

MANAGEMENT SERVICES AGREEMENT

THIS MANAGEMENT SERVICES AGREEMENT is made as of the 23rd day of January, 2023 (the “**Effective Date**”),

BY AND B E T W E E N:

THE TINLEY BEVERAGE COMPANY INC., a corporation duly incorporated under the laws of the Province of Ontario on its own behalf and on behalf of each of its Subsidiaries (as defined below) (collectively, the “**Corporation**”)

– and –

BLAZE LIFE HOLDINGS, LLC, a limited liability company duly formed under the laws of the State of California for itself and its subsidiaries (“**BLH**”)

– and –

ILLA CANNA LLC, a California limited liability company duly formed under the laws of the State of California (the “**Licensee**” and, together with BLH, the “**Service Provider**” and, collectively with the Corporation, the “**Parties**” and each, a “**Party**”)

WHEREAS the Corporation is currently in the business of, among other things, manufacturing certain brands of specialty beverages, including liquor-inspired beverages and cannabis-infused beverages, in the State of California (the “**Business**”);

AND WHEREAS the Service Provider is in the business of, among other things, manufacturing cannabis products and providing management services to specialty beverage brands and manufacturers such as the Corporation;

AND WHEREAS the Service Provider desires to provide the Corporation and the Subsidiaries (as hereinafter defined), with the Accounting and Administrative Services (as hereinafter defined);

AND WHEREAS the Corporation and its Subsidiaries, as the case may be, intend to relocate certain assets, including, but not limited to, one Comac brand bottling line owned by the Corporation and one Accutek mini “shot” line which the Corporation has the authority to use in the operation of the Business (collectively, the “**Tinley Relocated Assets**”), subject to receipt of the consent of the owner of the Accutek mini “shot” line to relocate such Tinley Relocated Asset, and such additional bottling and ancillary equipment as may be agreed in writing between the Parties, from such assets’ current location to a state-licenced cannabis manufacturing and distribution facility located at 9035 Canoga Avenue, Canoga Park, California, 91304, USA (the “**Facility**”) to be operated by the Service Provider;

AND WHEREAS the Service Provider desires to provide the Corporation and the Subsidiaries with the BLH Co-Packing Services (as hereinafter defined) at the Facility;

AND WHEREAS the Service Provider desires to provide the Corporation and the Subsidiaries with the Tinley Relocated Assets Services (as hereinafter defined) at the Facility using, among other equipment at the Facility, the Tinley Relocated Assets;

AND WHEREAS in connection with the provision of the Tinley Relocated Assets Services hereunder, the Parties agree to enter into a beverage services license agreement (the “**Tinley Licence Agreement**”) in substantially the same form familiar to the Parties and/or previously executed in similar circumstances, which shall govern any Services (as hereinafter defined) provided with respect to products or brands owned or licensed by the Corporation;

AND WHEREAS the Service Provider desires to provide the Corporation and the Subsidiaries with the Logistics Services (as hereinafter defined) in connection with the transfer of the Tinley Relocated Assets to the Facility;

NOW THEREFORE, this Agreement witnesses that in consideration of the mutual promises contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. INTERPRETATION

1.1 As used in this Agreement, the following terms have the following meanings:

- (a) “**2022 Grid Note**” means the up to \$3.5 million convertible grid note of the Corporation issued to the Service Provider dated June 10, 2022, as amended on the date hereof, and as may be further amended from time to time.
- (b) “**Accounting and Administrative Services Exhibit**” means Exhibit “A” attached hereto (as such exhibit may be amended or supplemented pursuant to the terms of this Agreement).
- (c) “**Accounting and Administrative Services Fee**” has the meaning ascribed thereto in the Accounting and Administrative Services Exhibit.
- (d) “**Accounting and Administrative Services**” means the the accounting and administrative services to be provided by the Service Provider to the Corporation pursuant to the terms of this Agreement.
- (e) “**Agreement**” means this management services agreement entered into between the Corporation and the Service Provided as at the Effective Date, as may be amended or supplemented from time to time.
- (f) “**Applicable Law**” means any and all applicable local, state and federal laws, rules and regulations applicable to the Business, Facility, and Services; including but not limited to, the City of Los Angeles’ municipal code and ordinances, MAUCRSA, and the California Department of Cannabis Control regulations promulgated thereunder, provided, however, that notwithstanding anything to the contrary contained herein, the CSA shall for purposes hereof not constitute an Applicable Law, and a violation of the CSA shall not be deemed to constitute non-compliance with Applicable Law as used herein.
- (g) “**BLH Co-Packing Services**” mean the canning and other forms of cannabis-product co-packing services to be provided by the Service Provider to the Corporation and the Tinley Customers using the assets of the Service Provider pursuant to the terms of this Agreement.
- (h) “**BLH Co-Packing Services Exhibit**” means Exhibit “B” attached hereto (as such exhibit may be amended or supplemented pursuant to the terms of this Agreement).
- (i) “**Business**” has the meaning ascribed thereto in the recitals of this Agreement.

- (j) “**Claim**” means any claim, suit, proceeding, charge, demand, dispute, controversy, or cause of action arising out of or relating to any performance required under this Agreement, or the interpretation, validity or enforceability hereof.
- (k) “**Confidential Information**” means all financial, technical, sales, marketing, development, personnel, and other information, records, or data, including, without limitation, customer lists, supplier lists, trade secrets, designs, product formulations, product specifications or any other proprietary or confidential information, however recorded or preserved, whether written or oral.
- (l) “**Corporation**” has the meaning ascribed thereto in the recitals of this Agreement.
- (m) “**Corporation Cause**” means:
 - (i) a bankruptcy, receivership or liquidation order having been issued against the Corporation;
 - (ii) the Corporation making an assignment for the benefit of our creditors or commit any act of bankruptcy within the meaning of any applicable bankruptcy or insolvency law; or
 - (iii) the Corporation committing a breach or default under this Agreement and the same is not cured within 30 days of the Corporation receiving notice thereof, subject to waiver by the Service Provider.
- (n) “**Corporation Indemnified Parties**” means the Corporation and its affiliates and their respective Representatives.
- (o) “**CSA**” means 21 U.S.C. § 811, et seq. and all regulations promulgated thereunder.
- (p) “**DCC**” means the Department of Cannabis Control.
- (q) “**Disclosing Party**” has the meaning ascribed thereto in Section 16(a).
- (r) “**Effective Date**” has the meaning ascribed thereto on the first page of this Agreement.
- (s) “**Facility**” has the meaning ascribed thereto in the recitals of this Agreement.
- (t) “**Fee Set-Off**” has the meaning ascribed thereto in Section 8(c).
- (u) “**Governmental Authority**” means any government, parliament, legislature, or any regulatory authority, agency, commission or board of any government, parliament or legislature, or any court or (without limitation to the foregoing) any other law, regulation or rule-making entity (including, without limitation, central bank, fiscal or monetary authority or authority regulating banks), having jurisdiction in the relevant circumstances.
- (v) “**Governmental Order**” means an order, demand or other applicable request for information from a Governmental Authority with jurisdiction over either of the Parties.
- (w) “**Lease**” means that certain AIR Standard Industrial/Commercial Single Tenant Lease – Net for the Facility between Lessor and Lessee dated May 3, 2021, as may be amended, modified, transferred, assigned, restated, or replaced, which as of the Effective Date includes the Tinley Required Lease Provision.

