required to release the order(s) for shipment to Client or to any of Client's third- party designees/successors in interest without reasonable proof that the receiving party is duly licensed under Applicable Law to distribute and/or possess with intent to sell the said products as may be amended from time to time.

1.8 **Warehousing and Extra Handling.** Service Provider will make every reasonable effort to warehouse finished product to meet client needs, however the commitment is to warehouse finished Products without charge for up to 24 hours post QA release. Client shall pay all charges related to warehousing of finished products at a licensed facility including transportation to and from. If Client requests extra handling (for example, stuffing literature, attaching coupons, applying stickers, or assembling special boxes or displays), Client shall pay pre-approved additional labor and processing charges for performing such tasks. Such handling charges will be invoiced to Client with a description of the work performed and the amount of time spent.

1.9 **Product Dating and Disposition of Goods.** All Products manufactured by Service Provider shall contain a dating system or format. Should Client require an Ambient and/or Accelerated Stability Testing for Expiry Dating, Service Provider will perform or cause to be performed such testing, and Client shall pay for the additional expense of such Expiry Dating services. Expiry Dating is not included as a standard service of this Agreement and requires a separate rider/quote. In as much as Applicable Law requires destruction of Cannabis Products by its Expiry Date, the Service Provider may, for unshipped or otherwise undelivered Products ordered by Client within two weeks of their Expiry Date, take commercially reasonable actions to sell or otherwise monetize such Products, with proceeds from such actions being credited toward Client's purchase price. In the event that the product cannot be sold, it shall be destroyed at the Client's sole cost.

2. PAYMENT

2.1 After the Deposit and the Additional Deposit are paid as provided above, Client shall thereafter pay the remaining balance to Service Provider upon completion of production. In addition, shipping, freight, pallet, warehousing, storage, transportation, fulfillment, handling, overtime, or other charges incurred by Service Provider; Service Provider shall invoice Client and Client shall pay these additional charges within thirty (30) days. Client shall not take any deductions or set-offs from invoices unless specifically authorized to do so in writing by Service Provider. Any undisputed amounts remaining unpaid beyond the applicable due date shall be deemed delinquent and will incur interest charges of two percent (2%) per month, or the legally permitted maximum rate if less than 2% per month.

2.2 **Remittances due to Client.** Service Provider shall pay a remittance fee to Client, which is agreed upon wholesale price of each respective provincial distributor(s), less the sum of all costs and applicable taxes, outlined in the Service Purchase Order, including all fees retained by the Sales Partner and Service Provider ("**Remittance Fee**").

2.3 **Process** The Remittance Fee referenced in section 2.2 will be remitted to Client within five (5) business days of receipt of payment from the Sales Partner. The Client shall bear the costs of any reduced price items or returned items from the provincial distribution boards, and/or retailers in the case of Saskatchewan, meaning that any price reductions implemented by provincial boards/retailers and fees paid to provincial boards/retailers for returned Products will be deducted from the Remittance Fees paid to the Client.

2.4 **Retention Fund.** In order to provide security to Service Provider with respect to returns of Products from provincial boards/retailers and price reductions from provincial boards/retailers, Client agrees that Service Provider shall retain \$20,000 prior to paying the first Remittance Fee to be paid to Client ("**Retention Fund**"). If there is price reduction or Product return or any other amounts owing to Service Provider, Service Provider shall be entitled to deduct any such funds owing to the Service Provider from the Retention Fund or to deduct any such funds from the next Remittance Fee owing to the Client. If the Retention Fund goes below \$20,000 within 5 business days of any request from Service Provider, Client shall replenish the Retention Fund as required to ensure that fund contains \$20,000 failing which Service Provider is not required to make any further payments of Remittance Fees to Client.

2.5 **Currency.** All payments made by the Parties to each other under this Agreement shall be made in Canadian Dollars in immediately available and freely transferable funds by means of electronic transfer to the account designated by the recipient Party.

2.6 **Taxes.** The costs and fees in this Agreement are exclusive of all applicable taxes. Each Party will be responsible for the payment of and will pay any applicable taxes, duties and levied on that Party from time to time in relation to this Agreement, provided that for greater certainty, no Party shall be responsible for any taxes on the other Party's income. Each Party will charge, collect and timely remit all taxes that it is required to collect and remit under applicable law in connection with this Agreement.

2.7

3. SERVICE PROVIDER'S WARRANTIES AND DISCLAIMER

3.1 Representations and warranties of Service Provider regarding Product quality are contained in the Quality Agreement. Notwithstanding the foregoing, each of Service Provider's representations and warranties in the Quality Agreement shall exclude any and all Product conditions, qualities and/or characteristics to the extent arising out of or relating to any breach of Client's representations or warranties set forth in this Agreement.

