

ASSET PURCHASE AGREEMENT

BY AND AMONG

INDUS BRAND MANAGEMENT LLC,

INDUS NEVADA LLC,

INDUS OREGON LLC,

AND

INDUS BRAND MANAGEMENT LLC, AS PURCHASERS' REPRESENTATIVE

AND

W THE BRAND, LLC,

WEST COAST DEVELOPMENT NEVADA, LLC,

WEST COAST DEVELOPMENT OREGON, LLC,

R. SCOTT COFFMAN,

AND

A. TODD JUSTICE, AS SELLERS' REPRESENTATIVE

Dated as of May 14, 2019

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A	Bill of Sale and Assumption Agreement
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This ASSET PURCHASE AGREEMENT dated as of May 14, 2019 (this “Agreement”) is by and among Indus Brand Management LLC, a Delaware limited liability company (“Brand Purchaser”), Indus Nevada LLC, a Nevada limited liability company (“Nevada Purchaser”), and Indus Oregon LLC, an Oregon limited liability company (“Oregon Purchaser” and together with Brand Purchaser and Nevada Purchaser, each a “Purchaser” and collectively, the “Purchasers”), Brand Purchaser, as Purchasers’ Representative, W The Brand, LLC, a Delaware limited liability company (“Brand Seller”), West Coast Development Nevada, LLC, a Delaware limited liability company (“Nevada Seller”), and West Coast Development Oregon, LLC, a Delaware limited liability company (“Oregon Seller” and together with Nevada Seller and Brand Seller, each a “Seller” and collectively, the “Sellers”), and R. Scott Coffman, a North Carolina resident (the “Seller Principal” and, together with Sellers, the “Seller Parties”; Seller Parties and Purchasers are sometimes referred to collectively as the “Parties” and each as a “Party”), and A. Todd Justice, as Sellers’ Representative.

W I T N E S S E T H:

WHEREAS, Sellers are in the business of cultivation, extraction, processing, manufacturing, distribution, and sales of cannabis and cannabis related products (the “Business”);

WHEREAS, Purchasers desire to purchase from Sellers, and Sellers desire to sell to Purchasers, the Assets on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the Parties hereby agree as follows:

ARTICLE I DEFINITIONS

1.1 Certain Definitions. Capitalized terms used in this Agreement have the meanings specified below, or elsewhere in this Agreement.

“Adjustment Effective Time” means 11:59 p.m. on the day prior to the date hereof.

“Affiliate” means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, such Person. For the purposes of this definition, “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by Contract or otherwise.

“Assumed Payables” means trade accounts payable arising in the Ordinary Course of Business that are not more than 60 days past due.

“Base Payment” means \$10,000,000 plus the Closing Adjustment, if the Closing Adjustment is a positive number.

“Brands” means the tradenames W, W Vapes, W Vaporizer and The Beast and any derivations thereof.

“Business Day” means any day of the year on which national banking institutions in Las Vegas, Nevada are open to the public for conducting business and are not required or authorized to close.

“Cash” means cash and cash equivalents, other than restricted cash, each as defined in accordance with GAAP applied on a basis that is consistent with past practices and prior periods, as of the Adjustment Effective Time. In calculating Cash, cash and cash equivalents shall be reduced by the aggregate amount represented by issued but uncleared, checks and drafts of the Company, other than Payable Equivalents, and shall be increased by the aggregate amount of third party checks, ACH transactions and other wire transfers and drafts deposited or available for deposit by the Company.

“Closing Adjustment” means an amount, positive or negative, equal to the sum of the WC Amount plus the Inventory Adjustment.

“COBRA” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

“Code” means the Internal Revenue Code of 1986 and the Treasury Regulations thereunder, each as amended.

“Contract” means any contract, agreement, indenture, note, bond, mortgage, guarantee, loan, instrument, lease, license, commitment, understanding or other arrangement or agreement, whether written or oral.

“Conversion Date” means the date the Management Agreement has been executed and the Marijuana Support License has been issued.

“Disclosure Schedules” means the Schedules referred to in Article V of this Agreement.

“Employee Plans” includes all “employee benefit plans” as defined in Section 3(3) of ERISA, and any other pension plans or employee benefit agreements, arrangements, programs or payroll practices (including severance pay, other termination benefits or compensation, vacation pay, salary, company awards, stock option, stock purchase, salary continuation for disability, sick leave, retirement, deferred compensation, bonus or other incentive compensation, stock purchase arrangements or policies, hospitalization, medical insurance, life insurance and scholarship programs) (whether funded or unfunded, written or oral, qualified or nonqualified), sponsored, maintained or contributed to or required to be contributed to by any Seller or by any trade or business, whether or not incorporated, that together with a Seller would be deemed a “single employer” within the meaning of Section 4001 of ERISA (a “Seller ERISA Affiliate”) for the benefit of any employee, leased employee, director, officer, shareholder or independent contractor (in each case either current or former) of any Seller or any Seller ERISA Affiliate.

“Environmental Liabilities” means any Liability arising from or under any Environmental Law (including as a result of any breach thereof or compliance therewith).

“Environmental Law” means any Law as now or hereafter in effect in any way relating to the protection of the environment or natural resources or, in relation thereto, human health and safety, including the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. App. § 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Clean Water Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. § 136 et seq.) and the Occupational Safety and Health Act (29 U.S.C. § 651 et seq.), as those Laws have been amended, any analogous state and local Laws and the regulations promulgated pursuant thereto.

“ERISA” means the Employment Retirement Income Security Act of 1974 and the regulations promulgated pursuant thereto, each as amended.

“ERISA Affiliate” means a corporation or other Person, which, together with either any Seller or any subsidiary of any Seller, that would be deemed to be a single employer within the meaning of Section 414(b), (c), (m) or (o) of the Code.

“Escrow Account” means an escrow account with the Escrow Agent housing the cash portion of the Escrow Property.

“Escrow Agent” means Odyssey Corporate Trust, or if Odyssey Trust is unwilling or unable to serve, another escrow agent agreed upon by Purchasers’ Representative and Sellers’ Representative, each acting reasonable, as escrow agent under the Escrow Agreement.

“Escrow Agreement” means an Escrow Agreement to be entered into by and among Purchasers’ Representative, Sellers’ Representative and the Escrow Agent in mutually agreeable form.

“Escrow Property” means at any time, the Initial Escrow Shares, or so much of them as remain unsold, together with such of the net proceeds from the sale of such Shares as are required to be deposited in the Escrow Account pursuant to Section 3.5.

“GAAP” means U.S. generally accepted accounting principles.

“Governmental Body” means any government or quasi-governmental entity, or political subdivision thereof, whether federal, state, county, municipal, city, national, provincial or municipal, or any authority, agency or commission entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or Taxing Authority or power, or any court, arbitrator or tribunal (or any department, bureau or division thereof).

“Hazardous Material” means any substance, material or waste that is regulated, classified or otherwise characterized under or pursuant to any Environmental Law as “hazardous,” “toxic,” “pollutant,” “contaminant,” “radioactive,” “medical waste,” “biohazard” or words of similar meaning or effect, including petroleum and its by-products, asbestos, polychlorinated biphenyls, radon, mold or other fungi, and urea formaldehyde insulation.

“Indebtedness” of any Person means, without duplication, (i) the principal of and premium (if any) in respect of (A) indebtedness of such Person for money borrowed and (B) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable; (ii) all obligations of such Person issued or assumed as the deferred purchase price of property or services, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but excluding Assumed Payables); (iii) all obligations of such Person under leases required to be capitalized in accordance with GAAP consistently applied (including any such liabilities that are not capitalized); (iv) all obligations of such Person under any letter of credit, banker’s acceptance or similar credit transaction or any bank overdraft; (v) all obligations of such Person under interest rate cap, swap, collar or similar transactions or currency hedging transactions; (vi) the liquidation value of all redeemable preferred securities of such Person; (vii) any accrued interest, penalties and other obligations relating to the foregoing; (viii) all obligations of the type referred to in clauses (i) through (vii) of any Persons for the payment of which such Person is responsible or liable, directly or indirectly, as obligor, guarantor, surety or otherwise, including guarantees of such obligations; and (ix) all obligations of the type referred to in clauses (i) through (viii) of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person). Indebtedness shall also include any pre-payment penalties, “breakage costs,” redemption fees, premiums and similar amounts repaid on the Closing Date.

“Indemnified Party” means a Purchaser Indemnified Party or a Seller Indemnified Party.

“Indus” means Indus Holding Company, a Delaware corporation and a direct or indirect parent of each Purchaser.

“Initial Deposit” means a sum of \$100,000 that was paid by Indus to Sellers upon the execution of that certain Letter of Intent between Indus and Sellers, dated as of April 3, 2019.

“Initial Escrow Shares” means 150,000 Shares that will serve as the initial Escrow Property.

“Intellectual Property” means any and all intellectual property and rights in or to intellectual property, including (a) any and all trademarks, service marks, brand names, certification marks, trade dress, assumed names, trade names, logos and other indications of origin, sponsorship or affiliation, together with the goodwill associated therewith (whether the foregoing are registered or unregistered); registrations thereof in any jurisdiction and applications to register any of the foregoing in any jurisdiction, and any extension, modification or renewal of any such registration or application; (b) any and all inventions, developments, improvements, discoveries, know how, concepts and ideas, whether patentable or not in any jurisdiction; (c) any and all patents, revalidations, industrial designs, industrial models and utility models, patent applications (including reissues, continuations, divisions, continuations-in-part and extensions) and patent disclosures; (d) any and all mask works and other semiconductor chip rights and registrations thereof; (e) any and all non-public information, trade secrets and proprietary or confidential information and rights in any jurisdiction to limit the use or disclosure thereof by any Person; (f) any and all writings and other works, whether copyrighted, copyrightable or not in any jurisdiction, such works including computer programs and software (including source code, object code, data and databases); (g) any and all copyrights, copyright registrations and applications for registration of copyrights in any jurisdiction, and any renewals or extensions thereof; (h) any and all other intellectual property or proprietary rights; (i) any and all agreements, licenses, immunities, covenants not to sue and the like relating to any of the foregoing; and (j) any and all claims or causes of action arising out of or related to any infringement or misappropriation of any of the foregoing. Notwithstanding the foregoing, “Intellectual Property” shall not mean any and all of the foregoing to the extent it relates to or pertains to any of the Excluded Assets.

“Inventory” means all raw materials, crops, work-in-process (including oils in all stages of production), semi-finished goods, finished goods and merchandise, spare parts, packaging and other supplies related thereto.

“Inventory Adjustment” means (i) if the Qualifying Inventory Value is less than \$2,700,000, the difference, expressed as a negative number, between \$2,700,000 and the Qualifying Inventory Value, (ii) if the Qualifying Inventory Value is greater than \$2,800,000, the amount, expressed as a positive number, equal to 50% of the difference between the Qualifying Inventory Value and \$2,800,000 and (iii) if the Qualifying Inventory Value at least \$2,700,000 and not greater than \$2,800,000, \$0.

“IRS” means the Internal Revenue Service.

“Knowledge of Sellers” means the actual knowledge of R. Scott Coffman, A. Todd Justice, Lance Blundell, or Eric Richardson and the knowledge such persons would ordinarily obtain in the prudent performance of their roles as directors, officers and/or beneficial owners in connection with the operation of the Business.

“Law” means any federal, state or local law, statute, code, ordinance, rule or regulation or any official interpretation thereof together with requirements and conditions established in Permits, Orders and agreements issued by any applicable Governmental Body.

“Legal Proceeding” means any judicial, administrative or arbitral action, suit, hearing, investigation, proceeding (public or private) or claim by or before any applicable Governmental Body.

“Liability” means any debt, loss, damage, adverse claim, liability or obligation (whether direct or indirect, known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due, and whether in contract, tort, strict liability or otherwise), and including all costs and expenses relating thereto.

“Lien” means any lien, pledge, mortgage, deed of trust, security interest, claim, lease, charge, option, warrant, right of first refusal, right of first offer, easement, right of way, covenant, zoning restriction, proxy, voting trust or agreement, transfer restriction under any shareholder or similar agreement, encumbrance or any other restriction or limitation whatsoever.

“Losses” means any and all losses, Liabilities, obligations, damages, costs (including Tax costs), penalties and expenses, including costs of investigation and reasonable attorneys’ fees and disbursements, provided that “Losses” shall not include punitive or exemplary damages except to the extent payable by an Indemnified Party to a third party.

“Marijuana Support License” means the marijuana support license required from Clark County, Nevada or any other Governmental Body for Nevada Purchaser to operate and exercise control over the business of Nevada Seller on the terms set forth in the Management Agreement.

“Material Adverse Effect” means any change, event, circumstance or effect that, individually or in the aggregate with all other changes, events, circumstances and effects, has had or would reasonably be expected to have a material adverse effect on the business, assets, operations, financial condition or results of operations of Sellers or Purchasers (as applicable), taken as a whole, or the ability of Sellers or Purchasers (as applicable) to consummate the Transaction and to fulfill and perform their covenants and obligations under this Agreement and the other Transaction Documents, provided that changes, events, circumstances and effects relating to the matters described in clauses (a) through (e) below shall not be considered in determining whether a “Material Adverse Effect” has occurred: (a) any changes in financial, banking or securities markets in general (including any disruption of such markets); (b) the outbreak or escalation of hostilities involving the United States, the declaration by the United States of a national emergency or war or the occurrence of any other national or international calamity or crisis, including an act of terrorism involving the United States; (c) changes after the date hereof in Law or GAAP or other applicable accounting principles; or (d) the disclosure of the fact that Purchasers are acquiring the Business; which, in the case of clauses (a) through (c), does not disproportionately affect Sellers relative to the other companies in the industries in which Sellers operate.

“Nevada Lease” means that certain Lease Agreement for property described as 4801 West Bell Drive, WHSE F, G, H – M, Las Vegas, Nevada (the “Nevada Lease Property”), being a portion of the Nevada Property, by and between Nevada Seller and Bell Drive Properties, dated as of March 16, 2017, as amended by (i) that certain Addendum to Lease dated March 16, 2017, (ii) that certain Option to Lease dated June 8, 2017 exercising the option to lease Warehouse “F” and “G”, and (iii) that certain First Amendment to Lease Agreement by and among Nevada Seller, and the Nevada Land Owner dated as of August 21, 2018, as such Nevada Lease is affected by the Option Agreement.

“Nevada Land Owner” means, collectively, jointly and severally, Bell Drive Properties, LLC, and Bell Drive Properties II, LLC.

“Nevada Property” means the real property located at 4801 West Bell Drive, Las Vegas, Nevada, as such property is more particularly described in the Option, including without limitation WHSE F, G, H – M.

“Open Source Technology” means any software or other Intellectual Property that is subject to or licensed, provided, distributed or made available under any open source license (including any Copyleft License), including any license meeting the Open Source Definition (as promulgated by the Open Source Initiative) or the Free Software Definition (as promulgated by the Free Software Foundation), or any substantially similar license, or is otherwise licensed, provided, distributed or made available in source code or equivalent form under terms that permit modification and redistribution of such software or other Intellectual Property.

“Option” means that certain purchase option held by Nevada Seller and granted by Nevada Land Owner, a copy of which is attached hereto as Exhibit B, pursuant to the Option Agreement, granting it the option to purchase the Nevada Property until July 1, 2019 pursuant to the terms and conditions of the Option Agreement.