- (x) “**Licenses**” means those certain authorizations, certificates, approvals, consents, and licenses issued by a Governmental Authority to the Service Provider which allow the commercial cannabis manufacturing and cannabis-specific services to take place at the Facility, each of which is set forth in Exhibit “D” hereto (as such exhibit may be amended or supplemented pursuant to the terms of this Agreement).
- (y) “**Lessee**” means, in the context of the Lease, the Licensee.
- (z) “**Lessor**” means Burgis Holdings, LLC.
- (aa) “**Licensee**” has the meaning ascribed thereto in the recitals of this Agreement.
- (bb) “**Logistics Services**” means the moving and logistics services related to the relocation and installation of the Tinley Relocated Assets to and at the Facility as set forth the Logistics Services Exhibit.
- (cc) “**Logistics Services Exhibit**” means Exhibit “C” hereto (as such exhibit may be amended or supplemented pursuant to the terms of this Agreement).
- (dd) “**Logistics Services Fees**” means, together:
 - (i) any of the Service Provider’s reasonable out of pocket expenses, including its internal resources, to be charged at the Service Provider’s cost without mark-up, related to the provision of the Logistics Services; and
 - (ii) any payments in respect of Third-Party Logistics Costs in connection with the performance of the Logistics Services; provided, however, that the Service Provider shall seek the written consent of the Corporation for any Third-Party Logistics Costs. The Service Provider acknowledges and agrees that it, and not the Corporation, shall be responsible for the payment of all Third-Party Logistics Costs for which it did not obtain the prior written approval of the Corporation.
- (ee) “**MAUCRSA**” means the California Business and Professions Code §26000, et seq, short titled the Medicinal and Adult-Use Cannabis Regulation and Safety Act.
- (ff) “**Monthly Services Fee**” means USD\$55,000 as payable, and subject to adjustment in accordance with Section 8(a)(iii), which fee shall automatically increase by 3% per annum throughout the term of this Agreement commencing on the first anniversary of the date on which the first Monthly Services Report in which such fee is due is payable under this Agreement.
- (gg) “**Monthly Service Report**” means each monthly services and payment report setting out the fees payable under this Agreement to be prepared and delivered by the Service Provider to the Corporation as set out in Section 9.
- (hh) “**Normal Course Maintenance**” means normal course maintenance and servicing of the Facility, including the Tinley Relocated Assets in a prudent and commercially reasonable manner.
- (ii) “**Notice**” means, collectively, all invoices, notices, requests, consents, claims, demands, waivers, and other communications hereunder.
- (jj) “**Permitted Purpose**” means the purposes of fulfilling its obligations under this Agreement.

- (kk) **“Receiving Party”** has the meaning ascribed thereto in Section 16(a).
- (ll) **“Representatives”** means, collectively, officers, directors, shareholders, legal counsel, agents, accountants and other applicable representatives.
- (mm) **“Security Agreements”** means those certain security agreements entered into between the Corporation, or applicable Subsidiaries, and the Service Provider dated June 10, 2022, which agreements were entered into in connection with the issuance of the 2022 Grid Note.
- (nn) **“Service Persons”** means, collectively, employees, subcontractors, partners or agents, as it deems necessary to perform the Services in question.
- (oo) **“Service Provider”** has the meaning ascribed thereto in the recitals of this Agreement.
- (pp) **“Service Provider Cause”** means:
 - (i) a bankruptcy, receivership or liquidation order having been issued against the Service Provider;
 - (ii) the Service Provider making an assignment for the benefit of creditors or committing any act of bankruptcy within the meaning of any applicable bankruptcy or insolvency law;
 - (iii) the Service Provider assigning this Agreement or its rights or obligations thereunder to any person who is not an affiliate of the Service Provider without the prior written consent of the Corporation;
 - (iv) the Service Provider committing a breach or default under this Agreement and the same is not cured within 30 days of the Service Provider receiving notice thereof, subject to waiver by the Corporation;
 - (v) any failure by the Service Provider to deliver to the Corporation the Monthly Services Report or any other report or statement required to be delivered pursuant to this Agreement and such failure shall remain unremedied for 10 business days, subject to waiver by the Corporation;
 - (vi) any failure by the Service Provider to maintain the Licenses in good standing, valid, and in full force and effect, including failure to actively and diligently pursue requirements for annual licensure and timely renewals, and any failure to satisfy any renewal or ongoing licensure requirements for any of the Licenses;
 - (vii) any disciplinary action by a Governmental Authority with respect to the Licenses which results in revocation of any of the Licenses or suspension any of the Licenses that is longer than 30 calendar days; or
 - (viii) except as otherwise agreed to by the Corporation, the Service Provider, or the Facility’s lessor or owner, placing, allowing, or otherwise causing any encumbrance, lien, or security interest to be placed on the Tinley Relocated Assets at the Facility, and such encumbrance, lien, or security interest is not dissolved or removed within 5 business days, subject to waiver by the Corporation.

- (qq) “**Service Provider Indemnified Parties**” means, collectively, the Service Provider and its affiliates and each of the respective Representatives.
- (rr) “**Services**” means, collectively, the Accounting and Administrative Services, the BLH Co-Packing Services, the Tinley Relocated Assets Services and the Logistics Services.
- (ss) “**Subject Interest**” has the meaning ascribed thereto in Section 10.2(w).
- (tt) “**Subsidiaries**” means, collectively, the Corporation’s wholly-owned subsidiaries, Hemplify Inc., Algonquin Springs Beverages Management LLC and Lakewood Libations Inc.
- (uu) “**Successor Lease**” has the meaning ascribed thereto in Section 10.2(n).
- (vv) “**Third-Party Logistics Costs**” means any payments made to third Parties by the Service Provider in connection with the performance of the Logistics Services.
- (ww) “**Third-Party Services Costs**” means any payments made to third parties by the Service Provider in connection with the performance of maintenance on the Tinley Relocated Assets for which the Service Provider shall seek payment or reimbursement by the Corporation, including, but not limited to, any costs associated with the purchase or procurement of parts or equipment required exclusively for the operation of the Tinley Relocated Assets.
- (xx) “**to the knowledge of**” or similar references, in respect of the Service Provider or Corporation, means to the knowledge of any senior officer, director or member of management of the applicable Party after reasonable investigation and due enquiry;
- (yy) “**Tinley Customers**” means those customers of the Corporation set out in the BLH Co-Packing Services Exhibit, as may be amended or supplemented from time to time pursuant to the terms of this Agreement.
- (zz) “**Tinley License Agreement**” has the meaning ascribed thereto in the recital of this Agreement.
- (aaa) “**Tinley Referral Fees**” means the cash fees payable by the Service Provider to the Corporation as set out in the BLH Co-Packing Services Exhibit.
- (bbb) “**Tinley Relocated Assets**” has the meaning ascribed thereto in the recitals of this Agreement.
- (ccc) “**Tinley Relocated Assets Fees**” means the cash fees payable by the Service Provider to the Corporation in connection with the provision of the Tinley Relocated Assets Services by the Service Provider, which fees shall be equal to 100% of the gross revenue received by the Service Provider, or its affiliates, as consideration for such Tinley Relocated Assets Services, less the Variable Costs.
- (ddd) “**Tinley Relocated Assets Services**” means the co-packing bottling and other services to be provided by the Service Provider to Tinley Customers and its own customers using the Tinley Relocated Assets pursuant to the terms of this Agreement.
- (eee) “**Tinley Required Lease Provision**” means that certain language included in the Lease (as Exhibit “B” thereto) as at the Effective Date, which shall be made part of and included in any Successor Lease, which provision is attached hereto as Exhibit “E.”

- (fff) **“Van Purchase Agreement”** means the vehicle purchase and sale agreement entered into between the Corporation and the Service Provider dated July 26, 2022 relating to the purchase of a 2019 Ford Refitted Transit Van by the Service Provider from the Corporation.
- (ggg) **“Variable Costs”** means the input costs associated with the operation of the Tinley Relocated Assets by the Service Provider, and incurred by the Service Provider, in connection with the provision of the Tinley Relocated Assets Services, as more specifically set out in Exhibit “F” attached hereto.