3.2 EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THIS AGREEMENT OR THE QUALITY AGREEMENT, NEITHER SERVICE PROVIDER NOR ANY OF ITS DIRECT OR INDIRECT SUBSIDIARIES OR AFFILIATES MAKE ANY, AND HEREBY DISCLAIMS ALL, OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTY OF FITNESS FOR ANY PURPOSE.

4. CLIENT'S WARRANTIES

- (a) The manufacturing of the Products and the use of the Specifications will not infringe the intellectual property rights of any person.
- (b) Client has conducted and is conducting and will conduct its business in compliance in all material respects with Applicable Law.
- (c) Client holds all required licenses, permits, registrations, and qualifications (the "**Permits**") in all jurisdictions in which it carries on its business which are necessary or desirable to carry on its business, as now conducted and as presently proposed to be conducted.
- (d) All such Permits are valid and existing in good standing.
- (e) Client is not aware of any legislation, regulation, rule, or lawful requirements presently in force or proposed to be brought into force which would have a materially adverse effect on Client and/or its business.
- (f) Client anticipates the ability to renew all of its existing Permits or any other required Permits.

- (g) No consent, approval, authorization or order of, or filing with, or submission to, any governmental or regulatory authority are required to be obtained or made by Client in connection with the execution and delivery of this Agreement.

5. INDEMNIFICATION AND LIMITATION OF LIABILITY

- 5.1 Client shall indemnify, defend, and hold Service Provider and its parent companies and each of its subsidiaries and affiliates, and each of their respective officers, directors, employees, agents, representatives and shareholders, predecessors and successors, harmless, from and against any and all costs, expenses, damages, or losses, to the extent arising out of or relating to: (i) any breach by Client of its representations, warranties, covenants, or obligations set forth in this Agreement; (ii) the handling of Products after title to such Products has passed to Client pursuant to the terms of this Agreement; (iv) the distribution, sale, advertisement, storage, or transportation of Products after the time that title to such Products has passed to Client, including any product liability claims involving the Products; (v) any labeling (including but not limited to any claims of infringement relating thereto); and (vi) any failure of Client to comply with applicable laws in connection with the Products. Such indemnification obligations shall survive the expiration or termination of this Agreement for any reason. Nothing in this indemnification shall attach to any amount reimbursable by insurance, and shall not act to the detriment of any applicable insurance coverage.
- 5.2 Service Provider shall indemnify, defend, and hold Client and its parent companies and each of its subsidiaries and affiliates, and each of their respective officers, directors, employees, agents, representatives and shareholders, predecessors and successors, harmless, from and against any and all costs, expenses, damages, or losses, to the extent arising out of or relating to: (i) any breach by Service Provider of its representations, warranties, covenants, or obligations set forth in this Agreement; any failure of Service Provider to comply with applicable laws in connection with the Products. Such indemnification obligations shall survive the expiration or termination of this Agreement for any reason. Nothing in this indemnification shall attach to any amount reimbursable by insurance, and shall not act to the detriment of any applicable insurance coverage.
- 5.3 IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES OR DAMAGES FOR PURE ECONOMIC LOSS SUFFERED OR INCURRED BY EITHER PARTY OR ANY THIRD PARTY, HOWSOEVER ARISING, INCLUDING DAMAGES FOR LOST SALES, LOST REVENUES, LOST PROFITS, LOSS OF GOODWILL OR FAILURE TO REALIZE ANTICIPATED SAVINGS, HOWSOEVER CAUSED OR ARISING IN RESPECT OF THIS AGREEMENT, THE PRODUCTS OR ANY RELATIONSHIP ARISING FROM THIS AGREEMENT, WHETHER OR NOT THE PARTY HAS BEEN ADVISED OF THE LIKELIHOOD OF SUCH DAMAGES.
- 5.4 The cumulative aggregate liability of the Service Provider to the Client for all claims relating to the Products or otherwise in respect of this Agreement or any transactions contemplated by this Agreement, shall in no event exceed the lesser of: (i) the total proven direct damages actually suffered by the Client which the Service Provider is liable for hereunder; or (ii) a maximum of \$3,000,000.00 (Can. Funds). This limitation on liability applies regardless of the cause of action, including contract (including fundamental breach), tort (including negligence), product liability, strict liability, infringement of intellectual property rights or other claims against the Client.