“Option Agreement” means, collectively, that certain Amended and Restated Option to Purchase and Joint Escrow Instructions by and among Nevada Seller, as buyer, Bell Drive Properties, LLC, and Bell Drive Properties II, LLC, as seller (“collectively, the “Nevada Land Owner”) dated April 30, 2018, as amended by that certain First Amendment to Amended and Restated Option to Purchase and Joint Escrow Instructions by and among Nevada Seller, and Nevada Land Owner, effective as of March 19, 2019, and as affected by that certain Memorandum of Option Agreement dated June 5, 2019 by and between Nevada Land Owner and Nevada Seller and recorded on June 15, 2018 as Inst #: 20180615-0000351 and any other memoranda of record relating to the Option.

“Order” means any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award.

“Ordinary Course of Business” means actions taken by a Person in the ordinary and usual course of normal day-to-day operations of such Person’s business, consistent with past practice.

“Oregon Lease” means that certain Lease for the Oregon Property by and between Oregon Seller and Yoshida Real Estate Holdings XIV, LLC, dated October 27, 2016 as amended by that certain First Amendment to Lease Agreement.

“Oregon Property” means the real property located at 12433 – 12437 SE Division Street, Portland, OR 97213, as more particularly described in the Oregon Lease.

“Organizational Documents” means any of the following, as applicable, (i) the articles or certificate of incorporation and the bylaws of a corporation; (ii) the certificate of formation or articles of organization and operating agreement of a limited liability company; (iii) the partnership agreement and any statement of partnership of a general partnership; (iv) the limited partnership agreement and the certificate of limited partnership of a limited partnership; (v) any charter or similar document adopted or filed in connection with the creation, formation, or organization of a Person; and (vi) any amendment to any of the foregoing.

“Outside Date” means November 13, 2020.

“Permits” means any approvals, authorizations, consents, licenses, franchises, permits, certificates, registrations, accreditations, privileges, variances and similar documents, applications or rights obtained, or required to be obtained, from Governmental Bodies.

“Permitted Liens” means (i) Liens for Taxes which are not yet delinquent, (ii) Liens to secure landlords, lessors or renters under any leased real property and (iii) Liens in favor of carriers, warehousemen, mechanics and materialmen to secure claims for labor, materials or supplies or other similar items for amounts not yet delinquent or that are being contested in good faith and reserved against in accordance with GAAP.

“Person” means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Body or other entity.

“Pubco” means Indus Holdings, Inc., a British Columbia corporation.

“Qualifying Inventory” means cannabis flower (including growing cannabis plants), extracted cannabis oils (including oils in the process of production) and vapor cartridges and other packaging Inventory that is of usable and (in the case of finished product Inventory) saleable quality as of the date hereof.

“Registered IP” means all Intellectual Property in which the Company has an ownership interest that is the subject of any application, certificate, filing, registration or other document issued by, filed with, or recorded by or with any Governmental Body, including any domain names.

“Securities Act” means the Securities Act of 1933, and the rules and regulations thereunder.

“Shares” means subordinate voting shares of Pubco.

“Stock Consideration Initial Value” means \$11.7466 per Share.

“Tangible Personal Property” means all machinery, equipment, tools, furniture, office equipment, computer hardware, supplies, materials, vehicles and other items of tangible personal property of every kind owned or leased by Sellers (wherever located and whether or not carried on the books of the applicable entity), together with any express or implied warranty by the manufacturers or sellers or lessors of any item or component part thereof and all maintenance records and other documents relating thereto.

“Tax” or “Taxes” means (i) any and all federal, state, local or foreign taxes, charges, fees, imposts, levies or other assessments, including all net income, gross receipts, capital, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, escheats, unclaimed property, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation, property and estimated taxes, customs duties, fees, assessments and charges of any kind whatsoever, (ii) all interest, penalties, fines, additions to tax or additional amounts imposed by any Taxing Authority in connection with any item described in clause (i), whether disputed or otherwise, and (iii) any liability in respect of any items described in clauses (i) or (ii) payable by reason of Contract, assumption, transferee liability, operation of law, Treasury Regulation Section 1.1502-6(a) (or any predecessor or successor thereof or any analogous or similar provision under Law) or otherwise.

“Taxing Authority” means the IRS and any other Governmental Body responsible for the administration of any Tax.

“Tax Return” means any return, report or statement required to be filed with respect to any Tax (including any attachments thereto, and any amendment thereof) including any information return, claim for refund,

amended return or declaration of estimated Tax, and including, where permitted or required, combined, consolidated or unitary returns for any group of entities that includes a Seller.

“Transaction Documents” means this Agreement and any other document, agreement, certificate or instrument required to be delivered at the Closing pursuant to the terms hereof. For the avoidance of doubt, the Management Agreement shall not be deemed to be a Transaction Document.

“Transaction Expenses” means the aggregate amount of all fees, costs and expenses incurred or subject to reimbursement by Sellers in connection with this Agreement or the transactions contemplated hereby (whether incurred prior to or after the date hereof) and not previously paid, including: (i) all fees, expenses, costs, commissions and disbursements of any broker, finder, financial advisor, consultant, accountant or legal counsel incurred by or on behalf of Sellers in connection with this Agreement and the transactions contemplated hereby, (ii) any and all transaction, success, change-of-control or similar bonuses payable to employees, directors, managers or consultants of Sellers (including any applicable payroll Taxes related thereto) as a result of the transactions contemplated hereby; and (iii) expenses or payments resulting from the change of control of Sellers or otherwise payable in connection with receipt of any consent or approval in connection with the transactions contemplated hereby (but excluding, for the avoidance of doubt, any expenses of Purchasers).

“WC Amount” means an amount, positive or negative, equal to Working Capital as of the Adjustment Effective Time.

“Working Capital” means (a) the current assets of the Company, other than Inventory, included in the Assets, less (B) the current liabilities of the Company included in the Assumed Liabilities, computed in accordance with GAAP.

1.2 Other Definitional and Interpretive Matters.

(a) Additional Definitions

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(b) When a reference is made in this Agreement to an Article or a Section, such reference shall be to an Article or a Section of this Agreement unless otherwise expressly indicated. When used herein, (i) the words “hereof,” “herein” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and (ii) the words “include,” “includes” and “including” shall be deemed in each case to be followed by the words “without limitation.” The meaning assigned to each capitalized term defined and used herein shall be equally applicable to both the singular and the plural forms of such term, and words denoting any gender shall include all genders. When reference is made to any Party to this Agreement or any other agreement or document, such reference shall include such Party’s successors and permitted assigns. A reference to any specific legislation or to any provision of any legislation shall include any amendment to, and any modification, re-enactment or successor thereof, any legislative provision substituted therefor and all rules, regulations and statutory instruments issued thereunder or pursuant thereto. The headings set forth in this Agreement are for convenience of reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Wherever this Agreement indicates that Sellers have “made available” any document or information to Purchasers or uses words of similar import, such statement means that such document or information was made available for viewing in a currently accessible electronic data room maintained on the Akerman Connect platform at least two Business Days prior to the date of this Agreement.

(c) The Parties have participated jointly in the negotiation and drafting of this Agreement and, if an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

ARTICLE II ACQUIRED ASSETS; LIABILITIES

2.1 Purchase and Sale.

(a) Subject to the terms and conditions hereof and subject to the representations and warranties made herein, at the Closing, (i) Brand Purchaser shall purchase from Brand Seller, and Brand Seller shall sell, assign, transfer and deliver to Brand Purchaser, all of the Assets of Brand Seller; (ii) Nevada Purchaser shall purchase from Nevada Seller and Nevada Seller shall sell, assign, transfer and deliver to Nevada Purchaser, all of the Assets of Nevada Seller; and (iii) Oregon Purchaser shall purchase from Oregon Seller and Oregon Seller shall sell, assign, transfer and deliver to Oregon Purchaser, all of the Assets of Oregon Seller, in each case of (i) through (iii) free and clear of all Liens.

(b) Notwithstanding Section 2.1(a):

(i) in the event the applicable closing conditions set forth in Article VIII are satisfied with respect to the purchase and sale of the Assets of Oregon Seller prior to the time such closing conditions are satisfied with respect to the purchase and sale of the Assets of Nevada Seller, title to the Assets of Oregon Seller (including the license rights described in Section 7.1(e)) shall be transferred to Oregon Purchaser in consideration for the continued performance of Purchasers under this Agreement (and, if it is then in effect, the Management Agreement), provided that (A) such transfer shall not constitute the “Closing” hereunder (it being understood that such Closing shall be deemed to have occurred only when the purchase and sale transaction has been consummated with respect to the Assets of Nevada Seller and Brand Seller) and (B) if this Agreement is terminated prior to the Closing, such assets of Oregon Seller shall be reconveyed from Oregon Purchaser to Oregon Seller as promptly as practicable; and

(ii) in the event the applicable closing conditions set forth in Article VIII are satisfied with respect to the purchase and sale of the Assets of Nevada Seller prior to the time such closing conditions are satisfied with respect to the purchase and sale of the Assets of Oregon Seller, title to the Assets of Nevada Seller and Brand Seller shall be transferred to Nevada Purchaser and Brand Purchaser, respectively; the remaining transactions contemplated to take place at the Closing shall be consummated; and the issuance of a 425,655 Share portion of the Stock Consideration (the “Delayed Shares”) shall be deferred until such time as the applicable closing conditions set forth in Article VIII are satisfied with respect to the purchase and sale of the Assets of Oregon Seller, at which time such Assets shall be conveyed to Oregon Purchaser in exchange for the Delayed Shares.

2.2 Assets. As used herein, the “Assets” of a Seller shall mean all right, title and interest of such Seller in and to the assets, properties, goodwill and rights of every kind and description, real and personal, tangible and intangible, wherever situated, used or held for use in connection with the Business and shall include, without limitation, the following:

- (a) all Cash;
- (b) all accounts receivable;
- (c) all credits, prepayments and similar items;
- (d) the entire product line of such Seller, including the products set forth on Schedule 2.2(d) (each a “Product Line” and collectively the “Product Lines”);
- (e) all Intellectual Property of such Seller, including the product formulations and batch records and the websites, trade names, logos and marks set forth on Schedule 2.2(e);
- (f) all Inventory of the Business;

- (g) all packaging, marketing, promotional and educational materials;
- (h) all customer lists, mailing lists and price lists, including those set forth on Schedule 2.5(h), and which Seller represents include all customers for the Product Line during the past two years;
- (i) the unfilled customer orders (or portions thereof) for items of product within the Product Line of such Seller (collectively, “Products”) set forth on Schedule 2.2(i) (collectively, the “Assumed Customer Purchase Orders”);
- (j) the unfilled vendor orders (or portions thereof) for components, raw material, and work-in-process inventory within the Product Line set forth on Schedule 2.2(j) (collectively, the “Assumed Vendor Purchase Orders”);
- (k) all Contracts set forth on Schedule 5.14 (including the Nevada Lease and Oregon Lease), except for the Contracts that are also listed on Schedule 2.3(a) (together with the Assumed Customer Purchase Orders and the Assumed Vendor Purchase Orders, the “Assumed Contracts”);
- (l) all computer hardware, furniture, furnishings, vehicles, equipment, machinery and other tangible personal property set forth on Schedule 2.2(l);
- (m) all payment rights and other intangible assets (including goodwill) with respect to customer relationships that are not embodied in complete written Contracts (it being understood that an expired Contract shall not be deemed to be a complete written Contract for purposes of this Section 2.2(m));
- (n) all security deposits;
- (o) all Books and Records;
- (p) all Permits, other than the Permits listed on Schedule 2.2(p) (the issuance of replacement Permits to Oregon Purchaser are a condition to Closing under Section 8.1(f));
- (q) all causes of action, lawsuits, claims and demands of any nature available to or being pursued by such Person (other than intercompany receivables and other than claims against any Purchasers or their Affiliates) with respect to the Assets;
- (r) subject to the terms and conditions of this Agreement, including without limitation Section 7.6, any and all of Nevada Seller’s interest in and to the Nevada Property; and
- (s) all goodwill pertaining to the Business.

2.3 Excluded Assets. Notwithstanding anything to the contrary contained in Section 2.1, Section 2.2 or elsewhere in this Agreement, each Seller shall retain such Seller’s right, title and interest in and to the following assets (collectively, the “Excluded Assets”):

- (a) the Contracts set forth on Schedule 2.3(a) (the “Excluded Contracts”); provided that Purchasers shall have the right to elect in writing following the Closing to assume any Contract related to the Business that has not otherwise been terminated by Seller that is not listed on either

Schedule 5.14 of the Disclosure Schedule or Schedule 2.3(a), whereupon such Contract shall be treated as an Assumed Contract for all purposes hereunder;

(b) any and all Tax Returns and related workpapers used to prepare the same for periods ending on or prior to the Closing Date;

(c) all Tax assets;

(d) all Employee Plans;

(e) the equity interests in any other Seller;

(f) minute books, corporate seals and similar items;

(g) all insurance policies;

(h) all rights of Sellers under this Agreement and the other Transaction Documents;
and

(i) the assets, if any, listed or described on Schedule 2.3(i).

2.4 Assumption of Liabilities. Subject to the terms and conditions set forth herein, at the Closing, Purchasers shall assume from Sellers and agree to pay and discharge when due solely Liabilities and obligations of each Seller under (i) Assumed Payables, (ii) the unfulfilled portions of the Assumed Customer Purchase Orders and the Assumed Vendor Purchase Orders, as set forth on Schedule 2.2(j) and Schedule 2.2(k), respectively, and (ii) the other Assumed Contracts that by the terms of such Assumed Contracts arise after the Closing, relate to periods following the Closing and are to be observed, paid, discharged, or performed as the case may be, at any time after the Closing (excluding in each case of (i) and (ii) any such Liabilities or obligations arising from a violation of law or a breach or default with respect to an Assumed Contract prior to Closing) (collectively, the “Assumed Liabilities”).

2.5 Excluded Liabilities. No Purchaser shall assume any Liabilities or obligations of any Seller other than the Assumed Liabilities (collectively, the “Excluded Liabilities”). In addition, notwithstanding anything to the contrary in Section 2.4, no Purchaser shall assume any of the following (each of which shall also constitute Excluded Liabilities):

(a) any Liability relating to any cause of action or judicial or administrative action, suit, proceeding or investigation, (i) pending or threatened on or prior to the Closing Date, including without limitation Coats v W the Brand, LLC et al., Case No. A-19-790393-C (District Court, Clark County, NV), and (ii) to the extent related to Excluded Assets or Excluded Liabilities;

(b) any Liability relating to any failure or alleged failure by any Seller to comply with, or any violation or alleged violation by any Seller of, any Law, Order or Permit;

(c) any Liability relating to any failure or alleged failure by any Seller to comply with, or any violation or alleged violation by any Seller of, any Contract where such failure or violation occurred or was alleged to have occurred on or prior to the Closing;

(d) any Liability, relating to or arising out of the employment by any Seller of any of its employees or the engagement by any Seller of any of its independent contractors (or any employee of an independent contractor), or the termination of any such relationship;

(e) any Employee Benefit Plan, including any sponsorship, administration or contribution obligation of any Person under any Employee Benefit Plan or the termination prior to any such assumption of any Employee Benefit Plan;

(f) any Liability relating to any infringement or alleged infringement of the rights of any other Person arising out of the use of any Business IP on or prior to the Closing Date;

(g) any Liability for any Taxes (including without limitation any deferred Tax) with respect to any Taxable period or portion thereof ending on or prior to the Closing Date;

(h) any Liability relating to any Excluded Asset;

(i) any Liability relating to any accounts payable other than Assumed Payables;

(j) any product Liabilities related to Inventory included in the Assets;

(k) any Liability with respect to the Indebtedness of any Seller; or

(l) any Liability imposed by any Environmental Law and incurred in connection with conditions existing or events occurring on or prior to the Closing Date.