2. **TINLEY RELOCATED ASSETS**

- (a) The Corporation covenants and agrees to relocate the Tinley Relocated Assets to the Facility as soon as possible, but in any event by no later than May 31, 2023 or such other date as agreed to by the Parties in writing, and hereby grants a licence to the Service Provider to use the Tinley Relocated Assets owned by the Corporation in the performance of the Tinley Relocated Assets Services, and use reasonable commercial efforts to obtain the consent of the owner of the Accutek mini “shot” allowing the Service Provider to use such Tinley Relocated Asset at the Facility, for the term of this Agreement and any extension thereto. For the avoidance of doubt, none of the business, assets or affairs of the Corporation shall constitute Tinley Relocated Assets except those assets specifically identified by this Agreement.
- (b) The Service Provider covenants and agrees to perform Normal Course Maintenance at its sole expense. Any maintenance of the Tinley Relocated Assets that requires servicing from a third-party shall not constitute Normal Course Maintenance for the purpose of this Agreement and the Corporation shall be responsible to pay for all Third-Party Services Costs; provided, however, that the Service Provider shall seek the written consent of the Corporation for any such any Third-Party Service Costs. The Service Provider acknowledges and agrees that it, and not the Corporation, shall be responsible for the payment of all Third-Party Services Costs for which it did not obtain the prior written approval of the Corporation.
- (c) The Service Provider further covenants and agrees that the lease governing the use of the Facility entered into by the Service Provider, or any affiliate thereof, and the owner or landlord of the Facility, including any agreement governing the assignment of the existing lease governing the use of the Facility, expressly acknowledges and confirms that in no event shall the landlord under such lease, for any reason or purpose, place or cause to be placed or perfected, any lien, encumbrance, security interest, or claim on any of the Tinley Relocated Assets and shall have no right to sell, convert, or otherwise dispose of the Tinley Relocated Assets (even upon the occurrence of default or breach under such lease).
- (d) The Parties acknowledge and agree that the Tinley Relocated Assets owned by the Corporation are, and shall continue to be throughout the term of this Agreement, wholly owned by the Corporation or its Subsidiaries. For the avoidance of doubt, the Service Provider covenants and agrees that it will have no ownership interest in any of the Tinley Relocated Assets and shall only have the right to use the Tinley Relocated Assets as specifically provided for in this Agreement, or as otherwise agreed to by the Parties in writing, and the relocation of the Tinley Relocated Assets to the Facility shall not in any way constitute a transfer, sale or any disposition of the Tinley Relocated Assets and shall not be deemed to constitute fixtures of the Facility. Notwithstanding the foregoing, and any other statements or provisions contained in this Agreement, the Parties acknowledge and agree that the Service Provider has an existing security interest in all of the assets of the Corporation and applicable Subsidiaries pursuant to the Security Agreements.

3. MANAGEMENT AND ADMINISTRATIVE SERVICES

- (a) The Service Provider shall provide, or to cause an affiliate to provide, the Accounting and Administrative Services set forth on the Accounting and Administrative Services Exhibit, as may be amended from time to time pursuant to Section 3(b), below, to the Corporation in consideration of the payment of the Accounting and Administrative Services Fee by the Corporation to the Service Provider as set out in Accounting and Administrative Services Exhibit.
- (b) Notwithstanding the contents of the Accounting and Administrative Services Exhibit, the Service Provider agrees to respond in good faith to any reasonable request by the Corporation for any additional accounting and administrative related services that are not currently contemplated in the Accounting and Administrative Services Exhibit, at a price to be agreed upon after good faith negotiations between the Parties. Any such additional services so provided by the Service Provider shall constitute Accounting and Administrative Services under this Agreement and be subject in all respects to the provisions of this Agreement as if fully set forth on the Accounting and Administrative Services Exhibit as of the date hereof.

4. BLH CO-PACKING SERVICES

- (a) The Service Provider shall provide, or cause an affiliate to provide, the BLH Co-Packing Services using its own assets to the Corporation and the Tinley Customers as requested by the Corporation or any Tinley Customer from time to time and the Service Provider shall pay the Tinley Referral Fees to the Corporation in consideration of any fees paid by a Tinley Customer to the Service Provider in connection with the provision of BLH Co-Packing Services. For the avoidance of doubt, the BLH Co-Packing Services are separate and distinct from the Tinley Relocated Assets Services and shall not utilize the Tinley Relocated Assets.
- (b) In the event that the Corporation elects to engage the Service Provider to provide it with BLH Co-Packing Services for the Corporation or Subsidiaries' branded cannabis products, the Service Provider hereby covenants and agrees to perform such services for the Corporation at the lowest cost charged to any other entity being provided with similar or identical BLH Co-Packing Services. For the avoidance of doubt, in no event shall the engagement of the Service Provider by the Corporation for the purposes contemplated in this Section 4(b) be implied to grant any intellectual property licences to the Service Provider by the Corporation or its Subsidiaries, as applicable, relating to the brands or products for which the Service Provider provides any BLH Co-Packing Services unless the applicable Parties enter into a separate licence or similar agreement explicitly providing for, and setting out the terms of, the grant of any such licences.

5. TINLEY RELOCATED ASSETS SERVICES

- (a) The Service Provider shall provide, or cause an affiliate to provide, the Tinley Relocated Assets Services using the Tinley Relocated Assets to customers of the Corporation and its own customers and the Service Provider shall pay the Tinley Relocated Fees to the Corporation in connection with the provision of the Tinley Relocated Assets Services.
- (b) The Parties acknowledge and agree that in the event that any Variable Costs, on a per unit basis, are less than the Variable Costs associated with the applicable product as set out in Exhibit "F", the Parties shall equally benefit from such savings on a 50/50 basis such that either Party shall be entitled to set-off those savings against any other fees owed to the other Party in any applicable Monthly Services Report. The Parties covenant and agree to recalculate and adjust the Variable Costs on an annual basis commencing on the first anniversary of the Effective Date pursuant to

good faith negotiations in order to adjust the Variable Costs in a manner that reflects the actual Variable Costs then in effect; provided however, that in no event shall any future Variable Costs be greater than the, inflation adjusted, Variable Costs in effect as of the date hereof and reflected in Exhibit "F" unless otherwise agreed to by the Parties in writing.

6. LOGISTICS SERVICES

- (a) The Service Provider shall provide, or cause an affiliate to provide, the Logistics Services to the Corporation in consideration of the relocation of the Tinley Relocated Assets to the Facility. For greater certainty, nothing in the Agreement shall impose any obligation on the Service Provider to pay for any costs associated with the Corporation's anticipated installation and commissioning of the Tinley Relocated Assets at the Facility unless otherwise agreed to by the Parties in writing.
- (b) The Corporation hereby covenants and agrees to reimburse the Service Provider for the Logistics Services Fees.

7. ANCILLARY SERVICES

- (a) The Service Provider agrees to respond in good faith to any reasonable request by the Corporation for any additional services that are necessary for the operation of the Business that are not currently contemplated in this Agreement or the Exhibits appended hereto, at a price to be agreed upon in writing after good faith negotiations between the Parties.
- (b) The Corporation agrees to respond in good faith to any reasonable request by the Service Provider for any additional services that are necessary for the operation of the Business or the business of the Service Provider at a price to be paid by the Service Provider to the Corporation and agreed upon in writing after good faith negotiations between the Parties.