6. CONTRACT DURATION

- 6.1 This Agreement shall commence on the Effective Date for an initial term of 12 months (the “**Initial Term**”); following the successful delivery of first production run to the provinces. The Agreement shall not automatically renew for an additional 1-year period unless either Party provides notice of its intention to renew the Agreement at least ninety (90) days prior to the expiration of the Initial Term. The Initial Term and all extensions, if any, shall constitute the “**Term**” of this Agreement, subject to earlier termination as provided herein. Upon expiration of the Term, the parties shall comply with the termination procedures set forth elsewhere in this Agreement.

7. TERMINATION AND FAILURE TO MEET ANNUAL MOQ

- 7.1 Either Party may terminate this Agreement for breach of any representation, obligation or covenant by the other Party. In the event of such breach, the non-breaching Party shall deliver to the breaching Party notice of such alleged breach. Failure of the breaching Party to cure the breach within thirty (30) days shall allow the non-breaching Party to terminate the Agreement immediately.
- 7.2 If Client terminates for any other reason (other than as set out in Section 7.1) or fails to meet the Annual MOQ in the twelve months following a successful pilot production by the Service Provider, then Client shall make payment of a termination fee to Service Provider equal to the unpaid balance against the MOQ at the rate of \$0.915 per unit, which termination fee shall be deducted from the Retention Fund with any excess amounts remaining in the Retention Fund to then be returned to the Client. If the fee exceeds the amount in the retention fund, the client will pay the difference. [This method of payment is subject to there being no other reason to retain the Retention Fund such as product in market.](#) Client acknowledges that this termination fee is a reasonable pre-estimate of the damages suffered by Service Provider for Client’s failure to purchase the Annual MOQ, as the discounted per unit price is provided by Service Provider based on Client purchasing the Annual MOQ.

8. POST-TERMINATION

- 8.1 Upon termination or expiration of the Agreement: (i) with respect to Products in production, Client shall pay for such Products as promptly as practicable and Service Provider shall provide such Products in accordance with the production schedule set forth in the applicable Purchase Order; (ii) all unfilled orders placed by Client that are not already in production shall be deemed canceled and the Purchase Order cancellation procedures and payments shall be followed; and (iii) Client and Service Provider shall adjust all outstanding accounts, and Client shall immediately pay to Service Provider any remaining balances due.

9. INSURANCE

- 9.1 Each of Client and Service Provider shall maintain, at their sole respective cost and expense, general comprehensive liability insurance of no less than \$1 million per incident, and shall ensure that all premiums are paid and are current and in good standing.

10. NON-DISCLOSURE/NON-CIRCUMVENT/NON-COMPETE

- 10.1 The Parties acknowledge that during the Term of this Agreement, each Party may disclose to the other certain information which said Party considers confidential, or a trade secret or otherwise proprietary, information concerning manufacturing and processing methods (including, for Service Provider, its proprietary infusion technology), Intellectual Property (other than Trademarks), business and technology plans, distribution strategies, sales, formulas, recipes, costs, pricing, marketing, customers, suppliers, and research and development (collectively, “**Confidential Information**”). For purposes hereof, information that is: (i) already in the possession of the receiving Party prior to receipt from the disclosing Party as evidenced by pre-existing documentation, without an obligation to keep such information confidential; (ii) within the public domain prior to receipt from the disclosing Party or hereafter enters the public domain through no fault, no action, or failure to act on the part of receiving Party, or (iii) is disclosed to the receiving Party by a third-party lawfully in possession of such information and without a breach of such third party’s contractual, legal, or fiduciary obligations to maintain such confidentiality, shall not be considered Confidential Information. Each receiving Party shall maintain confidential any Confidential Information and shall only use the same to fulfill its obligations under this Agreement; each Party shall require its employees, agents, representatives and officers to comply with this section. This section shall survive termination of this Agreement.
- 10.2 Service Provider shall not independently, nor through its affiliates, officers, directors, employees, agents, and representatives make any attempt to reverse engineer any formula or product base of the Client. Client shall not interfere with any other business relationship of Service Provider.
- 10.3 Without limitation, a Party shall be deemed to circumvent the Agreement and be in breach thereof if such Party:
- (a) interferes with the business relationships established by the other Party or bypasses the other Party in its dealings with any of the other Party’s clients or business associates and/or their respective representatives who are not otherwise clients or business associates of such Party; or
 - (b) bypasses the other Party in any way by dealing with persons or entities referred to in (a) above for the purpose of carrying out any transaction or entering into a business relationship similar to the transactions or business relationship contemplated in this Agreement.