ARTICLE III PURCHASE CONSIDERATION

3.1 Purchase Consideration; Adjustment.

(a) The consideration for the purchase of the Assets (the “Purchase Price”) shall consist of (A)(i) the Base Payment, subject to adjustment as provided in Sections 3.1(b) (d) and (e), plus (ii) \$50,000 to replace the deposit made by Nevada Seller to extend the Option (collectively, the “Closing Payment”), and (B) the delivery by the Purchasers to Sellers at the Closing of 851,310 Shares at a deemed issuance price of \$11.7466 per share (the “Stock Consideration”), subject to adjustment as provided in Sections 3.1(b) (d) and (e).

(b) The value of Qualifying Inventory as of the Adjustment Effective Time (the “Qualifying Inventory Value”) will be determined in accordance with GAAP based on a physical inventory count of the amount of each type of Qualifying Inventory conducted by Purchasers and adjustments for inflows and outflows between the date of the physical inventory and the date hereof. The Qualifying Inventory Value shall be set forth on a detailed schedule of the type, amount and value of Qualifying Inventory (the “Qualifying Inventory Schedule”) agreed upon by Sellers’ Representative and Purchasers’ Representative by May 28, 2019. The WC Amount and the Closing Adjustment will be provided by Purchasers’ Representative to Sellers’ Representative within 14 days following the date hereof. If Sellers’ Representative and Purchasers’ Representative (each, a “Contesting Party”) are unable to agree upon the Qualifying Inventory Value and the Qualifying Inventory Schedule by May 28, 2019 or are unable to agree on the WC Amount and the Closing Adjustment within 45 days following the delivery of the WC Amount, the determination of the Qualifying Inventory Value, the Qualifying Inventory Schedule, the WC Amount and/or the Closing Adjustment, as applicable, shall be submitted to Grant Thornton (the “Accounting Expert”). Each Contesting Party shall be permitted to present a supporting brief to the Accounting Expert (which supporting brief shall also be concurrently provided to the other Contesting Party) within 10 days of the appointment of the Accounting Expert, and no further briefing will be permitted. The Accounting Expert may not assign a value to any item greater than the greatest value for such item claimed by a Contesting Party or less than the smallest value for such item

claimed by a Contesting Party and must resolve the matter in accordance with the terms and provisions of this Agreement. The determination of the Accounting Expert shall be final, binding and non-appealable by the Parties. The fees and expenses of the Accounting Expert will be allocated between Purchasers, on the one hand, and Sellers, on the other, based upon the percentage that the portion of the disputed amount not awarded to Purchasers, on the one hand, and Sellers, on the other, bears to such disputed amount, as determined by the Accounting Expert.

(c) Purchasers' Representative and Sellers' Representative shall each have access, during normal business hours and upon reasonable notice, to the books and records relevant to the determination of the Qualifying Inventory Value, the Qualifying Inventory Schedule, the WC Amount and the Closing Adjustment. In no event will the Conversion Date or the Closing Date be deferred due to a disagreement about any such item.

(d) The Qualifying Inventory Value shall be reduced to the extent any Qualifying Inventory constituting finished goods at the time of the valuation of the Qualifying Inventory does not pass all required state and local testing. The amount of the reduction shall be equal to the value of such Qualifying Inventory set forth on the Qualifying Inventory Schedule.

(e) The Base Payment shall be increased by the Closing Adjustment if it is a positive number, and the Stock Consideration shall be decreased by the Closing Adjustment (based on the Stock Consideration Initial Value) if it is a negative number.

(f) \$10,000,000 (the "Purchase Price Escrow Amount") shall be placed in escrow pursuant to an escrow agreement with the Escrow Agent on mutually agreeable terms no later than May 21, 2019. In the event the Base Payment is determined, following final determination of any adjustments provided for in the preceding provisions of this Section 3.1, to be greater or lesser than \$10,000,000, the parties shall cooperate to promptly adjust the escrowed amount accordingly. The Purchase Price Escrow Amount shall be used solely for purposes of satisfying the cash portion of the Purchase Price at the Closing. In no event shall any portion of the Purchase Price Escrow Amount be required to remain in escrow following the Outside Date, regardless of the reason the Closing has not yet occurred and regardless of the pendency of any Legal Proceeding relating to this Agreement, and Purchasers' Representative and Sellers' Representative shall and shall cause Purchasers and Sellers, respectively, to cooperate to cause the Purchase Price Escrow Amount to be released to Purchasers' Representative on or after the Outside Date if requested in writing by Purchasers' Representative to Sellers' Representative, provided that upon such release, Sellers' Representative shall have the termination right provided in Section 9.1(f). Purchasers and Sellers shall each pay 50% of all fees and expenses of the Escrow Agent.

3.2 Resale Limitations.

(a) Sellers acknowledge and agree that Sellers shall be restricted from selling or otherwise transferring the Stock Consideration in accordance with applicable resale restrictions under the Laws of the United States and Canada, including a restriction on selling or otherwise transferring the Stock Consideration for a period of four months and one day following the issuance thereof under applicable Canadian securities laws.

(b) Sellers further acknowledge and agree that the Stock Consideration is subject to the following contractual hold period, which may be enforced by Pubco and of which Pubco is a third party beneficiary:

(i) 85,131 Shares shall not be subject to any restrictions under this Section 3.2(b);

(ii) 255,393 Shares shall be restricted until June 25, 2019 under this Section 3.2(b);

(iii) 255,393 Shares shall be restricted until August 24, 2019 under this Section 3.2(b); and

(iv) 255,393 Shares (which shall include the 150,000 Shares to be placed in escrow as contemplated by Section 3.4(c) below) shall be restricted until October 23, 2019 under this Section 3.2(b).

(c) Sellers acknowledge that the Shares constituting the Stock Consideration shall have attached to them, whether through the electronic deposit system of CDS Clearing and Depository Services Inc., or on certificates that may be issued, a legend setting out the resale restrictions set out in this Section 3.2, together with the following legend:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [the date which is four months and one day after the date of issuance of the Stock Consideration will be inserted].”

3.3 Pre-Closing Statement. At least five Business Days prior to the Closing Date, Sellers shall prepare and deliver to Purchasers a statement (the “Pre-Closing Statement”) setting forth (i) the amount of Indebtedness of each Seller immediately prior to the Closing (collectively, the “Closing Indebtedness”) and (ii) the amount of the Transaction Expenses, including a list of the payees and the amounts payable to each.

3.4 Closing Payments and Deliveries. At the Closing, Purchasers shall deliver (or cause to be delivered) the following:

(a) a cash payment by wire transfer of immediately available funds in an amount equal to the Closing Payment, minus the sum of (i) the Initial Deposit (which has been received by Sellers and shall be credited towards the Base Payment), (ii) the aggregate amount of the Closing Indebtedness set forth on the Pre-Closing Statement and (iii) the aggregate amount of the Transaction Expenses set forth on the Pre-Closing Statement, payable to an account designated in writing by Sellers prior to the Closing;

(b) a 701,310 Share portion of the Stock Consideration to the to the Sellers and/or anyone designated in writing by Sellers prior to Closing;

(c) a 150,000 Share portion of the Stock Consideration to the Executing Broker, to be held and dealt with in accordance with Section 3.5;

(d) cash payments by wire transfer of immediately available funds in amounts equal to the Closing Indebtedness set forth on the Pre-Closing Statement, payable to accounts specified in the pay-off letters delivered by Sellers pursuant to Section 8.1(l); and

(e) cash payments by wire transfer of immediately available funds in amounts equal to the Transaction Expenses set forth on the Pre-Closing Statement, payable to accounts of the applicable payees designated in writing by Sellers prior to the Closing.

3.5 Escrow Property.

(a) The Escrow Property shall serve as security for payment of any indemnification obligations of Sellers hereunder. On the Closing Date, the Initial Escrow Shares will be placed in an account with Haywood Securities Inc. (or another broker reasonably acceptable to Purchasers' Representative that has the capability to sell Shares for the account of a U.S. Person (as defined in Regulation S under the Securities Act)) (the "Executing Broker") and will be subject to a blocking instruction issued by Purchasers' Representative on behalf of Pubco prohibiting the sale of such Shares except as described herein. On the fifteen (15) month anniversary of the Closing Date (the "Release Date"), Purchasers' Representative and Sellers' Representative shall jointly direct the Escrow Agent in accordance with the Escrow Agreement to deliver in accordance with instructions provided in writing by Sellers' Representative the Escrow Property held by the Escrow Agent and Purchasers' Representative shall direct the Escrow Agent to remove all blocking instruction on Escrow Property held by Executing Broker and to deliver such Escrow Property in accordance with instructions provided in writing by Sellers' Representative to the Executing Broker, provided that if there are outstanding claims for indemnification by any Purchaser Indemnified Party on the Release Date (the "Unresolved Claims"), a portion of the Escrow Property held by the Escrow Agent equal to the reasonably determined amount of such claims and, if the reasonably determined amount of such claims exceeds the amount of the Escrow Property held by the Escrow Agent, Shares having a value (based on the Stock Consideration Initial Value) equal to such excess shall be withheld from the Escrow Property held by the Executing Broker to be released or with respect to which blocking instructions are to be removed, as applicable, on the Release Date and shall continue to be held by the Escrow Agent or the Executing Broker(s), as applicable, provided further if the amount of such claims exceeds the value of the Escrow Property or cannot reasonably be determined, the entire Escrow Property shall continue to be held by the Escrow Agent or subject to blocking instructions, as applicable. Such withheld Escrow Property, or so much thereof then remaining, shall be distributed to Sellers upon resolution and final satisfaction of all Unresolved Claims in accordance with Article X, provided that if at any time following the Release Date the value of the remaining Escrow Property exceeds the reasonably determined amount of the Unresolved Claims, (x) Purchaser shall direct the Escrow Agent to remove blocking instructions on escrowed Shares held by the Executing Broker and (y) if all remaining escrowed Shares have been unblocked, Purchasers' Representative and Sellers' Representative shall jointly direct the Escrow Agent in accordance with the Escrow Agreement to deliver Escrow Property in accordance with instructions provided in writing by Sellers' Representative, in each case until the value of the remaining Escrow Property (with Shares valued at the Stock Consideration Initial Value) is equal to the reasonably determined amount of the Unresolved Claims. Purchasers and Sellers shall each pay 50% of all fees and expenses of the Escrow Agent.

(b) Subject to Section 3.2, and notwithstanding anything the contrary in Section 3.5(a), Sellers' Representative may from time to time, in its discretion, request that Purchasers' Representative issue instructions to the Escrow Agent to remove blocking instructions with respect to Shares to be sold within 30 days. Any such removal instruction shall be made upon receipt by Purchasers' Representative from the Executing Broker of an undertaking to remit to the Escrow Account net proceeds from any sale of Shares in an amount specified by Purchasers' Representative (which shall be equal to (A) (i) the Cap minus (ii) the amount, net of the Basket, of all claims subject to the Cap that have previously been paid from the Escrow Account minus (iii) the value of the Escrow Property held by the Escrow Agent (collectively, the "Escrow Return"), or (B) if the net proceeds are less than the Escrow Return, the entire net proceeds from the sale of such Shares) and to remit the remaining net proceeds from any sale of Shares, if any, to Sellers' Representative. Without limitation of Section 10.5(b), for purposes of any determination pursuant to clause (A)(iii) of the parenthetical in the preceding sentence, Shares included in the Escrowed Property shall be valued at the Stock Consideration Initial Value.

(c) The parties recognize that the foregoing procedures with respect to the Escrow Property have not been reviewed with the Escrow Agent or any Executing Broker and are subject to

adjustment based on the actual practices and capabilities or the Escrow Agent and any Executing Broker. In making such adjustments the parties will use their best efforts to preserve the intent and purpose of this Section 3.5.

3.6 Existing Indebtedness; Landlord Consents. Sellers shall use their best efforts to obtain and deliver to Purchasers' Representative within 30 days from the date of this Agreement (i) standstill agreements from each holder of Indebtedness of any Seller substantially in the form of Exhibit E and (ii) landlord consents to the assignment of the Nevada Lease and the Oregon Lease, each reasonably satisfactory to Purchasers' Representative. For the avoidance of doubt, it will not be a default hereunder if such standstill agreements cannot be obtained.

3.7 Equity Funding. As soon as practicable after the date hereof, Nevada Seller shall issue a 0.001% interest in Nevada Seller (the "WCDN Equity Interest") to Nevada Purchaser in consideration for Nevada Purchaser's provision of equity funding as set forth on Exhibit C. In the event this Agreement is terminated in accordance with Article IX, Nevada Seller shall have the right to redeem the WCDN Equity Interest for \$1.00.

ARTICLE IV CLOSING

4.1 Closing Date. Upon the terms and subject to the conditions set forth in this Agreement, the closing of the purchase and sale of the Assets (the "Closing") shall take place remotely via electronic transmission of documentation (such as by use of .pdf), on the third Business Day following the satisfaction or waiver of each of the conditions set forth in Article VIII (excluding conditions that, by their terms, cannot be satisfied until the Closing, but the Closing shall be subject to the satisfaction or waiver of those conditions) or at such other time or date as the Purchasers' and Sellers' may mutually agree. The date upon which the Closing occurs hereunder is referred to herein as the "Closing Date."

ARTICLE V REPRESENTATIONS AND WARRANTIES OF SELLERS

Except as otherwise set forth in the Disclosure Schedules, Seller Parties represent and warrant to Purchasers as follows.

5.1 Organization and Good Standing.

(a) Each of Brand Seller and Oregon Seller is a limited liability company organized under Delaware law, and Nevada Seller is a limited liability company organized under Nevada law, and each Seller's limited liability company status is active and it has all requisite limited liability company power to own, lease and operate its properties and to carry on its business as now conducted. None of the Sellers is resident in, or otherwise subject to the laws of, any province or territory of Canada.

(b) Each Seller is authorized to do business and is in good standing under the Laws of each jurisdiction in which the conduct of its business or the ownership of its properties requires such authorization, each of which is set forth on Schedule 5.1. Sellers have provided to Purchasers true and complete copies of the Organizational Documents of each Seller and each Seller is not in violation of any such documents. Except as set forth on Schedule 5.1, each Seller does not (i) have any subsidiaries or (ii) own, and has not owned at any time since its inception, directly or indirectly, any shares of capital stock or other securities of, or any equity interest in, any Person, or any right to acquire the foregoing. Except as set forth on Schedule 5.1, each Seller has not at any time since its inception consolidated or merged with, or acquired all or substantially all of the assets of, any Person.