8. COMPENSATION

- (a) Within 30 days of the receipt of each Monthly Service Report, Corporation shall pay to the Service Provider the following amounts as more specifically set out in the applicable Monthly Service Report:
 - (i) the Accounting and Administrative Services Fees;
 - (ii) the Logistics Services Fees;
 - (iii) the Monthly Services Fee, if applicable, and only to the extent such fees have accrued, payable in consideration of the Services provided by the Service Provider to the Corporation under this Agreement and to compensate the Service Provider for its fixed, and other, costs associated with operating the portions of the Facility used in connection with the Business; and
 - (iv) any other fees that are agreed in writing to be included in any Monthly Service Report to be paid by the Corporation to the Service Provider on a monthly basis.
- (b) Within 30 days of the receipt of each Monthly Service Report, Service Provider shall pay to the Corporation the following amounts as more specifically set out in the applicable Monthly Service Report:

- (i) the Tinley Relocated Assets Fees;
 - (ii) the Tinley Referral Fees;
 - (iii) any other fees that are agreed in writing, from time to time, to be included in any Monthly Service Report to be paid by the Service Provider to the Corporation.
- (c) The Corporation shall pay the Service Provider the amounts owed to the Service Provider contemplated by this Agreement on a monthly basis as set out each on Monthly Service Report, subject to the right to set-off (i) the aggregate of Tinley Referral Fees, the Tinley Relocated Assets Fees and any other fees owed by the Service Provider to the Corporation pursuant to the terms and conditions of this Agreement, against (ii) the aggregate of the Accounting and Administrative Services Fee, the Monthly Services Fee and any other fees owed by the Corporation to the Service Provider pursuant to the terms and conditions of this Agreement (collectively, the “**Fee Set-Off**”).
- (d) The compensation and services of the Service Provider shall be reviewed from time to time and both compensation and services may be adjusted accordingly from time to time on the mutual written agreement of the Parties. If any applicable taxation authority takes the position that, or assesses or reassesses either Party for taxes on the basis that the compensation paid to Service Provider is incorrect, then the Parties shall retroactively adjust the compensation of Service Provider to align with the assessment or reassessment.
- (e) The compensation and services of the Corporation shall be reviewed from time to time and both compensation and services may be adjusted accordingly from time to time on the mutual written agreement of the Parties. If any applicable taxation authority takes the position that, or assesses or reassesses either Party for taxes on the basis that the compensation paid to the Corporation is incorrect, then the Parties shall retroactively adjust the compensation of the Corporation to align with the assessment or reassessment.

9. MONTHLY SERVICE REPORT

- (a) The Service Provider shall prepare and deliver to the Corporation a Monthly Service Report on a monthly basis setting out the fees and expenses payable by each Party under this Agreement. Each Monthly Service Report shall be delivered to the Corporation by no later than the 15th day after the end of the calendar month to which the Monthly Service Report relates. The Service Provider shall include in each Monthly Service Report a detailed explanation of the calculation of all fees and expenses owing under this Agreement, or any other related agreement entered into between the Parties, with commercially reasonable supporting documents and/or backup for such calculations. Each Monthly Service Report shall also include the net amount owing to each Party.
- (b) Each Monthly Service Report delivered to the Corporation by the Service Provider shall bear a signed statement by a senior officer of the Service Provider certifying the accuracy and completeness of all information included therein.
- (c) In the event of a dispute with respect to the contents of a Monthly Service Report, the Corporation shall deliver a written statement to the Service Provider no later than 5 days before the date payment is due under the applicable Monthly Service Report listing all disputed items and providing a reasonably detailed description of each disputed item. Amounts not so disputed shall be deemed accepted and shall be paid, notwithstanding disputes on other items, within the period set forth in Section 8. The Parties shall seek to resolve all such disputes expeditiously and in good faith and the Service Provider shall continue performing the Services in accordance with this Agreement

pending resolution of any dispute; provided that such dispute is resolved within 30 days of the Service Provider's receipt of the Corporation's notice of dispute.

10. REPRESENTATIONS, WARRANTIES AND COVENANTS

10.1 The Corporation hereby represents and warrants to the Service Provider as of the Effective Date and throughout the term of this Agreement, and acknowledges that the Service Provider is relying upon such representations and warranties in entering into this Agreement, as follows:

- (a) the Corporation has all requisite corporate power and capacity to enter into this Agreement and to perform the transactions contemplated hereby. The execution and delivery by the Corporation of this Agreement has been duly authorized by all necessary corporate action of the Corporation, and this Agreement has been duly executed and delivered by the Corporation and this Agreement is a valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms, subject to bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally and except as limited by the application of equitable remedies which may be granted in the discretion of a court of competent jurisdiction and that enforcement of the rights to indemnity and contribution set out in this Agreement as may be limited by applicable law; and
- (b) the Corporation has been formed and is existing under the laws of the Corporation's jurisdiction of formation and that no proceedings have been instituted or, to the knowledge of the Corporation, are pending for the dissolution or liquidation or winding-up of the Corporation; and
- (c) the Corporation is not in violation of its constating documents or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any material contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease, license or other agreement or instrument to which the Corporation is a party or by which it or any of them may be bound, or to which any of the property or assets of the Corporation is subject.

10.2 The Service Provider hereby represents and warrants to the Corporation as of the Effective Date and throughout the term of this Agreement, and acknowledges that the Corporation is relying upon such representations and warranties in entering into this Agreement, as follows:

- (a) the Service Provider has all requisite corporate power and capacity to enter into this Agreement and to perform the transactions contemplated hereby. The execution and delivery by the Service Provider of this Agreement has been duly authorized by all necessary corporate action of the Service Provider, and this Agreement has been duly executed and delivered by the Service Provider and this Agreement is a valid and binding obligation of the Service Provider enforceable against the Service Provider in accordance with its terms, subject to bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally and except as limited by the application of equitable remedies which may be granted in the discretion of a court of competent jurisdiction and that enforcement of the rights to indemnity and contribution set out in this Agreement as may be limited by applicable law;
- (b) the Service Provider has been formed and is existing under the laws of the Service Provider's jurisdiction of formation and that no proceedings have been instituted or, to the knowledge of the Service Provider, are pending for the dissolution or liquidation or winding-up of the Service Provider;
- (c) the Service Provider is not in violation of its constating documents or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any

- material contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease, license or other agreement or instrument to which the Service Provider is a party or by which it may be bound, or to which any of the property or assets of the Service Provider is subject, and the entering of this Agreement does not, as at the Effective Date and for the duration of the term of this Agreement, violate the terms of any such agreements or instruments to which the Service Provider is a party or by which it may be bound;
- (d) except as disclosed in writing to the Corporation, the Service Provider has the right to use all of its material assets;
 - (e) by no later than May 31, 2023, or such other date as agreed to by the Parties in writing, the Service Provider shall have all necessary, licenses, Licenses, permits, authorizations, approvals and consents, as applicable, to provide the Services it has agreed to provide under this Agreement and, to the furthest extent permitted by Applicable Law, enable the Business to fully function at the Facility in the same manner in which it operated as of the Effective Date, without material restrictions or conditions except as required for compliance with Applicable Law or the Licenses, and covenants and agrees that it shall do all things and take all actions necessary to maintain such Licenses, licenses permits, and authorizations in good standing for the duration of term of this Agreement and that after reasonable investigation and due inquiry the Service Provider has no reason to believe that any Licenses, licenses, permits, and authorizations for which it has applied, or for which it will be required to apply in order to allow the Business to operate at the Facility or engage in commercial cannabis activities as allowed under Applicable Law, will not be issued or granted and on each renewal thereafter will be renewable. The Service Provider further represents, warrants, and agrees that it has provided the Corporation with all correspondence and materials relating to any applications for any Licenses, licences, permits, authorizations, approvals and consents required by the Service Provider to provide the Services. The Service Provider further represents the Licenses set forth on Exhibit “D” are all in good standing and valid; that the applications identified on Exhibit “D” are each being diligently pursued and acknowledges time is of the essence for each such application;
 - (f) the Service Provider has conducted and is conducting its business in compliance with all Applicable Law of each jurisdiction in which its business is carried on, is in compliance in all material respects with all terms and provisions of all contracts, agreements, indentures, leases, policies, instruments, Licenses, and licenses that are material to the conduct of its business and all such contracts, agreements, indentures, leases, policies, instruments, Licenses, and licenses are valid and binding in accordance with their terms and in full force and effect, and no material breach or default by the Service Provider, or event which, with notice or lapse or both, could constitute a material breach or default by the Service Provider exists with respect thereto;
 - (g) to the knowledge of the Service Provider, except for those authorizations and consents set forth on Exhibit “D”, no authorization from any Governmental Authority is necessary or required for the performance by the Service Provider of the Services, except such as have been already obtained;
 - (h) to the knowledge of the Service Provider, the Facility has adequate space, plumbing, electricity, and other necessary utilities to allow for the installation and operation of the Tinley Relocated Assets and that any necessary certifications, permits, or authorizations to install and/or operate the Tinley Relocated Assets will be reasonably obtainable;
 - (i) the Services shall be provided in good faith, in accordance with applicable law and, except as specifically provided in the exhibits hereto, in a manner generally consistent with the historical provision of the Services and with the same standard of care as historically provided and the Service

