



November 23, 2020

PRIVATE AND CONFIDENTIAL

Re: Letter of Intent

To Habitat:

Following our recent discussions, we are pleased to provide you with this letter of intent regarding an extraction and processing partnership between The BC Bud Co "Solventless Solutions TM brand" and Habitat. The proposed terms are set out in the attached Schedule A.

If the terms described are acceptable, please so indicate by signing and returning a copy of this on or before December 15, 2020.

"Joshua Taylor"
Josh Taylor
The BC Bud Co

ACCEPTED AND AGREED as of this 12th day of Dec, 2020.

"Rudi Schiebel"

Rudi Schiebel
CEO
Habitat



SCHEDULE "A"

TERMS OF EXTRACTION AND PROCESSING AGREEMENT

Parties	Habitat and The BC Bud Co. ("The BCBC")
Products	<p>The BCBC owns the brand Solventless Solutions (SSL) a line of cannabis concentrate products.</p> <p>Habitat owns the brand Cake & Caviar (CC) a line of cannabis genetics, cannabis flower and cannabis concentrates.</p>

Production Agreement

The BCBC "Solventless Solutions" desires to engage Habitat for an extraction and processing partnership and distribute Cannabis Products in Canada using Habitat services, facilities, and required HC licenses. The first phase of production shall consist of Cannabis concentrate products using Habitat purchased inputs, with a goal of getting to market by February 28, 2020.

Contribution	The BCBC (SSL) will supply all requested branding, packaging and equipment related to SSL and CC concentrate products. Habitat will supply the input materials on an agreed upon cost. Habitat will also supply the facility, licenses, distribution, storage and quality assurance.
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Price	Habitat will supply fresh frozen biomass at \$[redacted: commercially sensitive] CAD a gram fresh frozen (wet) or what is deemed to be fair market value.
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Profits	Profits will be split evenly between Parties, and are calculated as the Gross revenue less the direct input costs such as packaging and inputs, and direct labor costs in the manufacturing and packaging of the Product, and testing and transportation of the Product. Any outside inputs The BCBC processes will include an additional 10% of gross revenue as calculated above.
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Payment	Biomass; Net 60 Profit Share: Net 15 upon received funds
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Ingredients	Habitat will supply no less than 40% of its total biomass in the form of fresh frozen (wet) cannabis inputs at the agreed cost with The BCBC.
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Packaging	The BCBC will supply and source, along with Habitat teams input, all primary and secondary packaging.
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Labels	The BCBC and Habitat will be responsible for all specific packaging and labelling requirements and facilitate obtaining packaging and label approvals.
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if any are required, from the appropriate regulatory authorities.

Testing

Habitat will coordinate with The BCBC all products and Health Canada regulations product testing as required for their branded products; The BCBC will be responsible for outside input processing costs.

Marketing

Habitat shall be responsible for marketing of their brand specific cannabis products

Term

Two years from the date of the first advertisement release tied to the marketing campaign and marketing budget, with one-year automatic renewals for up to 5 years.

IP Rights

The BCBC owns all its SOP and IP rights with respect to their Cannabis Product(s) and their brand(s); Habitat will own IP and branding rights of their inputs/brands.

Confidentiality

This agreement will contain confidentiality provisions as are customary for similar business arrangements.

Regulated Industry

All regulated substances such as THC, CBD, CBG, CBN are handled and transacted only by licensed entities in all contemplated jurisdictions under the guidance of Habitat.

Definitive Agreement

The parties will use commercial best efforts to negotiate and sign this definitive agreement contract within 30 days of this draft.