5.2 Capitalization and Title. The equity interests in each Seller consist of a single class of membership interests, all of which are issued and outstanding. All of the interest in Sellers shall have been duly authorized and validly issued, are fully paid and nonassessable and are not subject to preemptive rights or Liens. All of the record and beneficial owners of all of the equity interests in Sellers are as set forth on Schedule 5.2.

5.3 Outstanding Interests. Except as set forth on Schedule 5.3, there are no outstanding options, preemptive or other rights, warrants, agreements, plans, voting trusts, proxies, Contracts, call or put options, commitments, understandings or demands of any character relating to any shares of capital stock or other securities of or other equity interests in any Seller or the issuance, sale, purchase, redemption, conversion, exchange, registration, voting or transfer thereof, nor does any Seller have any profit-sharing, phantom stock or similar rights with respect to the equity interests in any Seller.

5.4 Authorization of Agreement. Each Seller has all requisite power, capacity and authority to execute and deliver this Agreement and the other Transaction Documents required to be executed by him or it in connection with the consummation of the transactions contemplated by this Agreement, to perform his obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. This Agreement and each other Transaction Document has been duly and validly executed and delivered by Sellers and (assuming the due authorization, execution and delivery by the other parties hereto and thereto) constitutes the legal, valid and binding obligations of Sellers enforceable against Sellers in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

5.5 No Violation; Consents and Approvals. The execution and delivery by each Seller of this Agreement and all other instruments and agreements to be delivered by such Seller as contemplated hereby do not and the performance by it of its obligations hereunder and thereunder, do not and will not (a) conflict with or violate any provision of Law applicable to such Seller or by which any property or asset of such Seller is bound or affected, (b) conflict with or violate any Order to which such Seller is subject, (c) require a registration, filing, application, notice, consent, approval, order, qualification, or waiver with, to or from any Governmental Body or any other Person; (d) require a consent, approval or waiver from, or notice to, any party to any Contract to which such Seller is a party or in a breach of, constitute change of control or a default under, or result in the acceleration of material obligations, loss of benefit or increase in any liabilities or fees under, or create in any party the right to terminate, vest in, cancel or modify, any Contract to which such Seller is a party; or (e) result in the creation of any Lien on any property or asset of such Seller (including the Assets) or give any Person the right to prevent, or to cause any delay to, the transactions contemplated by this Agreement.

5.6 Financial Statements. Schedule 5.6 sets forth copies of (i) the tax basis balance sheets (the "Balance Sheet") each of the Sellers as of December 31, 2018 (the "Balance Sheet Date") and December 31, 2017 and the related statements of profit and loss for each of the years then ended (collectively, the "Annual Financial Statements"), (ii) the tax basis balance sheets of the Sellers as of March 31, 2019 and April 30, 2019 (the "Interim Balance Sheet" and the date of such balance sheet the "Interim Balance Sheet Date") and the related unaudited statements of profit and loss for the three- and one-month periods then ended (collectively, the "Interim Financial Statements" and, together with the Annual Financial Statements, including the related notes and schedules thereto, the "Financial Statements"). The Financial Statements fairly present the financial condition and the results of operations and cash flows of each Seller at the respective dates of and for the periods referred to in such Financial Statements; provided, however, that the Interim Financial Statements are subject to normal and non-

recurring year-end adjustments (the effect of which will not, individually or in the aggregate, be material). The Financial Statements reflect the consistent application of accounting practices throughout the periods involved.

5.7 No Undisclosed Liabilities. Sellers have no Liabilities except for (i) Liabilities reflected and accrued for or reserved against on the face of the Interim Balance Sheet, (ii) future performance obligations arising under the terms of any executory Contracts that are listed on Schedule 5.14(a) or entered into in the Ordinary Course of Business that are not required to be listed thereon, excluding Liabilities for any breach of any Contract, breach of warranty, tort, infringement or violation of Law, and (iii) Liabilities incurred in the Ordinary Course of Business since the Interim Balance Sheet Date consistent in amount and kind with past practice (none of which results from, arises out of, relates to, is in the nature of or was caused by any breach of Contract, breach of warranty, tort, infringement or violation of Law). Sellers do not engage in or maintain any off-balance sheet arrangements (as defined in Item 303 of Regulation S-K of the Securities Act).

5.8 Sufficiency of Assets. The Assets constitute all of the assets, tangible and intangible, of any nature whatsoever, necessary for the operation of the Business.

5.9 Title to Assets; Liens.

(a) Sellers own good and transferable title to, or in the case of property held under a lease or other contract, a valid and enforceable leasehold interest in or right to use, all of the Assets, free and clear of any Liens other than Permitted Liens. Nevada Seller owns good and marketable title interest in and to the Option, which is valid and enforceable and free and clear of any Liens other than the Permitted Liens, and the Option to purchase the Nevada Property pursuant to the Option is free and clear of all Liens other than Permitted Liens.

(b) All Tangible Personal Property is in good operating condition and repair, normal wear and tear excepted, is usable in the Ordinary Course of Business and is adequate for the uses to which it is being put. None of the Tangible Personal Property is in need of maintenance or repairs, except for ordinary, routine maintenance and repairs that are not significant in nature or cost. Schedule 5.9(b) lists all property, plant and equipment as included on the Interim Balance Sheet.

(c) Schedule 5.9(c) lists all vehicles owned by Sellers or used or held for use in the Business and the owner of each. All such vehicles are: (i) properly licensed and registered in accordance with applicable Law; and (ii) fully insured. The Sellers shall cooperate to have the titles to any such vehicles transferred to the Purchasers immediately after the Closing.

5.10 Absence of Certain Developments. Since the Balance Sheet Date, there has not been any Material Adverse Effect and, no event has occurred or circumstances exist that are reasonably expected to result in a Material Adverse Effect. Except as set forth on Schedule 5.10 (arranged in subsections corresponding to the subsections below) and except as expressly contemplated by this Agreement (including the Sellers and Purchasers entering into the Management Agreement), since the Balance Sheet Date, Sellers have conducted the Business only in the Ordinary Course of Business and there has not been any:

(a) damage to or destruction or loss of Assets or failure to maintain the Assets in the same condition as on the Balance Sheet Date (ordinary wear and tear excluded);

(b) entry into, modification of, expiration of, assignment of, termination of, breach of or receipt of notice of termination or breach of any Material Contract;

(c) expiration of, assignment of, modification of, termination of, breach of or receipt of notice of termination or breach of or, other than in the Ordinary Course of Business, entry into any Material Contract;

(d) sale, lease, transfer or other disposition of any Asset or the creation of any Lien on any Asset except sales or leases of inventory in the Ordinary Course of Business or that is obsolete or no longer used or useful in the conduct of the Business;

(e) dividend or distribution by any Seller, whether in cash or in kind, or other removal of any cash or other assets from any Seller other than (A) the sale of Inventory in the Ordinary Course of Business and (B) for the discharge of Accounts Payable in the Ordinary Course of Business;

(f) change by any Seller in accounting principles, methods or policies;

(g) termination or engagement of any employee of any Seller other than in the Ordinary Course of Business;

(h) entry into any prepaid transactions or acceleration of revenue recognition or of the sales for periods prior to the Closing or change to any Sellers' policies or practices with respect to the collection of accounts receivable;

(i) adoption by any Seller of any plan of merger, consolidation, reorganization, liquidation, or dissolution, or filing of a petition in bankruptcy under any provisions of federal or state bankruptcy Law;

(j) transfer, assignment or grant of any license or sublicense of any rights under or with respect to any Intellectual Property Assets;

(k) material change with respect to the business of any Seller, including with respect to the products or services it sells, the areas in which such products or services are sold, its methods of manufacturing or distributing its products, the levels or quality of inventory, equipment, or revenue-earning property that it maintains or its marketing techniques;

(l) modification or relinquishment of any Permit relating to the Business;

(m) material reduction of business with, or material adverse change to the pricing, quantity or other terms of business with, any customer;

(n) modification of Sellers' standard terms of sale, standard form of purchase order or pricing or purchasing policies, terms or levels; or

(o) Contract or commitment entered into by any Seller to do any of the foregoing.

5.11 Taxes.

(a) All Tax Returns that were required to be filed by or on behalf of any Seller, pursuant to applicable requirements of any Taxing Authority were timely filed or extended, and all such Tax Returns were true, correct and complete and were prepared in substantial compliance with all applicable requirements of the relevant Taxing Authority. Each Seller has paid all Taxes that have or may have become due for all periods covered by the Tax Returns or otherwise, or pursuant to any assessment received by such Seller, except such Taxes, if any, as are being contested in good faith and as

to which adequate reserves (determined in accordance with GAAP consistently applied) have been provided in the Balance Sheet and the Interim Balance Sheet. There are no Liens on any of the Assets that arose as a result of any failure (or alleged failure) to pay any Tax.

(b) There are no audits, claims, proceedings or assessments regarding Taxes pending or threatened in writing against any Seller or the Business. Brand Seller does not have employees, or maintain property outside of Nevada. Each of Nevada Seller and Oregon Seller does not have employees, or maintain property outside of Nevada and Oregon respectively. No Seller has received written notification from any other state that it is subject to income tax in such state.

(c) Each Seller has withheld and paid over to the proper Taxing Authority all Taxes required to have been withheld and paid over, and complied with all information reporting and backup withholding requirements, including maintenance of required records with respect thereto.

(d) Each Seller has reserved the required amounts necessary to pay all unemployment Taxes and/or other Taxes due by Sellers based on taxable wages paid by Sellers through the Closing Date, and such amounts have been segregated for later payment to the appropriate Taxing Authorities and all Forms W-2 and 1099 required with respect to employees and independent contractors have been, or will be, properly completed and timely filed;

5.12 Real Property. Sellers do not own and have never owned any real property, nor is any Seller party to any agreement to purchase any real property other than the Option. Schedule 5.12 sets forth a list of all leases and other agreements (“Leases”) for the leasing, subleasing, licensing, use or occupancy of real property by any Seller, and each Seller has provided Purchasers with true, correct and complete copies of such Leases. All such Leases, and the Option, are in full force and effect and are legally binding and valid and enforceable in accordance with their respective terms against Sellers, as applicable, and, to Knowledge of Sellers, the other parties thereto. Sellers, or their landlords, have all certificates of occupancy and Permits of any Governmental Body necessary for the current use and operation of the real property subject to the Leases (the “Leased Real Property”). No Seller has received any notice of any condemnation or eminent domain proceedings that affect any Leased Real Property and, to the Knowledge of Sellers, no such proceedings have been threatened or are contemplated. There are no outstanding defaults or circumstances which, upon the giving of notice or passage of time or both, would constitute a default or breach by either party under any Lease. Except as disclosed in Schedule 5.12, the consummation of the transactions contemplated hereby does not require the notice to or consent of any party or any mortgagee of any party under any Lease and will not constitute a breach or default under any Lease. Except as set disclosed on Schedule 5.12, no third party is occupying any of the Leased Real Property.

5.13 Intellectual Property.

(a) Schedule 5.13(a) sets forth a list of all material Registered IP included in the Assets. Except as otherwise indicated on Schedule 5.13(a), the Registered IP listed on Schedule 5.13(a) is solely owned by Sellers. All registrations and applications for the Registered IP are in the name of Sellers except as otherwise indicated on Schedule 5.13(a). All necessary registration and renewal fees due prior to, or within 60 days after, the Closing have been made. No registration of or application for any of the Registered IP is or has been the subject of any opposition, interference, cancellation, or other proceeding. All works encompassed by Registered IP have been marked with registration notices.

(b) Except as set forth on Schedule 5.13(g), Sellers exclusively own all Intellectual Property used or held for use by Sellers (the “Business IP”), free and clear of all Encumbrances other than Permitted Encumbrances. No Business IP is subject to any Action or outstanding Order or

settlement agreement or stipulation that restricts the use, transfer, assignment or licensing thereof by Sellers or the enforceability of such Business IP. The Business IP, including the Registered IP listed in Schedule 5.13(b) and the IP Agreements listed in Schedule 5.13(g), comprise all of the Intellectual Property reasonably necessary for the conduct of the Business of Sellers as currently conducted. Schedule 5.13(b) sets forth a list of all material trademarks, tradenames and similar items included in the Business IP that are not already included in Schedule 5.13(a).

(c) To the Knowledge of Sellers, the operations of Sellers do not infringe, misappropriate or otherwise violate any Intellectual Property owned by any other Person. During the last three years, Sellers have not received notice from any Person claiming the operations of Sellers infringe, misappropriate or otherwise violate any Intellectual Property of such Person.

(d) The use of Company's tradenames and trademarks in connection with the conduct of the Business as currently conducted does not infringe, misappropriate or otherwise violate any Intellectual Property owned by any other Person. Without limitation of the preceding sentence, to the Knowledge of Sellers, the operations of Sellers do not infringe, misappropriate or otherwise violate any Intellectual Property owned by any other Person. To the Knowledge of Sellers, no Person is infringing, misappropriating or otherwise violating any of the Business IP. No Actions have been brought or threatened against any Person by Sellers alleging that such Person is infringing, misappropriating or otherwise violating any Business IP.

(e) Except as set forth on Schedule 5.13(e), Sellers have taken commercially reasonable measures to protect as confidential those trade secrets included in the Business IP.

(f) Except as set forth on Schedule 5.13(f), (i) each current or former employee of any Seller has executed a proprietary information and inventions agreement substantially in the form(s) Made Available to Buyer and (ii) each current or former consultant of any Seller has assigned to Buyer all of its right, title and interest in and to all Intellectual Property developed or made available by such consultant that is used or held for use by Sellers.

(g) Schedule 5.13(g) contains a complete list of all material licenses, sublicenses, consent to use agreements, settlements, coexistence agreements, covenants not to sue, waivers, releases, permissions and other Contracts, whether written or oral, relating to the Business IP to which any Seller is a party, beneficiary or otherwise bound, whether as grantor or grantee, licensor or licensee or in any other capacity ("IP Agreements"). Each IP Agreement is valid and binding and is in full force and effect. No party to an IP Agreement is, or to the Knowledge of Sellers is alleged to be, in breach of or default under, or has provided or received any notice of breach of, default under, or intention to terminate (including by non-renewal) any IP Agreement.

(h) Except as set forth on Schedule 5.13(h), no Open Source Technology is or has been included, incorporated or embedded in, linked to, combined or distributed or made available with, or used in the design, development, delivery or provision of, any software or other products sold or distributed by Sellers in a manner that such Open Source Technology: (i) subjects any such software or other product to any Copyleft License, or requires or purports to require the licensing or distribution of any Business IP, or any portion of any such products (including the design specifications therefor) other than such unmodified Open Source Technology, for the purpose of studying the same or making derivative works thereof, (ii) requires or purports to require the disclosure or distribution in source code or similar author, developer or designer format of any Business IP, including any portion of any such product other than such unmodified Open Source Technology, (iii) imposes any restriction on the consideration to be charged for the distribution of any Business IP or any such software or other product or (iv) grants to any Person any licenses, rights or immunities under other Intellectual Property rights of

Sellers. The Company has complied in all material respects with all license terms applicable to each such item of Open Source Technology.