Provider agrees to assign sufficient resources and qualified personnel as are reasonably required to perform the Services in accordance with the standards set forth herein;

- (j) there are no material actions, suits, judgments, investigations or proceedings of any kind whatsoever outstanding or, to the Service Provider's knowledge, pending, threatened against or affecting the Service Provider, or to the Service Provider 's knowledge, its directors or officers at law or in equity or before or by any federal, provincial, state, municipal or other Governmental Authority, commission, board, bureau or agency of any kind whatsoever and, to the Service Provider 's knowledge, there is no basis therefor, that will affect the Service Provider's ability to provide the Services;
- (k) that no material labor dispute with the employees or contractors of the Service Provider currently exists or, to the knowledge of the Service Provider, is imminent;
- (l) neither the Service Provider nor any of its directors or officers are in breach of any law, ordinance, statute, regulation, by-law, order or decree of any kind whatsoever where non-compliance would materially affect the Service Provider's ability to provide the Services;
- (m) the Lease is in full force and effect and is a legal, valid and binding agreement, enforceable in accordance with its terms, expressly includes the Tinley Required Lease Provision, and there exists no default (or any condition or event which, after notice or lapse of time or both, would constitute a default) thereunder;
- (n) the Service Provider, for itself and on behalf of Lessee, covenants that should the Lease be replaced, transferred, assigned, restated, or otherwise should a new lease or agreement governing the Service Provider's and/or Lessee's right and use of the Facility (collectively, a "**Successor Lease**"), that such Successor Lease shall expressly include the Tinley Required Lease Provision;
- (o) to the knowledge of the Service Provider, no portion of the Lease, or any building or improvement located thereon, violates any law, including those laws relating to zoning, building, land use, environmental, health and safety, fire, air, sanitation and noise control and such Lease is not subject to (i) any decree or order, or threatened or proposed order, of any Governmental Authority, or (ii) any rights of way, building use restrictions, exceptions, variances, reservations or limitations of any nature whatsoever. The Service Provider is not aware and has not received a notice of any expropriation or any plan, study or effort by any Governmental Authority having jurisdiction over any of the Facility to widen, modify or realign any street or road providing access to the Facility, and there are no existing nor, to the knowledge of the Service Provider, pending or expected work orders, that in any way could reasonably be expected to affect either the current or intended use of the Facility, including the operation of the Business;
- (p) the term of the Lease expires on August 1, 2031 and has two (2) 60 month options to renew;
- (q) the improvements and fixtures on the Facility are in good operating condition and in a state of good maintenance and repair, ordinary wear and tear excepted, and are adequate and suitable for the purposes for which they are presently being used. To the knowledge of the Service Provider, none of the buildings and improvements leased or utilized by the Service Provider is constructed of, or contains as a component part thereof, any material that, either in its present form or as such material could reasonably be expected to change through aging and normal use and service, releases any substance, whether gaseous, liquid or solid, that is or may be, either in a single dose or through repeated and prolonged exposure, injurious or hazardous to the health of any individual who may from time to time be in or about such buildings or improvements. There is no condemnation,

- expropriation or similar proceeding pending or, to the knowledge of the Service Provider, threatened against any of the Facility or any improvement thereon;
- (r) the Lessor under the Lease does not have any proceedings pending, or, to the knowledge of the Service Provider, threatened, against the Service Provider, as a Lessee thereunder and except for the amounts payable by the Service Provider as set forth in such Lease, there are no other rents, royalties, fees or other amounts payable or receivable by the Service Provider in connection with any real property lease, tenancies, licenses, occupancies or co-tenancies related to the Lease or any portion thereof or any improvements, and there are no encumbrances, covenants, conditions, reservations, easement or other matters affecting the Facility or any improvements that would affect the Service Provider's ability to provide the Services contemplated hereunder to the Corporation;
 - (s) all tax returns, reports, elections, remittances, filings, withholdings, taxes and payments of any kind required by applicable laws to have been filed or made by the Service Provider, have been filed or made (as the case may be) and are substantially true, complete and correct. All taxes owing or otherwise required to be paid by the Service Provider on or before the date hereof have been timely paid, and proper accruals (in accordance with applicable accounting standards) have been made in its annual financial statement in respect of taxes not yet due or owing;
 - (t) the Service Provider has not been in material violation of, in connection with the ownership, use, maintenance or operation of its property and assets, any applicable environmental laws to which it is subject. Without limiting the generality of the foregoing: (A) the Service has occupied its properties and has received, handled, used, stored, treated, shipped and disposed of all applicable hazardous materials in compliance with all applicable environmental laws and has received all permits, licenses or other approvals required of them under applicable environmental laws to conduct its respective businesses; and (B) there are no orders, rulings or directives issued against the Service Provider and there are no orders, rulings or directives pending or threatened against the Service Provider under or pursuant to any applicable environmental laws requiring any work, repairs, construction or capital expenditures with respect to any property or assets of the Service Provider;
 - (u) except as specifically contemplated by any other agreement entered into between the Parties which currently exists as of the Effective Date, or which may exist from time-to-time hereafter, including the Security Agreements, the Service Provider acknowledges and agrees that it has no ownership interest in the Tinley Relocated Assets or any other business, property or undertakings of the Corporation or its Subsidiaries;
 - (v) the Service Provider shall have the right to hire third-party subcontractors to provide all or part of any Service hereunder; except that if such subcontracting is inconsistent with past practices, the Service Provider shall obtain the prior written consent of the Corporation to hire such subcontractor, such consent not to be unreasonably withheld. The Service Provider shall in all cases retain responsibility for the provision to the Corporation of Services to be performed by any third-party service provider or subcontractor or by any of Service Provider's affiliates;
 - (w) Licensee is a wholly owned subsidiary of BLH and BLH directly owns all of the issued and outstanding membership interests and/or equity (the "**Subject Interest**") in and to Licensee with no intervening entities and/or persons. The Subject Interest of Licensee has been duly authorized, validly issued, fully-paid and non-assessable, and are owned of record and beneficially by BLH, free and clear of all or any liens, pledges, mortgages, deed of trust, security interest, charge, claim, easement, encroachment or other similar encumbrance and there are no outstanding or authorized options, warrants, convertible securities, unit appreciation, phantom units, profit participation or

other rights, agreements or commitments relating to the Subject Interest of Licensee or obligating BLH or Licensee to issue or sell any membership interest of, or any other interest in Licensee directly, nor are there any voting trusts, member agreements, proxies, or other agreements in effect with respect to the voting or transfer of any of the Subject Interest; and

- (x) all information and documentation concerning the Service Provider and the operation of its business that has been provided to the Corporation in connection with this Agreement is accurate and complete in all material respects and not misleading and does not omit to state any material fact.