11. ENTIRE AGREEMENT, MODIFICATION

- 11.1 This Agreement and the Quality Agreement contain the entire agreement and understanding of the Parties with respect to the supply of Products to Client by Service Provider , and there are no other promises or conditions in any other agreement whether oral or written which form a part of the relationship of the Parties hereto. This Agreement supersedes any prior written or oral agreements between the Parties. This Agreement may be modified or amended if the amendment is made in writing and is signed by both Parties. In the event of any conflicts or inconsistencies between this Agreement and the Quality Agreement, the Quality Agreement shall prevail with respect to any quality and compliance provisions.

12. CAPTIONS

- 12.1 Titles or captions herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this Agreement or any provision hereof. Whenever required by the context hereof, a singular shall be deemed to include plural; and the plural shall be deemed to include the singular and the masculine, feminine and neuter genders shall each be deemed to include the other.

13. GOVERNING LAW AND ARBITRATION

- 13.1 This Agreement shall be made and construed in accordance with the domestic laws of the Province of British Columbia and the laws of Canada applicable therein, excluding its conflict of laws rules. The provisions of the United Nations Convention on Contracts for International Sale of Goods (1980) and any successor or similar legislation shall be excluded from this Agreement and from any purchase and sale of the Products hereunder. Subject to the provisions set out in Section 13.2 herein, in the event of any dispute or other proceeding in respect of the Products, this Agreement or any relationship arising between the parties under this Agreement, the parties hereby irrevocably submit to the exclusive jurisdiction of the Courts of the Province of British Columbia.

- 13.2 In the event of a dispute arising under this Agreement, the Parties agree to the following:

- (a) Dispute Resolution. In the event that any disagreement, dispute or claim arises among the Parties hereto with respect to the enforcement or interpretation of this Agreement or any specific terms and provisions hereof or with respect to whether an alleged breach or default hereof has or has not occurred (collectively, a “**Dispute**”), such Dispute shall be settled in accordance with the following procedures:
- (i) Meet and Confer. In the event of a Dispute among the Parties hereto, a Party may give written notice to all other Parties setting forth the nature of such Dispute (the “**Dispute Notice**”). The Parties shall meet and confer to discuss the Dispute in good faith within ten (10) days following the other Parties’ receipt of the Dispute Notice in an attempt to resolve the Dispute. All representatives shall meet at such date(s) and time(s) as are mutually convenient to the representatives of each participant within the “Meet and Confer Period” (as defined herein below).
- (ii) Arbitration. All disputes arising out of or in connection with this Agreement, or in respect of any defined legal relationship associated therewith or derived therefrom, shall be referred to and finally resolved by arbitration under the Commercial Arbitration Rules of Procedure of the British Columbia International Commercial Arbitration Centre. The panel shall consist of one arbitrator and the appointing authority shall be the British Columbia International Commercial Arbitration Centre. The case shall be administered by the British Columbia International Commercial Arbitration Centre in accordance with its rules. The language of the arbitration shall be English. The place of arbitration shall be Vancouver, British Columbia, Canada. The decision of the arbitrator shall be binding upon both parties and no appeal shall lie therefrom. Notwithstanding the above arbitration provision, nothing herein shall preclude either party from

applying to a Court of competent jurisdiction for an order enjoining any activity by the other party pending the hearing of the arbitration.

14. FORCE MAJEURE

14.1 Performance of material obligations hereunder are excused in the event of any occurrence or contingency involving, but not limited to, acts of God, acts of war, fire, insurrection, proclamations of law, edicts, ordinances or regulations, strikes, lock-outs or other serious labor disputes, riots, earthquakes, floods, explosions or other acts of nature. The obligations and rights of the Party so excused shall be extended on a day-to-day basis for the time period equal to the period of such excusable interruption. When such events have abated, the Parties' respective obligations hereunder shall resume. In the event the interruption of the excused Party's obligations continues for a period in excess of thirty (30) days, either Party shall have the right to terminate this Agreement upon ten (10) days' prior written notice to the other Party, consistent with provisions set forth elsewhere in this Agreement. In the event of a prosecution of either Party as a result of activities conducted under this Agreement, all obligations under this Agreement are excused and each Party shall bare its own costs therefrom.

15. NOTICES

15.1 All notices, requests or demands and other communications from either Party to the other Party shall be sufficient and shall be deemed given, made or served, if given at the address set forth in the preamble above, or at any other address as either Party may later designate by written notice pursuant to this Section, (i) on personal delivery by courier (including nationally or regionally recognized overnight courier service), (ii) seventy-two (72) hours after deposit if sent by certified mail, postage prepaid, return receipt requested, to the other Party, and (iii) by electronic mail upon confirmation of such other Party's receipt thereof.