(i) The computer, information technology and data processing systems and services used by Sellers (collectively, including software, the “Systems”), are in good working condition to effectively perform all computing, information technology and data processing operations necessary for the operation of the Business as currently conducted and are sufficient for Sellers’ needs of the Business as currently conducted. During the past three years, there have been no (A) material failures, breakdowns, continued substandard performance or other adverse events affecting any Systems or (B) to the Knowledge of Sellers, breaches of the security of, or other unauthorized access to, the Systems (including any data stored thereon) or any confidential, personal or other sensitive information under the control, or in the possession, of Sellers.

5.14 Contracts.

(a) Schedule 5.14(a) (arranged in subsections corresponding to the subsections set forth below) contains an accurate and complete list of the following Contracts (including (x) all amendments and supplements thereto and (y) all prospective Contracts in the following categories that are currently under negotiation) to which any Seller is a party or by which any Seller is bound or to which any of the Assets is subject (such Contracts which are set forth or required to be set forth on such Schedule together with the Leases, the IP Agreements, collectively, the “Material Contracts”):

(i) each Contract, and each group of related Contracts with the same party or group of affiliated parties, that involves performance of services or delivery of goods or materials by Sellers of an aggregate amount or value in excess of \$10,000;

(ii) each Contract, and each group of related Contracts with the same party or group of affiliated parties, that involves performance of services or delivery of goods or materials to Sellers of an aggregate amount or value in excess of \$10,000 per annum;

(iii) each Contract that was not entered into in the Ordinary Course of Business;

(iv) each Contract affecting the ownership of, leasing of, title to, use of or any leasehold or other interest in any real property or Tangible Personal Property;

(v) each Contract with any labor union or other employee representative of a group of employees;

(vi) each Contract involving a sharing of profits, losses, costs or Liabilities by any Seller with any other Person, including joint ventures, strategic alliances, partnerships, co-marketing, co-promotion, co-packaging, joint development or other similar arrangements;

(vii) each Contract relating to any acquisition or disposition of a business or capital stock or other equity interest pursuant to which any Seller has continuing indemnification, “earn-out” or other contingent payment obligations or other outstanding covenants;

(viii) each Contract relating to the acquisition by any Seller of any operating business, a material amount of assets, or the capital stock or other equity interest of any other Person (whether by merger, sale of stock, sale of assets or otherwise);

(ix) each Contract relating to the incurrence, grant, assumption or guarantee of any Indebtedness, or imposing a Lien on any of the Assets;

(x) Contracts under which any Seller has made advances or loans to any other Person;

(xi) Contracts providing for severance, deferred compensation, retention, change-in-control or similar payments or any contract for the employment or engagement of any officer, employee or other Person;

(xii) each Contract containing covenants or provisions that in any way purport to restrict any Sellers' business activity, provide for any arrangement of exclusivity or standstill agreement, impose any restrictive covenants, non-competition or non-solicitation provisions or most favored nation, most favored customer or other preferred pricing terms, or limit the freedom of any Seller or any of its employees to engage in any line of business in any geographical area or to compete with or solicit any Person;

(xiii) each Contract whereby any of the benefits under such Contract to any party thereto will be materially increased, or the vesting of the benefits of any party thereto will be accelerated, by the occurrence of any of the transactions contemplated by this Agreement or the other Transaction Documents or the value of any material benefits to any party thereto will be calculated on the basis of any of the transactions contemplated by this Agreement or the other Transaction Documents;

(xiv) each Contract that is a voting agreement or registration rights agreement;

(xv) each Contract for management service, consulting, financial advisory or other similar type of Contract and each Contract with any investment or commercial bank;

(xvi) each Contract (other than this Agreement and the other Transaction Documents) (x) between any Seller and (A) any other Seller, (B) any Affiliate of Seller or (C) any current or former officer, manager or (except as described in paragraph (xii) above) employee of any Seller or any family member thereof or (y) governing any transaction required to be listed on Schedule 5.24;

(xvii) other than Contracts involving the resolution or settlement of workers' compensation insurance claims in the Ordinary Course of Business, each Contract involving any resolution or settlement of any actual or threatened Legal Proceeding, arbitration, claim or other dispute during the past five years or that has any continuing effect on any Seller;

(xviii) other than Contracts entered into in the Ordinary Course of Business that contain an indemnification provision as an incidental term and not as the primary purpose of the Contract, each Contract pursuant to which any Seller has an indemnification or guaranty obligation;

(xix) each Contract granting a power of attorney to any Person;

(xx) each Contract involving, directly or indirectly, any rebates, payments, promotional allowances or any other economic benefits, regardless of their nature or type, to or from any Affiliate or to or from any third party (including broker agreements); and

(xxi) each Contract other than as set forth above that is material to the Business of any Seller or the termination of which would have a Material Adverse Effect.

(b) Except as set forth on Schedule 5.14(b), with respect to each of the Material Contracts:

(i) such Material Contract is in full force and effect and is valid and enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights and remedies generally and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity), and is not subject to any claims, charges, setoffs or defenses;

(ii) neither the execution and delivery or performance of this Agreement by Sellers nor the consummation or performance of any of the transactions contemplated hereby will, directly or indirectly (with or without notice or lapse of time) (x) violate or conflict with, or result in a breach of any provision of or forfeiture of any rights under, or require any consent, waiver or approval (not otherwise obtained in connection herewith) or result in a default or give rise to any right of termination, cancellation, modification or acceleration (or an event that, with the giving of notice, the passage of time or otherwise, would constitute a default or give rise to any such right) under, any of the terms, conditions or provisions of such Material Contract or (y) result in the imposition or creation, pursuant to the terms of such Material Contract, of any Lien upon or with respect to any of the Assets;

(iii) each Seller is in compliance in all material respects with all applicable terms and requirements of the Material Contracts to which it is a party;

(iv) each other Person that has or had any obligation or liability under such Material Contract is in compliance with all applicable terms of the Material Contract;

(v) no event has occurred or circumstance exists that may contravene, conflict with or result in a breach of, or give any Seller or, to the Knowledge of Sellers, any other Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or payment under, or to cancel, terminate or modify, such Material Contract;

(vi) no Seller has given to or received from any other Person any notice regarding (x) any actual or alleged violation or breach of, or default under, such Material Contract or (y) any event or circumstances that would reasonably be expected to constitute or result in a violation, breach or default under such Material Contract; and

(vii) during the past five years, there have been no disputes pending or, to the Knowledge of Sellers, threatened, under such Material Contract, and no Seller has asserted or threatened to assert any claim under such Material Contract.

(c) Sellers have made available to Purchasers a true, accurate and complete copy of each Material Contract.

5.15 Labor Matters.

(a) Schedule 5.15(a) contains a complete and accurate list of the following information for each employee of Sellers, including each employee on leave of absence or layoff status, each former employee of Sellers receiving benefits under COBRA, and each consultant and independent contractor of Sellers: name; job title; classification as exempt or non-exempt; date of hire; current salary and bonus paid or payable; other compensation and fringe benefits that such employee is entitled to receive; sick and vacation leave that is accrued but unused; service credited for purposes of vesting and

eligibility to participate in any Employee Plan; and whether such employee, consultant or independent contractor is engaged directly or through a staffing agency or other third Person. The employee that are currently employed by Sellers are all of the employees engaged in operating the Business. All employees have provided the required documentation and have attested that they are either U.S. citizens or resident aliens specifically authorized to engage in employment in the United States in accordance with all applicable Laws.

(b) Schedule 5.15(b) contains a complete and accurate list of the following information for each retired employee of Sellers, and each of their dependents, that as of the Closing Date is receiving benefits or is scheduled to receive benefits in the future from Sellers: name; pension benefits; pension option election; retiree medical insurance coverage; retiree life insurance coverage; and other benefits.

(c) Except as set forth on Schedule 5.15(c): (A) no employee is party to any individual Contract for employment, the provision of severance or change-of-control benefits, or the provision of wages or compensation; and (B) no former employee of Sellers is a party to any individual Contract under which the former employee is receiving compensation or benefits from Sellers or is scheduled to receive compensation or benefits from Sellers in the future.

(d) Sellers are not party to any collective bargaining agreement or collective bargaining relationship with any labor organization. Sellers have not experienced nor is there pending or, to the Knowledge of Sellers, a threatened labor strike, lockout, work stoppage, slowdown, picketing, union election petition, demand for recognition or other material labor dispute against any Seller. No union, other labor organization or similar entity is engaged in any organizing activity with respect to any employees of Sellers and no such organizing activity is threatened. There is not, and in the past five years there has not been, any, (i) unfair labor practice charge or complaint or material labor grievance or labor arbitration pending or, to the Knowledge of Sellers, threatened in writing against any Seller before the National Labor Relations Board or any Governmental Body or arbitrator, (ii) except as set forth in Schedule 5.15(d) charge of discrimination or complaint against any Seller pending or, to the Knowledge of Sellers, threatened, before the Equal Employment Opportunity Commission, U.S. Department of Labor, or any similar Governmental Body or other federal, local or state agency that enforces Laws related to labor and employment, or (iii) other Legal Proceeding pending, or, to the Knowledge of Sellers, threatened, against any Seller pertaining to the employment of labor, including those relating to wages, hours, collective bargaining, employment discrimination, sexual harassment, workers' compensation, and the payment or withholding of Taxes.

(e) Sellers are, and during the past five years have been, in compliance with all Laws and other applicable requirements of Governmental Bodies relating to employment, employment practices, terms and conditions of employment, equal employment opportunity, nondiscrimination, immigration, wages, overtime, classification, temporary workers, independent contractors, leave, hours, benefits, worker's compensation, labor relations, plant closings or layoffs, the payment of social security and similar Taxes and occupational safety and health Laws ("Labor and Employment Legal Requirements"). Sellers are not liable for any outstanding payments of any Taxes, fines, penalties or other amounts, however designated, for failure to comply with any of the foregoing requirements. No employee, consultant or independent contractor has been misclassified with respect to application of any Labor and Employment Legal Requirements. Sellers have not implemented any plant closing or mass layoff of employees as those terms are defined in the Worker Adjustment Retraining and Notification Act of 1988 Act or any similar Law. There is no, and during the prior five years has not been, any Legal Proceeding or Order pending or, to the Knowledge of Sellers, threatened by or against Sellers alleging any violation of or failure to comply with Labor and Employment Legal Requirements, and no event has

occurred, and no circumstance exists, that would reasonably be expected to give rise to or serve as a basis for the commencement of any such Legal Proceeding or Order against any Seller.

5.16 Employee Benefits.

(a) Section 5.16 of the Disclosure Schedule contains a list of (i) each Benefit Plan in place currently or at any time during the past five years, (ii) the Persons who participate in each such Benefit Plan and (iii) the level of participation of each such Person therein.

(b) Sellers have provided to Purchasers, with respect to each Benefit Plan in place currently or at any time during the past five years, correct, complete and accurate copies, where applicable, of (i) all plan documents (or written summaries of any Benefit Plan for which there is no plan document), (ii) the most recent IRS determination or opinion letter, (iii) the Annual Reports (Form 5500 Series) and accompanying schedules, as filed, for the five most recently completed plan years, (iv) summary plan descriptions used in connection with such plans, (v) applicable non-discrimination testing results for the five most recently completed plan years, and (vi) all material correspondence relating to any correction program, controversy, investigation or audit with or from the IRS, the U.S. Department of Labor or any other Governmental Body.

(c) Each Benefit Plan has been maintained, funded and administered in accordance with its terms and in compliance in all material respects with the applicable provisions of ERISA, the Code and other Laws. No “prohibited transaction”, within the meaning of ERISA or the Code, or breach of any duty imposed on “fiduciaries” pursuant to ERISA has occurred with respect to any Benefit Plan. All contributions required to have been made or remitted and all expenses required to have been paid by Sellers to or under any Benefit Plan under the terms of any such plan, any agreement or any Laws have been paid within the time prescribed by any such plan, agreement or Laws. All contributions, reimbursements, accruals and premiums required by Law or by the terms of any Benefit Plan or any agreement relating thereto for all periods ending prior to or as of the Closing have been timely paid or properly accrued on the balance sheets and on the accounting books and records or disclosed on the financial statements of Sellers. All applicable disclosure and reporting requirements under Laws have been met or satisfied, and all requisite governmental reports have been timely filed (which were correct, complete and accurate as of the date filed), including any required audit reports, with respect to the Benefit Plans.

(d) Each Benefit Plan that is intended to be tax-qualified under Section 401(a) of the Code is so qualified and has received a current favorable determination or opinion letter from the IRS as to its tax-qualified status and the tax-exempt status of its accompanying trust established under Section 501(a) of the Code, and no events have occurred nor do any circumstances exist that could reasonably be expected to adversely affect the tax-qualified status of any such Benefit Plan.

(e) There are no Legal Proceedings (other than routine claims for benefits) pending or, to the Knowledge of Sellers, threatened involving any Benefit Plan. To the Knowledge of Sellers, no Benefit Plan is under an audit or investigation by the IRS, the U.S. Department of Labor or any other Governmental Body.

(f) Neither any Seller nor any ERISA Affiliate sponsors, maintains, contributes to, or has liability to any (i) “defined benefit plan” (as defined in Section 3(35) of ERISA), (ii) “employee pension benefit plan” (as defined in Section 3(2) of ERISA) that is subject to Title IV of ERISA or Sections 412 or 430 of the Code, (iii) “multiemployer plan” (as defined in Section 3(37) or 4001(a)(3) of ERISA), or (iv) “multiple employer welfare arrangement” (as defined in Section 3(40)(A) of ERISA).

(g) Except for group health plan continuation coverage as required by Section 4980B of the Code or by applicable state insurance Laws, no Benefit Plan provides retiree health or life insurance benefits to any former employees or beneficiaries or dependents thereof.

(h) Except as set forth in Schedule 5.16(h), neither the execution of this Agreement nor the transactions contemplated hereby will (either alone or upon the occurrence of any additional or subsequent events): (i) entitle any current or former director, officer, employee, independent contractor or consultant of Sellers to severance pay or any other payment; (ii) accelerate the time of payment, funding or vesting, or increase the amount of compensation due to any such individual; (iii) result in any obligation or liability (with respect to accrued benefits or otherwise) on the part of Sellers to fund or set aside assets under any Benefit Plan; or (iv) result in any payment or benefit to any present or former employee, officer or director of any Seller, individually or in the aggregate, that would constitute a “parachute payment” within the meaning of Section 280G of the Code.

(i) Each Benefit Plan that is a “nonqualified deferred compensation plan” (as defined for purposes of Section 409A(d)(1) of the Code) is in documentary and operational compliance with the requirements of Section 409A of the Code and the applicable guidance issued thereunder, and no amounts deferred thereunder will upon vesting or payment be subject to the Taxes imposed under Section 409A of the Code. No Person is entitled to any gross-up, make-whole or other additional payment from Sellers in respect of any Taxes arising from or imposed under Sections 409A or 4999 of the Code.

5.17 Litigation. There is no, and during the prior five years there has not been, any Legal Proceeding or Order pending or, to the Knowledge of Sellers, threatened by or against any Seller or that otherwise directly relates to the Business or any of the Assets. To the Knowledge of Sellers, no event has occurred or circumstance exists that would reasonably be expected to give rise to or serve as a basis for the commencement of any Legal Proceeding or Order against any Seller.