11. SET-OFF

Without limiting Section 8(c), the Parties agree that each Party shall be entitled to apply and set-off any amounts finally determined, by a court of competent jurisdiction, pursuant to a settlement agreement among the Parties or pursuant to the terms and conditions of this Agreement, to be owing by one Party to the other Party pursuant to the terms of this Agreement against any amounts payable by the first such Party to the second such Party at any time, provided that the Party asserting such right to set-off shall provide the other Party with a statement describing, in reasonable detail, the claims and calculations with respect to such set-off at least 15 days prior to the exercise of such right to set-off. For greater certainty, all matters related to the Fee Set-Off shall be governed by Section 8(c) rather than this Section 11.

12. TERMINATION EVENTS

12.1 Subject to Sections 12.2 and 12.3, this Agreement shall commence on the Effective Date and continue indefinitely unless this Agreement is terminated by:

- (a) the mutual consent of the Parties at any time following the Effective Date; or
- (b) unilaterally by either the Corporation or the Service Provider by the way of such Party electing to terminate this Agreement providing the other Party with notice of such termination no less than 90 days prior to the proposed termination date.

12.2 Termination for Cause By Corporation. This Agreement may be terminated by the Corporation immediately at any time following the Effective Date for Service Provider Cause upon written notice to the Service Provider.

12.3 Termination for Cause By Service Provider. This Agreement may be terminated by the Service Provider immediately at any time following the Effective Date for Corporation Cause upon written notice to the Service Provider.

13. INDEPENDENT CONTRACTOR

- (a) Relationship between the Parties. The Service Provider's relationship with the Corporation or the Subsidiaries in connection with the provision of the Services provided by Service Provider will be that of an independent contractor and not that of an employee and the Corporation's relationship with the Service Provider in connection with the provision of the Services provided by Corporation will be that of an independent contractor and not that of an employee.
- (b) Method of Provision of Services. Each Party shall be solely responsible for determining the method, details and means of performing the Services provided by such Party and may at such Party's own expense, employ or engage the services of such Service Persons, provided that such Services are provided in accordance with the terms of this Agreement and the reasonable expectations of the Parties. The Service Persons performing Services on behalf of the Service Provider are not and

shall not be considered employees of the Corporation or the Subsidiaries, as applicable, and the Service Persons performing Services on behalf of the Corporation are not and shall not be considered employees of the Service Provider.

- (c) No Benefits. Each Party acknowledges that it and its applicable Service Persons shall not be eligible for any employee benefits of the other Party and expressly declines to participate in such employee benefits.
- (d) Taxes. Each Party agrees that it shall have full responsibility for all applicable taxes for all compensation paid to its employees, including any withholding requirements that apply to any such taxes, and for compliance with all applicable labor and employment requirements with respect to its applicable business organization, and with respect to its respective employees, including state worker's compensation insurance coverage requirements and any U.S. immigration visa requirements. Each Party agrees to indemnify, defend, and hold the other Party harmless from any liability for, or assessment of, any claims or penalties or interest with respect to such taxes, labor or employment requirements, including any liability for, or assessment of, taxes imposed on such Party by the relevant taxing authorities with respect to any compensation paid to its respective employees or any liability related to the withholding of such taxes.

14. REGULATORY MATTERS

The Parties acknowledge the contractual relationship contemplated hereby requires regulatory disclosure of the Corporation (or one or more of its Subsidiaries) as an "Owner" and/or "Financial Interest Holder" of Service Provider's licenses pursuant to the DCC Regulations and Applicable Law. The Parties covenant and agree to take all required steps to disclose the Corporation (or its designated Subsidiary(ies)) as an "Owner" and/or "Financial Interest Holder" (as reasonably determined by the Parties) of Service Provider to the DCC and the local jurisdiction, if required by the local jurisdiction. To such end, Corporation agrees to provide the Service Provider with certain corporate and personal information relating to the Corporation (or one or more of its Subsidiaries) and certain of its representatives as is required by the Applicable Law to be disclosed by Service Provider to the DCC and the local jurisdiction (as applicable), and the Corporation hereby authorizes and consents to Service Provider's submission of all such required information of Corporation and certain of Corporation's representatives to the DCC and the local jurisdiction (as applicable) including any required Livescans. As appropriate, to facilitate the foregoing, Corporation shall cause its applicable representatives to complete Livescans and to completely and accurately provide the personal information as requested by the DCC or the local jurisdiction. The Service Provider shall provide the minimum necessary information as required by applicable law to the DCC and/or the local jurisdiction to effectuate this Section 14.

15. CUSTODY OF PROPERTY

The Service Provider shall, upon termination or expiration of this Agreement, or upon the request of the Corporation, account for and deliver to the Corporation all materials and property that the Service Provider may from time to time receive for, from, or on account of the Corporation, including, but not limited to, the Tinley Relocated Assets.

16. CONFIDENTIAL INFORMATION

- (a) During the term of this Agreement and thereafter, the Parties shall, and shall instruct their respective Representatives to, maintain in confidence and not disclose the other Party's Confidential Information. Each Party shall use the same degree of care, but no less than reasonable care, to protect the other Party's Confidential Information as it uses to protect its own Confidential Information of like nature. Unless otherwise authorized in any other agreement between the Parties,

any Party receiving any Confidential Information of the other Party (the "**Receiving Party**") may use Confidential Information only for the Permitted Purpose. Any Receiving Party may disclose such Confidential Information only to its Representatives who have a need to know such information for the Permitted Purpose and who have been advised of the terms of this Section 16(a) and the Receiving Party shall be liable for any breach of these confidentiality provisions by such persons; except that any Receiving Party may disclose such Confidential Information to the extent such Confidential Information is required to be disclosed by a Governmental Order, in which case the Receiving Party shall promptly notify, to the extent possible, the disclosing Party (the "**Disclosing Party**"), and take reasonable steps to assist in contesting such Governmental Order or in protecting the Disclosing Party's rights before disclosure, and in which case the Receiving Party shall only disclose such Confidential Information that it is advised by its counsel in writing that it is legally bound to disclose under such Governmental Order.

- (b) Notwithstanding the foregoing, "**Confidential Information**" shall not include any information that the Receiving Party can demonstrate: (i) was publicly known at the time of disclosure to it, or has become publicly known through no act of the Receiving Party or its Representatives in breach of this Section 16(b); (ii) was rightfully received from a third Party without a duty of confidentiality; or (iii) was developed by it independently without any reliance on the Confidential Information.
- (c) Upon demand by the Disclosing Party at any time, or upon expiry or termination of this Agreement with respect to any Service, the Receiving Party agrees promptly to return or destroy, at the Disclosing Party's option, all Confidential Information. If such Confidential Information is destroyed, an authorized officer of the Receiving Party shall certify to such destruction in writing.