16. BINDING EFFECT

16.1 This Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted assigns or successors in interest.

17. NO THIRD-PARTY BENEFICIARY.

17.1 None of the provisions herein contained are intended by the Parties, nor shall they be deemed, to confer any benefit on any person not a Party to this Agreement.

18. ASSIGNMENT

18.1 This Agreement may not be assigned by either Party without the prior written consent by the other Party; provided, however, that Service Provider may assign this Agreement to a wholly owned subsidiary or a purchaser of all or substantially all of its assets, by written notice only to Client.

19. SEVERABILITY

19.1 If any portion of this Agreement shall be, for any reason, held invalid or unenforceable, the remaining portions shall nevertheless be valid, enforceable and carried into effect, unless to do so would clearly violate the present legal and valid intention of the Parties.

20. NO WAIVER

20.1 No failure to exercise and no delay in exercising, on the part of either Party, any right, power or remedy available hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or remedy available hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy, except as otherwise provided herein. Except as otherwise expressly provided in this Agreement, no waiver will be effective unless it is in a writing signed by the waiving Party. The rights provided are cumulative and not exclusive of any rights provided by law except as otherwise provided herein.

IN WITNESS WHEREOF, the Parties agree to the foregoing terms of agreement through the execution below by their respective, duly authorized representatives as of the Effective Date.

BEVCANNA ENTERPRISES INC.

Per: "Signed"
Name: Melise Panetta
Title: President
Dated: July 28, 2021

The BC Bud Co.

Per: "Signed"
Name: Josh Taylor
Title: Director
Dated: July 28, 2021

EXHIBIT A

Product List, Trademarks and Quote

PRODUCT LIST

INSERT

[insert trademarks]

QUOTE

SALESPERSON	P.O. NUMBER	REQUISITIONER	SHIPPED VIA	F.O.B. POINT	TERMS
LL	NA	Josh Taylor	TBD	TBD	50% down, 50% upon production

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
MOQ 120,000	Formulated beverages: Lot formulation labour, filling/capping labour, CR Cap labor, QA rejects, consumer packaging and labeling labour, 24 pack packaging labour, master casing and labour, palletizing, and excise stamp and labour Misc. Overhead including regulatory: 1 lot release test/sample, 110 retained samples List Price: \$[redacted: commercially sensitive]	<i>redacted: commercially sensitive</i>	
1 SKU	Research & Development: Formula & materials production validation at the facility, samples production for stability testing, nutritional testing, formula validation, SOP development, scaling protocols and SOP List Price: \$[redacted: commercially sensitive]	<i>redacted: commercially sensitive</i>	

Thank you for your business

TOTAL	[redacted]
GST	\$
PST	\$
TOTAL DUE	\$

Notes:

- Excise tax and duty costs not included (calculated on a per unit by province basis)
- Shipping not included.
- Raw materials not included (vessel, CR cap, label, active ingredient, master case, pallets, etc.)
- Lot testing (via licensed certified laboratory agreed upon by both parties) not included.
- Stability and nutritional testing required (lab testing cost not included).
- GST/PST versus HST will depend on destination of shipment.
- Additional R&D required beyond 1 R&D sample production will be quoted on a per project basis.
- Minimum order quantity is 120,000 units or otherwise mutually agreed upon in writing,

NOTES:

1. Quote does not include upfront costs BevCanna will incur including Excise Stamp, Excise Tax and Duty costs (to be calculated on a per unit, by province basis).
2. Quote does not include raw materials (cans, CR caps, cannabis cost, non-active ingredients, labels, master case, pallets) purchasing, shipment and management are at the responsibility of the client.
3. Quote does not include shipping.
4. Quote does not include lot testing costs (via mutually agreed upon HC certified laboratory).
5. Minimum order quantity is 120,000 units per annum, and 40,000 units per LOT.
6. Quote does not include sales partner fee.

EXHIBIT B

Product Specifications

SKU #1: Buds by The BC Bud Co

PRODUCT TYPE:	Cannabis Edibles
PRODUCT DESCRIPTION:	
BRAND PACKAGING DESCRIPTION	Bottle
NNPN ID #	TBD
INGREDIENTS	
THC % RANGE	
CBD % RANGE	
TOTAL THC (MGS)	
CASE PACKED OR BULK PACKED	
UPCOMING AVAILABILITY DATES	
WHOLESALE SELLING PRICE	
UNIT UPC	
CASE UPC	

EXHIBIT C

Purchase Order

To Be Completed and Provided by BevCanna