5.18 Compliance with Laws; Permits.

(a) Except as set forth on Schedule 5.18(a) and subject to the Marijuana Carve-Out in Section 12.11 below:

(i) Each Seller is, and at all times during the past five years (or during the period such inception, if shorter) has been, in substantial compliance with each Law that is applicable to it or to the conduct or operation of the Business or the ownership or use of any of its Assets;

(ii) No event has occurred or circumstance exists that (x) would reasonably be expected to result in a violation by any Seller of, or a failure on the part of any Seller to comply with, any Law or (y) may give rise to any material obligation on the part of any Seller to undertake, or to bear all or any portion of the cost of, any remedial action of any nature; and no Seller has received written notice of any such event or circumstance;

(iii) No Seller has received, at any time in the last five years, any notice or communication from any Governmental Body or any other Person regarding (x) any actual, alleged, possible or potential violation of, or failure to comply with, any Law or (y) any actual, alleged, possible or potential obligation on the part of any Seller to undertake, or to bear all or any portion of the cost of, any remedial action of any nature;

(iv) No Seller is or has during the last five years been bound by an Order of any Governmental Body; and

(v) There is no, and during the prior five years there has not been, any investigation by a Governmental Body pending or, to the Knowledge of Sellers, threatened against any Seller.

(b) Neither any Seller nor any director, officer, employee, agent or other person acting on behalf of any Seller has, directly or indirectly, (i) used any funds of any Seller for unlawful contributions, unlawful gifts, unlawful entertainment or other unlawful expense relating to political activity; (ii) made any unlawful payment or gift, promise to pay, or authorization of any payment or gift of anything of value to foreign or domestic governmental officials or employees or to foreign or domestic political parties or campaigns from funds of any Seller; (iii) violated or is in violation of the Foreign Corrupt Practices Act of 1977, as amended, or any other applicable Law that relates to bribery or corruption; (iv) established or maintained any unlawful fund of monies or other assets of any Seller; (v) made any fraudulent entry on the books or records of any Seller; or (vi) made any unlawful bribe, unlawful kickback or other unlawful payment to any person, private or public, regardless of form, whether in money, property or services, to obtain favorable treatment in securing business to obtain special concessions for any Seller.

(c) Schedule 5.18(c) contains a complete and accurate list of all Permits that are held by Sellers, together with the expiration date of each, which constitute all of the Permits that are required by applicable Law as of the date hereof and as of the Closing Date to operate the Business as conducted now or at any time during the prior year and to own, lease, operate and use the Assets. Sellers have timely filed all required materials and made all payments to renew or maintain the Permits listed on Schedule 5.18(c), and no loss or expiration (other than any expiration date stated on Schedule 5.18(c)) of any such Permits is pending or reasonably foreseeable. Sellers are in compliance with the terms and requirements of each Permit identified on Schedule 5.18(c). No event has occurred or circumstance exists that may constitute or result in a violation by any Seller of, or a failure on the part of any Seller to comply with, any Permit. No Seller has received, at any time in the last five years, any notice or communication from any Governmental Body or any other Person regarding any actual, alleged, possible or potential violation of, or failure to comply with, any Permit.

5.19 Environmental Matters. Except as set forth in Schedule 5.19, (a) Sellers are in compliance with all applicable Environmental Laws, including the possession of all Permits required under Environmental Laws and compliance with such Permits, (b) no Hazardous Materials related to Sellers' operation of the Business are present in or under the land, ground water and surface water at the real property subject to the Leases and (c) Sellers have not received any written notice of any actual or alleged noncompliance with or Liability under any Environmental Law or Permit. Sellers have provided to Purchasers complete copies of all environmental audits, reports and other documents relating to Environmental Liabilities within Sellers' possession or control relating to the Business or the Assets. For purposes of this Section 5.19, any reference to Sellers shall include any and all predecessors of any Seller.

5.20 Insurance.

(a) Schedule 5.20(a) contains a complete and correct list of all insurance policies maintained by each Seller (specifying the insurer, policy number, amount of and nature of coverage, the risk insured against, the deductible amount (if any) and the date through which coverage will continue by virtue of premiums already paid), which insurance policies are in such amounts and against such risks as required by Law and as such Seller has in good faith determined to be reasonable. All such insurance policies are in full force and effect, all premiums owed thereunder have been paid and no Seller is in default regarding its obligations under any of such insurance policies. No Seller has failed to give any notice or present any claim under any insurance policy in a timely fashion or in the manner required by

such insurance policies. Except for workers' compensation insurance claims incurred in the Ordinary Course of Business, Schedule 5.20(a) contains a list of all pending claims under such insurance policies, any instances in the past five years of a denial or limitation of coverage or claim by any Seller under any such policy, and all claims paid by the insurers of such policies during the last five years. There is no claim by any Seller pending under any such insurance policies as to which coverage has been questioned, denied or disputed by the relevant insurer.

5.21 Accounts Receivable. Set forth on Schedule 5.21 is a true and complete list as of May 14, 2019 of all accounts and notes receivable of each Seller and the length of time for which they have been outstanding.

5.22 Customers and Suppliers.

(a) Except as set forth on Schedule 5.22(a), since January 1, 2018, (i) no customer or supplier has terminated its relationship with any Seller, (ii) no customer or supplier has materially reduced, adversely modified or changed the pricing, quantity or its business with any Seller, and (iii) no customer or supplier has notified any Seller that it intends to, or made any statements or communications or taken any actions indicating that it intends to, terminate or materially reduce, adversely modify or change the pricing, quantity or other terms of its business with any Seller. All arrangements with customers or suppliers of any Seller were negotiated on an arms' length basis.

(b) Schedule 5.22(b) sets forth a list of the top 20 customers of Sellers for the fiscal years ended December 31, 2017 and December 31, 2018 and for the four months ended April 30, 2019.

5.23 Transactions with Affiliates. Except as set forth on Schedule 5.23, during the past five years, neither Seller Principal nor any Affiliate of any Seller or of Seller Principal nor any officer, director, employee or direct or indirect equity holder of any Seller or any Affiliate of Seller or, to the Knowledge of Sellers, any family member of any of the foregoing, has, directly or indirectly, (a) borrowed money from or loaned money to any Seller, (b) had any contractual arrangement or relationship with any Seller or otherwise relating to the Business or the Assets, (c) participated in any transaction to which any Seller was a party or (d) owned or held an interest in any of the Assets (other than Sellers).

5.24 Financial Advisors. No Seller has incurred any obligation or Liability, contingent or otherwise, for fees, commissions or other similar payments to any advisor, broker, finder or agent in connection with the transactions contemplated hereunder.

5.25 Books and Records. Except as set forth on Schedule 5.25, the books of account, minute books and stock record books of Sellers, all of which have been made available to Purchasers, are complete and correct and have been maintained in accordance with commercially reasonable business practices. At the Closing, all of such books and records will be in the possession of Sellers.

5.26 Privacy and Data Security. Each Seller is in compliance with all applicable Laws relating to Personal Data and any terms of Contracts to which it is a party relating to Personal Data, data privacy, security or breach notification. Each Seller has established and implemented policies, programs and procedures as required by applicable Laws or otherwise necessary and appropriate, including administrative, technical and physical safeguards, to protect the confidentiality, integrity and security of Personal Data in its possession, custody or control against unauthorized access, use, modification, disclosure or other misuse. To the Knowledge of Sellers, in the past five years Sellers have not experienced any unauthorized access, disclosure, use or breach of security of any Personal Data in its possession, custody or control, or otherwise held or processed on its behalf or received any written claim, complaint, inquiry, or request for information from any Governmental Body related to Sellers' collection,

processing, use, storage, security, and/or disclosure of Personal Data. As used herein, “Personal Data” shall mean a person’s name, street address, telephone number, e-mail address, date of birth, gender, photograph, Social Security Number or Tax identification number, driver’s license number, passport number, credit card number, bank account information and other financial information, account numbers, account access codes and passwords, or any other piece of information that allows the identification of such person or enables access to such person’s financial information, or as that term is otherwise defined by applicable Law.

5.27 Additional Securities Representations.

(a) Each Seller is an accredited investor within the meaning of Rule 501(a) of the Securities Act.

(b) Each Seller is a sophisticated party and has sufficient knowledge, experience and expertise to evaluate, and is fully informed as to, the merits and risks of the Stock Consideration. Each Seller has conducted its own investigation of Pubco and the Stock Consideration and has had access to such information concerning Pubco and the Stock Consideration as such Seller has considered necessary or appropriate in connection with its decision to acquire the Stock Consideration. Each Seller is able to bear the economic risk of loss with respect to the Stock Consideration.

(c) Each Seller acknowledges that Purchasers are entering into this Agreement with Sellers in reliance on Sellers’ understanding and agreement that Purchasers are privy to material non-public information regarding Pubco and its subsidiaries (collectively, the “Non-Public Information”), which Non-Public Information may be material to reasonable investors, such as Sellers, when making investment decisions, including the decision to enter into this Agreement and to accept the Stock Consideration. Sellers’ decision to enter into this Agreement is being made with full recognition and acknowledgment that Purchasers are privy to Non-Public Information that may not have been provided to Sellers. Each Seller hereby waives any claim, or potential claim, that such Seller has or may have against Purchasers relating to Purchasers’ possession of Non-Public Information. No Seller has relied on any representations or warranties of any person or entity (including Pubco) in determining to accept the Stock Consideration as consideration under this Agreement.

(d) The Stock Consideration was not offered or sold to any Seller by any form of general solicitation or general advertising, including any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over radio, television or telecommunications, including electronic display and the Internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

(e) Each Seller is acquiring the Stock Consideration solely for its own account for investment purposes and not with a view toward, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any applicable state securities laws. Each Seller acknowledges that the Stock Consideration is not registered under the Securities Act or any state securities laws of the United States and that the Stock Consideration may not be sold or otherwise transferred except pursuant to the registration provisions of the Securities Act or pursuant to an applicable exemption from such registration provisions and subject to applicable state securities laws. Each Seller is able to bear the economic risk of holding the Stock Consideration for the required period under this Agreement.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF PURCHASERS

Purchasers hereby represent and warrant to Sellers as follows:

6.1 Organization and Good Standing. Each Purchaser is a limited liability company duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization and has all requisite limited liability company power and authority to own, lease and operate its properties and to carry on its business as now conducted. Each Purchaser is authorized to do business and is in good standing under the Laws of each jurisdiction in which the conduct of its business or the ownership of its properties requires such authorization, except where the failure to be so authorized would not reasonably be expected to have a Material Adverse Effect. Purchasers have provided to Sellers true and complete copies of the Organizational Documents of each Purchaser and no Purchaser is in violation in any material respect of any such documents. Each Purchaser has not at any time since its inception consolidated or merged with, or acquired all or substantially all of the assets of, any Person.

6.2 Authorization of Agreement.

(a) Purchasers have all requisite limited liability company power, capacity, and authority to execute and deliver this Agreement and each other Transaction Document required to be executed by Purchasers in connection with the consummation of the transactions contemplated hereby, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by Purchasers of this Agreement and each other Transaction Document and the consummation or performance of the transactions contemplated hereby and thereby have been duly authorized by all necessary limited liability company action. This Agreement and each other Transaction Document to which any Purchaser is a party has been duly and validly executed and delivered by Purchasers.

(b) Assuming the due authorization, execution and delivery by the other parties hereto and to each other Transaction Document, this Agreement constitutes, and each other Transaction Document when so executed and delivered will constitute, a legal, valid and binding obligation of Purchasers enforceable against Purchasers in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

6.3 No Violation; Consents and Approvals.

(a) The execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby by Purchasers will not (i) violate, breach or conflict with any provision of any Purchaser's Organizational Documents, (ii) contravene, conflict with, result in a violation or breach of or default under (with or without notice or lapse of time, or both) or give rise to a right of termination, cancellation, revocation, modification or acceleration of any obligation or loss of any benefit under any of the terms or requirements of any Contract or Permit to which any Purchaser is a party or by which any Purchaser or its properties or assets are bound, (iii) result in the imposition or creation of any Lien upon, or with respect to, any of the assets of a Purchaser, or (iv) conflict with or violate any Laws applicable to any Purchaser or any of their equity interests, properties or assets or violate or conflict with any Order of any Governmental Body by which any Purchaser may be bound.

(b) No consent, waiver, approval, Order, Permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of Purchasers in connection with the execution and delivery of this Agreement or any of the other Transaction Documents or the compliance by Purchasers with any of the provisions hereof or thereof.

6.4 Financial Capacity. Purchasers shall have at the Closing sufficient cash to pay the full cash portion of the consideration payable to Sellers hereunder.

6.5 Financial Advisors. No Person has acted, directly or indirectly, as a broker or finder for Purchasers in connection with the transactions contemplated by this Agreement who is entitled to any fee or commission or like payment from Purchasers in respect thereof.

6.6 Pubco Filings.

(a) Pubco has filed all documents required on or prior to the date hereof pursuant to applicable Canadian securities Laws (the “Pubco Securities Documents”). As of their respective dates, the Pubco Securities Documents complied in all material respects with the then applicable requirements of the Canadian securities Laws (and all other applicable securities Laws) and, at the respective times they were filed, none of the Pubco Securities Documents contained any misrepresentation or untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make any statement therein, in light of the circumstances under which it was made, not misleading.

(b) The consolidated financial statements (including, in each case, any notes thereto) of Pubco for the years ended December 31, 2017 and 2016 and for the three and nine month periods ended September 30, 2018 and 2017 included in the Pubco Securities Documents were prepared in accordance with IFRS applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto) and fairly present in all material respects the consolidated assets, liabilities and financial condition of Pubco and its consolidated subsidiaries as of the respective dates thereof and the consolidated earnings, results of operations and changes in financial position of Pubco and its consolidated subsidiaries for the periods then ended. Pubco has not, since September 30, 2018, made any change in the accounting practices or policies applied in the preparation of its financial statements.

(c) As of the date hereof, Pubco is a “reporting issuer” (or its equivalent) under Canadian securities Laws of each of the Provinces of Ontario, Alberta and British Columbia. As of the date hereof, Pubco is not in default in any material respect of any requirement of Canadian Securities Laws and Pubco is not included on a list of defaulting reporting issuers maintained by any of the securities commissions or similar regulatory authorities in each of such Provinces.

(d) No order ceasing or suspending trading in securities of Pubco or prohibiting the sale of securities by Pubco has ever been issued and, to the knowledge of Pubco, no proceedings for this purpose have been instituted, are pending, contemplated or threatened by any securities commission or self-regulatory organization.