17. RETURN OF PROPERTY

Upon any termination or expiration of this Agreement the Service Provider shall:

- (a) immediately deliver or cause to be delivered to the Corporation all property, including the Confidential Information and Tinley Relocated Assets, belonging to, or provided to the Service Provider by, the Corporation, that is in the possession, charge, control or custody of the Service Provider; provided that:
 - (i) in the event of termination of this Agreement by the Corporation pursuant to Section 12.1(b) or 12.3, the Corporation shall be required to pay for and incur all costs associated with the delivery of the foregoing property, including the Confidential Information and Tinley Relocated Assets, to the Corporation;
 - (ii) in the event of termination of this Agreement by the Service Provider pursuant to Section 12.1(b), or pursuant to Section 12.2, the Service Provider shall be required to pay for and incur all costs associated with the delivery of the foregoing property, including the Confidential Information and Tinley Relocated Assets, to the Corporation; and
 - (iii) in the event of termination of this Agreement pursuant to Section 12.1(a), each Party shall equally bear and be responsible to pay for the costs associated with the delivery of the foregoing property on a 50/50 basis, including the Confidential Information and Tinley Relocated Assets, to the Corporation.
- (b) cease to represent itself as providing work and Services to the Corporation and cease to use any documentation identifying himself as a service provider to the Corporation; and

- (c) provide a report to the Corporation of the current state of the Services at the time of termination or expiration of this Agreement.

18. LIMITATION OF LIABILITY; INDEMNIFICATION

- (a) IN NO EVENT SHALL EITHER PARTY HAVE ANY LIABILITY UNDER ANY PROVISION OF THIS AGREEMENT FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR INDIRECT DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF FUTURE REVENUE OR INCOME, LOSS OF BUSINESS REPUTATION OR OPPORTUNITY RELATING TO THE BREACH OR ALLEGED BREACH OF THIS AGREEMENT, OR DIMINUTION OF VALUE, OR ANY DAMAGES BASED ON ANY TYPE OF MULTIPLE, WHETHER BASED ON STATUTE, CONTRACT, TORT OR OTHERWISE, AND WHETHER OR NOT ARISING FROM THE OTHER PARTY'S SOLE, JOINT, OR CONCURRENT NEGLIGENCE, STRICT LIABILITY, CRIMINAL LIABILITY OR OTHER FAULT.
- (b) SUBJECT TO THE LIMITATIONS SET FORTH IN SECTION 18(a), THE SERVICE PROVIDER (WHICH EXPRESSLY INCLUDES, BOTH JOINTLY AND SEVERALLY, BLH AND LICENSEE) SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE CORPORATION INDEMNIFIED PARTIES FROM AND AGAINST ANY AND ALL LOSSES OF THE CORPORATION INDEMNIFIED PARTIES RELATING TO, ARISING OUT OF OR RESULTING FROM: (X) A BREACH OF ANY REPRESENTATION, WARRANTY OR COVENANT OF THE CORPORATION SET OUT IN THIS AGREEMENT; (Y) THE GROSS NEGLIGENCE OR WILFUL MISCONDUCT; OR (Z) BREACH OF APPLICABLE LAW (OTHER THAN ANY FEDERAL LAW OF THE UNITED STATES OF AMERICA RELATED TO CANNABIS), OF THE SERVICE PROVIDER, ITS AFFILIATES AND/OR ANYONE FOR WHOM IT IS RESPONSIBLE AT LAW IN CONNECTION WITH THIS AGREEMENT.
- (c) SUBJECT TO THE LIMITATIONS SET FORTH IN SECTION 18(a), THE CORPORATION SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE SERVICE PROVIDER INDEMNIFIED PARTIES FROM AND AGAINST ANY AND ALL LOSSES OF THE SERVICE PROVIDER INDEMNIFIED PARTIES RELATING TO, ARISING OUT OF OR RESULTING FROM: (X) A BREACH OF ANY REPRESENTATION, WARRANTY OR COVENANT OF THE SERVICE PROVIDER SET OUT IN THIS AGREEMENT; (Y) THE GROSS NEGLIGENCE OR WILFUL MISCONDUCT; OR (Z) BREACH OF APPLICABLE LAW (OTHER THAN ANY FEDERAL LAW OF THE UNITED STATES OF AMERICA RELATED TO CANNABIS), OF THE CORPORATION AND ITS AFFILIATES IN CONNECTION WITH THIS AGREEMENT.

19. NOTICES

Each Notice shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the fifth (5th) day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such Notice must be sent to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 19):

If to the Corporation:

THE TINLEY BEVERAGE COMPANY INC.
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Email: [Redacted – Email Address]
Attention: Ted Zittel, CEO

with a copy (which shall not constitute notice) to:

AIRD & BERLIS LLP
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Attention: Jeremy Burke / Jeffrey Merk
Email: [Redacted – Email Addresses]

RIMON, PC

Attention: Lukian Kobzeff
Email: [Redacted – Email Address]

If to Service Provider:

BLAZE LIFE HOLDINGS, LLC
12426 San Fernando Rd.
Sylmar, CA, United States
91342

Attention: Paul Burgis
Email: [Redacted – Email Address]

with a copy (which shall not constitute notice) to:

GREENBERG GLUSKER, LLP
2049 Century Park East, Suite 2600
Los Angeles, CA, United States
90067

Attention: Alexa Steinberg, Esq.
Email: [Redacted – Email Address]

20. CHOICE OF LAW; FORUM; WAIVER OF JURY TRIAL

- (a) This Agreement, including all schedules, and all matters arising out of or relating to this Agreement, shall be governed and construed in accordance with the internal laws of the State of California without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of California.

- (b) In the event of any Claim arising out of or relating to any performance required under this Agreement, or the interpretation, validity or enforceability hereof, the Parties shall use their best efforts to settle the Claim. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable resolution satisfactory to the Parties. If the Claim cannot be settled through negotiation within a period of seven (7) days, the Parties agree to attempt in good faith to settle the Claim through mediation, administered by a mediator mutually agreeable to the Parties, before resorting to arbitration. If they do not reach such resolution, or an agreed upon mediator cannot be identified, within a period of thirty (30) days, then, upon notice by either Party to the other they shall commence arbitration as set forth below.
- (c) The Parties agree to submit any and all Claims, or any dispute related in any way to this Agreement and the Services rendered hereunder, to binding arbitration before JAMS. The arbitration shall be held in accordance with the JAMS then-current Streamlined Arbitration Rules & Procedures (and no other JAMS rules), which currently are available at: <https://www.jamsadr.com/rules-streamlined-arbitration>. The arbitrator shall be either a retired judge, or an attorney who is experienced in commercial contracts and licensed to practice law in California, selected pursuant to the JAMS rules. The Parties expressly agree that any arbitration shall be conducted in the Los Angeles County, California. Each Party understands and agrees that by signing this Agreement, such Party is waiving the right to a jury. The arbitrator shall apply California substantive law in the adjudication of all Claims. Notwithstanding the foregoing, either Party may apply to a court of competent jurisdiction located in Los Angeles County, California for a provisional remedy, including but not limited to a temporary restraining order or a preliminary injunction. The application for or enforcement of any provisional remedy by a Party shall not operate as a waiver of the agreement to submit a dispute to binding arbitration pursuant to this provision. After a demand for arbitration has been filed and served, the Parties may engage in reasonable discovery in the form of requests for documents, interrogatories, requests for admission, and depositions. The arbitrator shall resolve any disputes concerning discovery. The arbitrator shall award costs and reasonable attorneys' fees to the prevailing Party, as determined by the arbitrator, to the extent permitted by California law. The arbitrator's decision shall be final and binding upon the Parties. The arbitrator's decision shall include the arbitrator's findings of fact and conclusions of law and shall be issued in writing within thirty (30) days of the commencement of the arbitration proceedings. The prevailing Party may submit the arbitrator's decision to a court of competent jurisdiction located in Los Angeles County for an entry of judgment thereon.

21. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective permitted successors and permitted assigns. Subject to the following sentence, neither Party may assign its rights or obligations hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. No assignment shall relieve the assigning Party of any of its obligations hereunder.

22. WAIVER

Any Party which is entitled to the benefits of this Agreement may waive any term or condition hereof provided, however, that a waiver of any non-compliance under this Agreement is not effective unless in writing and signed by the Party to be bound by the waiver. A waiver shall be valid only in the instance for which it was given and shall not be deemed to continue or apply to any other or subsequent non-compliance whether of the same or other nature.

23. INDEPENDENT LEGAL ADVICE

Each Party acknowledges that such Party was advised to seek independent legal advice and confirms that such Party has either obtained or waived independent legal advice. Each Party waives the application of any laws or rule of construction providing that ambiguities in any agreement or other document shall be construed against the Party drafting such agreement or other document.

24. HEADINGS

The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

25. ENTIRE AGREEMENT

This Agreement, together with the Tinley Licence Agreement, the Van Purchase Agreement and 2022 Grid Note, contains the entire agreement between the Parties with respect to the matters covered in this Agreement. No other agreements, representations, warranties or other matters, oral or written, purportedly agreed to or represented by or on behalf of either Party shall bind the other Party with respect to the subject matter of this Agreement.

26. ENUREMENT

This Agreement shall be binding upon and enure to the benefit of the respective successors and permitted assigns of the Parties.

27. SEVERABILITY

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, void or unenforceable in whole or in part, such invalidity, voidness or unenforceability shall attach only to such provision or part of it, and the remaining part of such provision and all other provisions of this Agreement shall continue in effect.

28. COUNTERPART

This Agreement may be executed in one or more counterparts all of which form one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF the Parties have executed this Agreement effective as of the day and year first above written.

THE TINLEY BEVERAGE COMPANY INC.

Per: (signed) "Theodore Zittel"
Name: Theodore Zittel
Authorized Signatory

BLAZE LIFE HOLDINGS, LLC

Per: (signed) "Kevin G. Williams"
Name: Kevin G. Williams
Authorized Signatory

ILLA CANNA LLC

Per: (signed) "Kevin G. Williams"
Name: Kevin G. Williams
Authorized Signatory

EXHIBIT A

ACCOUNTING AND ADMINISTRATIVE SERVICES EXHIBIT

[Redacted – Commercially Sensitive Information]

ACCOUNTING AND ADMINISTRATIVE SERVICES FEE AND START DATE

The Service Provider shall start providing the Account and Administrative Services on or about the date hereof, or such date as mutually agreed upon by the Parties (the “**Admin Services Start Date**”). The fee for these Account and Administrative Services shall start on the Admin Services Start Date, and shall be paid monthly, in an amount equal to \$5,833.33 per month (for an aggregate amount of USD\$70,000 per annum) payable by the Corporation to the Service Provider during the term of the Agreement, subject to the Fee Set-Off (the “**Accounting and Administrative Services Fee**”). For any partial month, this fee shall be pro-rated based on elapsed days in the given month.

EXHIBIT B

BLH CO-PACKING SERVICES

Client Name	Brand(s)
[Redacted – Confidential Information]	[Redacted – Confidential Information]

TINLEY REFERRAL FEES

[Redacted – Commercially Sensitive Information]

EXHIBIT C

LOGISTICS SERVICES EXHIBIT (AND PAYMENT CONSIDERATIONS)

- Overall project scope and critical path, project management and other resource requirements, and anticipated costs for same to be proposed by the Service Provider to the Corporation; all costs are subject to approval of the Corporation.
- In order to optimize operating productivity and reduce overall costs, project planning should privilege efficiency and productivity of relocated equipment installed into the larger, substantially planned Canoga Park Facility, with a view to reduce disruption and costs incurred to achieve ongoing operational efficiency and cost reduction to produce on relocated equipment, such costs include as hourly labour and specifically manual process steps,

Services are anticipated to include but are not limited to:

1. Confirmation of bottling and packing equipment, moveable connections and attachments (“**Long Beach Equipment**”) to be relocated from Corporation’s Long Beach Facility to Service Provider’s Canoga Park Facility.
2. Assessment of equipment and specifications, and securing missing specifications as needed, including installation engineering and programing requirements to complete relocation planning,
3. Preparation of plan identifying most efficient and cost-effective removal, relocation and integration of Long Beach Equipment into Canoga Park Facility. Assessment and planning of steps and costs for decommissioning, removal and rigging for transport and delivery of Long Beach Equipment to Canoga Park Facility.
4. Assessment and planning of steps including changes and additions to relocated equipment and to Canoga Park Facility.
5. Costs and timing to be identified to optimize installation and commissioning, respecting on-going Canoga Park project management and engineering completion and commissioning workstreams.
6. Identification of scopes of work, and in-house and third-party resources required to achieve approved scopes of work.
7. Deployment and management of Service Provider’s in-house resources; and identification, engagement and supervision of third-party contractors as required.

Payment Considerations

- a. Service Provider’s in-house resources to be invoiced to the Corporation by Service Provider at Service Provider’s internal cost with no mark-up, and included in Monthly Service Report accounting.
- b. Service Provider will endeavour to source and engage third Party contractors at best cost to achieve quality and timing goals of the project, to be paid by the Corporation, with oversight and project management provided by Service Provider. For Clarity, best cost is not intended to mean lowest cost without regards to quality and reliable delivery of services.

EXHIBIT D

LICENSES

Licenses:

License Number	Licensee Name	Type	Issuing Governmental Agency	Renewal Date
[Redacted – Commercially Sensitive Information]	Provisional Distribution	Adult-use and medical	DCC	6/24/2023
[Redacted – Commercially Sensitive Information]	Provisional Type 6 Manufacturing	Adult-use and medical	DCC	6/22/2023

Applications:

Application No.	Type	Issuing Agency	Date Submitted	Status
[Redacted – Commercially Sensitive Information]	Cannabis Manufacturing and distribution	DCR	July 9th, 2022	Pending facility inspection

Outstanding Authorizations Required:

Agency	Authorization Required	Status	Comments
DCR	For City of L.A. cannabis manufacturing and distribution from Canoga Park Facility	Pending Inspection	
LA. City Department of Building and Safety	Certificate of Occupancy	Building to plan	

EXHIBIT E

TINLEY REQUIRED LEASE PROVISION

For purposes of the Lease, the Parties expressly agree and acknowledge that the equipment and chattels listed below (the “**Listed Fixtures**”) are expressly considered Trade Fixtures, which list is not exhaustive of all Trade Fixtures which may exist now or in the future on the Premises. Lessee may update this list from time to time by providing written Notice to Lessor.

Notwithstanding anything to the contrary in the Lease, during the Term, Lessor shall not, for any reason or purpose, place or cause to be placed or perfected, any lien, encumbrance, security interest, or claim on any of the Listed Fixtures and shall have no right to sell, convert, or otherwise dispose of the Listed Fixtures (even upon the occurrence of Default or Breach). The Listed Fixtures shall at all times remain the property of, and/or under the control of, the Lessee. In the event of a Default and/or Breach pursuant Section 13, and termination of the Lease pursuant to Section 13.2(a) (or any termination by Lessor), then Lessee shall have ten (10) business days from the date of termination to access the Premises for the purpose of removing the Listed Fixtures (and Lessor shall be obligated to provide and ensure Lessee has access to the Premises for this purposes).

In the event Lessor assigns this Lease, whether by sale, assignment, operation of law, or otherwise, the terms of this Exhibit B shall continue unabated and unmodified for the duration of the Term. This Exhibit B may only be amended with Lessee’s prior written consent, in its sole and absolute discretion.

In the event of conflict or ambiguity between the terms of the Lease and this Exhibit B, the terms of this Exhibit B shall control.

The following equipment shall be considered Listed Fixtures:

1. Beverage filling and packaging equipment
2. Storage tanks and pumps
3. Cold storage equipment
4. Commercial kitchen equipment
5. Product packaging and processing equipment
6. Process related compressors, boilers, and chillers
7. Storage racks and shipping docks
8. Any process equipment

EXHIBIT F

[Redacted – Commercially Sensitive Information]