(e) Pubco maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management’s general or specific authorizations; (ii) access to assets is permitted only in accordance with management’s general or specific authorization; and (iii) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

ARTICLE VII COVENANTS

7.1 Operation of the Businesses.

(a) Sellers shall cause the Business to be conducted in the ordinary course of business in all material respects and use their commercially reasonable efforts to maintain intact the goodwill of the Business and to preserve the relationships with customers, suppliers and others doing business with the Business; and

(b) without limitation of the foregoing, Sellers shall not (i) terminate or materially amend any Material Contract or enter, terminate or materially amend into a contract that would be considered a Material Contract if in force on the date hereof; (ii) waive or release any right or claim of a material value to the Business or institute or settle any Action with respect to the Business; (iii) sell, license or dispose of, or create or permit to be created any Lien on, any Assets or fail to maintain the Assets in the same condition as on the Balance Sheet Date (ordinary wear and tear excluded); (iv) issue, create, incur or assume any Indebtedness; (v) make any change in accounting or Tax reporting principles, methods or policies; (vi) cancel or permit the lapse of any insurance policy covering the Business or any Employees or Assets; (vii) incur capital expenditures or commit to incur capital expenditures for the Business in excess of \$5,000 in the aggregate; (viii) (A) terminate or engage any Employee, (B) increase the compensation payable (including wages, salaries, bonuses or any other remuneration) or to become payable to any Employee, manager or director; (C) make any bonus, profit sharing, pension, retirement or insurance payment, distribution or arrangement to or with any Employee, manager or director or (D) grant or increase any rights to change in control, severance or termination payments or benefits to any Employee, manager or director; (ix) enter into any prepaid transactions (other than prepaid transactions entered into in the Ordinary Course of Business) or accelerate revenue recognition or sales for periods prior to the Closing or change the Business' policies or practices with respect to the payment of accounts payable or other current liabilities or the collection of accounts receivable (including any acceleration or delay or deferral of the payment or collection thereof); (x) adopt any plan of merger, consolidation, reorganization, liquidation, or dissolution, or file a petition in bankruptcy under any provisions of federal or state bankruptcy Law; (xi) transfer, assign or grant of any license or sublicense of any material rights under or with respect to any Intellectual Property used in the Business; (xii) materially change the Business, including with respect to the products or services it sells, the areas in which such products or services are sold or its marketing techniques; (xiii) pay any dividend or distribution, whether in cash or in kind, or otherwise permit the removal of any cash or other assets from Sellers other than (A) the sale of Inventory in the Ordinary Course of Business and (B) for the discharge of Accounts Payable in the Ordinary Course of Business; (xiv) enter into any transaction (including pursuant to the parenthetical in the preceding clause (xiii)) that would be required to be listed on Schedule 5.23 if entered into immediately prior to the execution hereof; or (xv) contract, commit or agree to do any of the foregoing.

(c) Upon the issuance to Nevada Purchaser of the Marijuana Support License, Nevada Seller and Nevada Purchaser shall entered into a management agreement (the "Management Agreement") containing the material terms set forth on Exhibit C. From and after the Conversion Date, the requirements of this Section 7.1 shall take into account the terms and provisions of the Management Agreement and actions taken by Nevada Purchaser pursuant to the Management Agreement shall not be deemed to be a breach by Sellers of this Section 7.1.

(d) From the date hereof until the Closing, Nevada Seller shall at all times employ a general manager designated by Purchasers' Representative. The general manager shall have the authority and responsibilities of a chief executive officer with respect to Sellers, subject only to the oversight of (i)

prior to the Conversion Date, A. Todd Justice and (ii) from and after the Conversion Date, such person as Purchasers' Representative may designate. In the event of a vacancy in the general manager position for any reason (whether before or after the Conversion Date), Nevada Seller shall hire a successor general manager designated by Purchasers' Representative. In the event Purchasers' Representative requests the removal of the general manager, Nevada Seller shall do so promptly in accordance with reasonable termination procedures specified by Purchasers' Representative. The general manager shall be permitted to exercise authority over the operations of Oregon Seller to the maximum extent permitted by applicable Law, and at Purchasers' Representative's request, Nevada Seller shall enter into a service agreement with Oregon Seller to facilitate the exercise by the general manager of such authority.

(e) Brand Seller hereby grants to Nevada Seller and Oregon Seller an exclusive (including as to Brand Seller), irrevocable, royalty free license to the Brands for use in connection with the development, manufacturing packaging, advertising, marketing, distributing and selling products within the scope of the Business as currently conducted or proposed to be conducted, including products currently distributed by Purchasers and their Affiliates, and for all activities reasonably related thereto. Such license shall terminate without further act upon the earlier of the Closing or the termination of this Agreement in accordance with Article IX.

7.2 Exclusivity. Until the Closing or earlier termination of this Agreement, Seller Parties shall not and shall cause their Affiliates, and Seller Parties' and their Affiliates' respective employees, agents and representatives, not to (a) initiate, solicit, entertain, negotiate, accept, discuss or knowingly encourage, directly or indirectly, any proposal or offer (an "Acquisition Proposal") by any Person (other than Purchasers) regarding (i) the direct or indirect sale, license or other disposition (however structured) of any Assets (other than the sale of inventory in the Ordinary Course of Business) or any equity interest in any of the Sellers or (ii) any sale, merger, consolidation, liquidation, dissolution, public offering, recapitalization, issuance of securities or similar transaction involving any of the Sellers (each of the actions referred to in the immediately preceding clauses (i) and (ii), a "Third Party Acquisition"), (b) except as otherwise required by Law or in the Ordinary Course of Business, provide any non-public financial or other confidential or proprietary information regarding Sellers or the Business to any Person (other than Purchasers), (c) take any other action with the purpose of facilitating any inquiries or the making of any proposal that constitutes, or would reasonably be expected to result in, a Third Party Acquisition, (d) enter into any written or oral agreement, arrangement or understanding requiring any Seller to abandon, terminate or fail to consummate the transactions contemplated by this Agreement, or (e) enter into any written or oral agreement or understanding with any Person (other than Purchasers) authorizing a Third Party Acquisition. Seller Parties shall and shall cause their Affiliates, and Seller Parties' and their Affiliates' respective employees, agents and representatives, to promptly cease and cause to be terminated any negotiations in progress as of the date of this Agreement with respect to any Acquisition Proposal and promptly, and in any event within one business day following receipt, notify Purchaser of any indications of interest, requests for information or offers with respect to any such transaction received by Seller Parties or any of their Affiliates or any employee, agent or representative of Seller Parties or any of their Affiliates.

7.3 Further Assurances; Consents. Each Party shall use its commercially reasonable efforts to take promptly, or cause to be taken promptly, all actions, and to do promptly, or cause to be done promptly, all things necessary, proper or advisable under applicable Law to consummate and make effective the transactions contemplated by this Agreement and the other Transaction Documents in accordance with the terms hereof and thereto, provided that Purchasers shall not be required to pay or agree to pay any additional amounts or other consideration not expressly provided for herein. Without limiting the generality of the foregoing, (i) each Seller shall provide such information as Pubco may reasonably request to enable Pubco to comply with applicable securities law requirements and the regulations of any stock exchange upon which the Shares may be listed, and to assist Pubco as required in

connection with all financial statement and other public filings thereunder and (ii) each Seller shall take or refrain from taking any action necessary to permit such Seller to deliver a certificate of non-foreign status at the Closing in accordance with Section 8.1(i).

7.4 Confidentiality. From and after the Closing Date, each Seller Party shall not, and shall cause its Affiliates not to, directly or indirectly, disclose to any Person (other than authorized officers, managers, directors and employees of the Seller Parties or Purchasers) or use or otherwise exploit for his own benefit or for the benefit of any other Person (other than the Seller Parties or Purchasers), any Confidential Information. For purposes of this Section 7.4, “Confidential Information” means all information concerning Sellers, the Business or the Assets, including the terms and conditions of the Transaction Documents, provided that Confidential Information shall not include (i) such information that has become generally known to the public through no fault of any Seller Party or its representatives or (ii) information as to which counsel advises that disclosure is compelled under applicable Law. Seller Parties shall use commercially reasonable efforts to protect Confidential Information and treat such Confidential Information with the same degree of care as they treat their most highly confidential information, which in no event shall be less than reasonable care.

7.5 Preservation of Records. Each of the Seller Parties shall preserve and keep in electronic or paper form as it elects the records respectively held by them or their Affiliates relating to the Business at or prior to the Closing Date for a period of seven (7) years from the Closing Date, unless a longer period is mandated by Contract or Law. Notwithstanding the foregoing, during such seven-year period, such Seller Party may dispose of any such books and records which are offered to, but not accepted by, the other. Each Seller Party agrees that each of them shall make such records and personnel available to the other Parties as may be reasonably required by such other Parties in connection with any insurance claims by, Legal Proceedings against or governmental investigations of such other Parties or any of their Affiliates or in order to enable each Party to comply with their respective obligations under this Agreement and each other Transaction Document. This Section 7.5 is not intended to alter applicable discovery procedures in connection with any Legal Proceedings between any of the Parties hereto.

7.6 Option.

(a) Generally. Until the close of business on June 25, 2019 and thereafter if Nevada Purchaser has provided the Affirmative Election Notice by such time, Nevada Seller shall exercise its rights under the Option Agreement at the direction and at the expense of Nevada Purchaser, provided that (i) Nevada Seller shall not be required to exercise the Option unless Nevada Purchaser has provided the Affirmative Election Notice and (ii) Nevada Purchaser shall not be required to acquire the Nevada Property except as provided in this Section 7.6. Nevada Seller shall promptly notify Nevada Purchaser of any Unpermitted Exception, Casualty or Condemnation Event (in each case as defined in the Option Agreement).

(b) Due Diligence. Commencing upon execution of this Agreement, Nevada Seller shall facilitate Nevada Purchaser's due diligence with respect to the Nevada Property, including updates to existing diligence items such as title and survey, environmental inspection and asbestos, zoning and property condition inspections, and obtaining all other documentation reasonably requested by Nevada Purchaser or a title company selected by Nevada Purchaser (the “Title Company”) in connection with the transactions described in this Section 7.6, including without limitation, certificates, affidavits, memoranda and/or terminations, all in a form reasonably satisfactory to Nevada Purchaser.

(c) Option. Nevada Purchaser shall inform Nevada Seller on or prior to June 25, 2019 in writing as to whether Nevada Purchaser wishes to purchase the Nevada Property, and if Nevada Purchaser wishes to purchase the Nevada Property, such notice shall so indicate (an “Affirmative

Election Notice”). Nevada Seller shall have the right, and if requested by Nevada Purchaser, shall have the obligation, to timely exercise the Option and purchase the Nevada Property pursuant to the Option Agreement. In the event Nevada Seller closes on the acquisition of the Nevada Property, then Nevada Seller shall cause title to the Nevada Property to be acquired by Nevada Seller’s affiliate (“Nevada Seller Land Owner”), such that the Nevada Lease shall not merge out of existence and shall remain in full force and effect.

(d) Purchase Obligation; Purchase Price. If Nevada Seller Land Owner acquires the Nevada Property following an Affirmative Election Notice, Nevada Purchaser will purchase the Nevada Property from Nevada Seller Land Owner, and Sellers shall cause the Nevada Property Land Owner to convey the Nevada Property to Nevada Purchaser (the “Nevada Closing”) on or within 120 days following the Closing Date (the “Nevada Closing Date”), for a purchase price (“Nevada Purchase Price”) equal to (a) the Option purchase price (less the \$50,000 deposit) plus (b) the reasonable out-of-pocket transaction costs incurred by Sellers and/or Nevada Seller Land Owner from and after the date of this Agreement. Notwithstanding the foregoing or anything herein to the contrary, Nevada Purchaser’s obligation to purchase the Nevada Property as set forth above is expressly made contingent upon the delivery to Nevada Purchaser of title to the Nevada Property as required by this Section 7.6. From and after the date of this Agreement, Sellers shall not and shall cause Nevada Seller Land Owner not to, without the prior written consent of the Nevada Purchaser, take or permit to be taken any action that would have the effect of modifying the terms and conditions of the Option or the Option Agreement.

(e) Permitted Exceptions. At the Nevada Closing, the Nevada Property shall be conveyed subject only to (as applicable, collectively, the “Permitted Exceptions”) (i) if the Option was exercised by Nevada Seller at the request of Nevada Purchaser pursuant to an Affirmative Election Notice, (A) liens, restrictions, easements and other encumbrances created, caused or consented to by Nevada Purchaser and (B) liens, restrictions, easements and other encumbrances that are not created, caused or consented to by Nevada Seller or its Affiliates and, in the case of liens, restrictions, easements and other encumbrances arising prior to the closing under the Option Agreement, on the basis of which Nevada Seller did not have a right to refuse to close under the Option Agreement; or (ii) if the Option was not exercised by Nevada Seller at the request of Nevada Purchaser pursuant to an Affirmative Election Notice, only those matters acceptable to and consented to by Nevada Purchaser in writing, in Nevada Purchaser’s sole discretion.

(f) Closing Deliverables. At the Nevada Closing, Nevada Seller shall cause the Title Company to commit to issue a customary ALTA owner’s policy of title insurance evidencing an owner’s insured amount equal to the Nevada Purchase Price naming Nevada Purchaser as the proposed insured and showing fee simple title to each of the parcels comprising the Nevada Property vested in Nevada Purchaser thereafter, subject only to the Permitted Exceptions. In no event shall Nevada Purchaser or any other Purchaser or Affiliate thereof have an obligation to purchase the Nevada Property unless all liens, restrictions, easements and other encumbrances other than Permitted Encumbrances have been eliminated. At the Nevada Closing, Sellers shall cause Nevada Seller Land Owner to (i) deliver a special warranty deed for the Nevada Property, a quit claim bill of sale for the property being transferred, a title affidavit, a non-foreign affidavit, a closing statement, a recordable termination of all Option Agreement memorandums that are recorded in the public records, a written termination of the Nevada Lease, and an assignment of all tenant leases in effect with respect to the Nevada Property, other than the Nevada Lease; all in form and substance reasonably acceptable to Nevada Purchaser, (ii) such other documentation customarily and reasonably required by the Title Company for similar transactions, in form and substance reasonably acceptable to Nevada Purchaser; and (iii) appropriate evidence of Nevada Seller Land Owner’s formation, existence, good standing and authority reasonably required by the Title Company and Nevada Purchaser for similar transactions, in form and substance reasonably acceptable to Nevada Purchaser.

(g) Closing Costs. At or prior to the Nevada Closing, Purchaser shall cause Nevada Purchaser to pay for (i) costs of issuance of the Nevada Purchaser's title commitment, and any updates thereto, examination fees, and the costs of the title insurance premium of any title policy obtained by Nevada Purchaser, (ii) any and all endorsements to the title policy obtained by Nevada Purchaser, (iii) the cost of recording the special warranty deed related to the conveyance of the Nevada Property to Nevada Purchaser, (iv) one-half (1/2) of any escrow and settlement fees charged by the Title Company, (v) the costs for any survey obtained by Nevada Purchaser, (vi) the costs related to Nevada Purchaser's due diligence investigations, and (vii) the costs to cure title matters related to conditions caused by or required to be satisfied by Nevada Purchaser, (viii) the costs of Nevada Purchaser's attorney, and (ix) the costs and fees associated with any financing obtained by Nevada Purchaser in connection with the acquisition of the Nevada Property. At or prior to the Nevada Closing, Sellers shall cause Nevada Seller Land Owner to pay for (i) the costs of Nevada Seller Land Owner's attorney, (ii) any taxes, fees or similar costs due upon recordation of the deed related to the conveyance of the Nevada Property to Nevada Purchaser, (iii) the costs to cure Unpermitted Encumbrances, and (iv) one-half (1/2) of any escrow and settlement fees charged by the Title Company; provided, however, if the Nevada Purchaser is purchasing the Nevada Property pursuant to an Affirmative Election Notice, items (i), (ii) and (iv) shall be paid by Nevada Purchaser.

(h) Casualty or Condemnation. Notwithstanding anything contained herein to the contrary, if, after the provision of an Affirmative Election Notice but prior to the Nevada Seller Land Owner's acquisition of title to the Nevada Property, all or any portion of the Property should become the subject of a condemnation proceeding or if any portion of the Improvements (as defined in the Option Agreement) is damaged or destroyed, then, if requested by Nevada Purchaser, to the extent Nevada Seller is entitled to do so, Nevada Seller shall cause the Option Agreement to be terminated in accordance with the provisions of the Option Agreement. If (i) Nevada Purchaser does not request that Nevada Seller terminate the Option Agreement, (ii) Nevada Seller is not entitled to terminate the Option Agreement or (iii) such condemnation proceeding or damage to or destruction of the Improvements occurs after Nevada Seller Land Owner's acquisition of title to the Nevada Property, then Nevada Seller Land Owner and Nevada Purchaser shall proceed to the Nevada Closing if Nevada Purchaser is otherwise obligated to do so pursuant to this Section 7.6, provided that Sellers and Nevada Seller Land Owner shall assign to Nevada Purchaser all of their rights under the Option Agreement and all of their rights against third parties (including any governmental agencies or instrumentalities and any insurers) with respect to such condemnation proceeding or damage to or destruction of the Improvements (and shall assert such rights on behalf and at the expense of Nevada Purchaser to the extent Nevada Purchaser is not entitled to do so directly) and shall deliver to Nevada Purchaser all compensation proceeds received by Nevada Seller attributable to the Nevada Property from such casualty or condemnation.

(i) Survival. This Section 7.6 shall survive the Closing. Notwithstanding the foregoing, Nevada Purchaser's obligation to purchase the Nevada Property shall not survive a termination of this Agreement due to a Seller breach.

7.7 Publicity. Seller Parties shall not, and shall cause their Affiliates not to, issue or cause the publication of any press release or other public announcement with respect to the Transaction Documents or the transactions contemplated thereby without prior approval of Purchasers' Representative, except as may be required by applicable Law. Purchasers shall give Seller Parties the opportunity to review and comment on the press releases to be issued in connection with (i) the execution of this Agreement and (ii) the Closing.

7.8 Agreement Not To Compete.

(a) For a period of five years from and after the Closing Date (the “Restricted Period”), each Seller Party and A. Todd Justice (the “Obligated Parties”) shall not, and shall cause its Affiliates not to, directly or indirectly, own, operate, lease, manage, control, engage in, invest in, lend to, own any debt or equity security of, permit its or his name to be used by, act as consultant or advisor to, render services for (alone or in association with any person, firm, corporate or other business organization) or otherwise assist in any manner or be involved in any other capacity with any business that engages in business activities competitive with the Business (a “Competing Business”) (including any Person engaged in whole or in part in any Competing Business) anywhere in Nevada or Oregon; provided, however, that nothing herein shall prohibit any Obligated Party from (i) taking any of the foregoing actions or acting in any of the foregoing capacities with respect to a business that is a Competitive Business solely by reason of producing, manufacturing, marketing and selling hemp CBD products or (ii) being a passive beneficial owner (including “group” that is a beneficial owner) of less than two percent (2%) of any class of securities of any entity that is registered pursuant to the Securities Act and traded on a national securities exchange.

(b) During the Restricted Period, no Obligated Party shall, and each shall cause its Affiliates not to, directly or indirectly: (i) induce or attempt to induce any of employee or consultant to leave the employ of, or engagement with, any Purchaser or any of its Affiliates (collectively, the “Purchaser Parties”), or materially interfere with the relationship between any of the Purchaser Parties and any employee or consultant, (ii) hire or engage any employee or consultant of any Purchaser or any of its Affiliates (or any person who was an employee or consultant of any Purchaser or any of its Affiliates within the preceding 12 months, unless such employment or consulting relationship was terminated by Purchaser) or (iii) induce or attempt to induce any person or entity who is or was within the prior two years a customer, supplier, licensee, licensor, franchisee or other business relation of any of any Purchaser Party to cease doing business with any of the Purchaser Parties or materially interfere with the relationship between any Purchaser Party and any such Person.

(c) During the Restricted Period, each Obligated Party shall not, and shall cause its Affiliates not to, make or publish any statement or communication which is disparaging, negative or unflattering with respect to any of the Purchaser Parties or any of their respective Affiliates, members, officers, managers, directors or employees. For purposes of this Section 7.8(c), a statement shall be deemed to be made by a Obligated Party only if made by an individual Obligated Party or by a member, officer, manager, director or senior managerial employee of a non-individual Obligated Party.

(d) Obligated Parties acknowledge and agree that the covenants and agreements set forth in this Section 7.8 were a material inducement to Purchaser to enter into this Agreement and to perform its obligations hereunder and that Purchaser would not have entered into this Agreement but for each Obligated Party’s agreement to the restrictions set forth in this Section 7.8. Obligated Parties further acknowledge and agree that Purchaser would be irreparably damaged if any Obligated Party were to engage directly or indirectly in any Competing Business, that any such competition by any Obligated Party would result in a significant loss of goodwill by Purchaser, and that money damages would not be an adequate remedy for any such breach. Therefore, in the event a breach or threatened breach of this Section 7.8, Purchaser and each of its Affiliates or their respective successors and assigns, in addition to other rights and remedies existing in their favor, shall be entitled to specific performance, injunctive and other equitable relief from a court of competent jurisdiction in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other surety and at the expense of such Obligated Party, including reasonable attorneys’ fees and expenses). The restrictive covenants set forth in this Section 7.8 shall be construed as agreements independent of any other provision in this Agreement, and the existence of any claim or cause of action of any Obligated Party against Purchaser, whether predicated upon this Agreement or otherwise, shall not constitute a defense to the enforcement by Purchaser of any restrictive covenant contained in this Section 7.8. In the event of a breach or violation

by any Obligated Party of this Section 7.8, the Restricted Period shall be tolled with respect to such Obligated Party until such breach or violation has been duly cured.

(e) Each Obligated Party agrees that the restrictions contained in this Section 7.8 are reasonable. If the final judgment of a court of competent jurisdiction nevertheless declares any term or provision of this Section 7.8 to be invalid or unenforceable, the Parties agree that the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration or area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified to cover the maximum duration, scope or area permitted by Law.

7.9 Interim Financials. Seller Parties shall deliver to Purchasers within 10 days from the date of this Agreement the unaudited interim financial statements of the Seller Parties for the month of April. From and after the date hereof, Seller Parties shall afford Purchasers and Purchasers' Representative access to the financial accounting and other records of Seller Parties that Purchasers' Representative may reasonably request to monitor the financial and operational performance of the Business.

7.10 Permits. Purchasers and Sellers covenant that they shall promptly after the full execution of this Agreement apply for, diligently pursue, and take all such actions within their reasonable control as are necessary to transfer all Permits (or cause the reissuance in Purchasers' names of Permits that are non-transferable) necessary to operate the Business as currently conducted and proposed to be conducted. All fees payable in connection with such transfers, and all ordinary course Permit maintenance fees during the period between signing and Closing, shall be paid by Purchasers. Notwithstanding the foregoing, Sellers shall be solely responsible for the costs and fees related to the transfer of Clark County business licenses or other Permits that are not currently held in the name of Sellers to Sellers.

ARTICLE VIII CONDITIONS TO CLOSING

8.1 Conditions Precedent to Obligations of Purchasers. The obligation of Purchasers to consummate the transactions contemplated by this Agreement is subject to the fulfillment, on or before the Closing Date, of each of the following conditions (any or all of which may be waived by Purchasers in whole or in part):

(a) the representations and warranties of Sellers set forth in this Agreement shall be true and correct, as of the Closing Date;

(b) Sellers shall have performed and complied with all obligations and agreements required in this Agreement to be performed or complied with by them before the Closing Date;

(c) there shall not have been or occurred any event, condition, circumstance or change since the Balance Sheet Date that has had or would reasonably be expected to have a Material Adverse Effect; provided, however, for the purposes of this Section 8.1(c), Material Adverse Effect shall not include any such event or action that was caused by or resulted from the actions or inactions of Purchasers in breach of the Management Agreement;

(d) no Legal Proceedings shall have been instituted or threatened against any Purchaser or Seller seeking to restrain or prohibit or to obtain substantial damages with respect to the consummation of the transactions contemplated hereby, and there shall not be in effect any Law,

including any Order by a Governmental Body of competent jurisdiction, restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby;

(e) the applicable Seller or Sellers, as the case may be, shall have obtained (i) any consent, approval, Order or authorization of, or registration, declaration or filing with, any Governmental Body required to be obtained or made by such Seller or Sellers in connection with the execution and delivery of this Agreement or the Management Agreement or the performance of the transactions contemplated herein or therein; and (ii) any consent, waiver or approval required to prevent a breach of, or a default under, or a termination (or post-Closing right of termination) of, any Contract listed on Schedule 8.1(e) or any Permit, or to transfer any such Contract or any Permit included in the Assets, in each case, in form and substance reasonably satisfactory to Purchasers;

(f) the applicable Purchaser or Purchasers, as the case may be, shall have obtained (i) any consent, approval, Order or authorization of, or registration, declaration or filing with, any Governmental Body required to be obtained or made by such Purchaser or Purchasers in connection with the execution and delivery of this Agreement or the Management Agreement or the performance of the transactions contemplated herein or therein; and (ii) any consent, waiver or approval required to prevent a breach of, or a default under, or a termination (or post-Closing right of termination) of, any Contract listed on Schedule 8.1(f) or any Permit, or to transfer any such Contract or any Permit included in the Assets, or to have issued in the name of the applicable Purchaser any Permit required to conduct the Business as currently conducted or contemplated to be conducted, in each case, in form and substance reasonably satisfactory to Purchasers;

(g) each Seller shall have delivered to Purchasers a bill of sale and assignment in the form of Exhibit A executed by such Seller pursuant to which all of the Assets shall be assigned to the applicable Purchaser (the "Bills of Sale");

(h) each Seller shall have delivered to Purchasers a properly completed and executed certificate of non-foreign status in a form that complies with Treasury Regulation Section 1.1445-2(b)(2) and a properly executed IRS Form W-9 for each Seller;

(i) Sellers' Representative and the Escrow Agent shall have delivered to Purchasers executed counterparts to the Escrow Agreement;

(j) Sellers shall have delivered to Purchasers pay-off letters from the applicable lenders with respect to all outstanding Closing Indebtedness of Sellers and evidence satisfactory to Purchasers that all Liens affecting Sellers or the Assets will be released upon the consummation of the Closing (including, where applicable, UCC termination statements authorized to be filed by Purchasers upon the consummation of the Closing);

(k) Sellers shall have delivered a landlord estoppel certificate and landlord consent to assignment of lease, as applicable, with respect to the Nevada Lease, the Oregon Lease, as applicable, and any subordination non-disturbance and attornment agreement or collateral assignments in connection with the Transaction as may be requested by Purchaser, all in form and substance reasonably satisfactory to Purchasers;

(l) Sellers shall have delivered an assignment of the Nevada Lease (if the Nevada Property is not acquired by Purchaser), an Assignment of the Oregon Lease, and notices to landlords, all in form and substance reasonably satisfactory to Purchasers; and

(m) Sellers shall have delivered to Purchasers a certificate of the secretary or an officer of each Seller, in form and substance reasonably satisfactory to Purchasers, certifying as to (i) the certificate of formation of such Seller, as amended, certified by the Secretary of State of the State of Delaware, as of a recent date, and stating that no amendment has been made to such articles since such date; (ii) its operating agreement or equivalent; (iii) the resolutions or authority of its respective members and/or managers authorizing the execution and performance of the Transaction Documents and the transactions contemplated thereby; (iv) a certificate of good standing, as of a recent date, certified by the Secretary of State of the State of Delaware, (v) a certificate of authority certified by the applicable authority, from each jurisdiction where such Seller is qualified to do business and (vi) incumbency and signatures of its respective officers executing the Transaction Documents.

8.2 Conditions Precedent to Obligation of Sellers. The obligation of Sellers to consummate the transactions contemplated by this Agreement is subject to the fulfillment, before or on the Closing Date, of each of the following conditions (any or all of which may be waived by Sellers in whole or in part):

(a) there shall not be in effect any Order by a Governmental Body of competent jurisdiction, restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby;

(b) Purchasers and the Escrow Agent shall have delivered to Sellers executed counterparts to the Escrow Agreement;

(c) each Purchaser shall have delivered to Sellers Bills of Sale executed by such Purchaser; and

(d) Purchasers shall have made the deliveries of the Purchase Price components as set forth in Section 3.4.

ARTICLE IX TERMINATION

9.1 Termination Events. This Agreement may, by written notice given before or at the Closing, be terminated:

(a) by mutual consent of Purchasers' Representative and Sellers' Representative;

(b) by Purchasers' Representative by notice to Sellers' Representative if at any time any holder Indebtedness of any Seller outstanding as of the date of this Agreement (or created pursuant to an instrument or obligation outstanding as of the date of this Agreement) shall have asserted or threatened to assert remedies against any Seller, any Purchaser, Indus or any of their Affiliates and (i) such remedies are not resolved to the satisfaction of Purchasers' Representative in its reasonable discretion within 30 days of the assertion thereof, (ii) any of the Assets are adversely affected thereby or (iii) a Legal Proceeding is commenced with respect thereto and is not dismissed with prejudice within 60 days of such commencement;

(c) by Purchasers' Representative by notice to Sellers' Representative if there has been a breach of any of Seller's representations, warranties or covenants contained in this Agreement, which would result in the failure of a condition set forth in Section 8.1(a) or Section 8.1(b), and which breach has not been cured within 15 days after written notice of the breach has been delivered to Seller from Purchaser's Representative;

(d) by Purchasers' Representative by notice to Sellers' Representative if any Governmental Body has adopted any Law or issued a non-appealable final Order having the effect of permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement;

(e) by Purchasers' Representative by notice to Sellers' Representative if the Closing has not occurred on or before the Outside Date; or

(f) by Sellers' Representative by notice to Purchasers' Representative if \$10,000,000 shall not have been placed in escrow pursuant to an escrow agreement with the Escrow Agent on mutually agreeable terms by the close of business on May 21, 2019 or if the Purchase Price Escrow Amount is released to Purchaser pursuant to Section 3.1(f).

9.2 Effect of Termination. If this Agreement is terminated pursuant to Section 9.1, this Agreement and all rights and obligations of the parties under this Agreement automatically end without Liability against any Party or its Affiliates, except that (a) this Section 9.2 and Article XII (other than Section 12.8) shall remain in full force and (b) the Parties' rights with respect to any willful breach of this Agreement prior to such termination will survive. If this Agreement is terminated by Purchaser pursuant to Section 9.1(c) or Section 9.1(e), then provided Purchasers are not in material breach in the aggregate of the representations, warranties, covenants and other agreement contained herein at the time of such termination, Sellers shall within five Business Days of such termination pay an amount equal to the Initial Deposit to Indus.

ARTICLE X INDEMNIFICATION

10.1 Survival of Representations, Warranties, Covenants and Agreements. All representations and warranties of Sellers and Purchasers in this Agreement and the other Transaction Documents shall survive the Closing Date for a period of fifteen (15) months after the Closing Date, except that: (a) (i) the representations and warranties of Sellers contained in Section 5.1 (Organization and Good Standing), Section 5.2 (Capitalization and Title), Section 5.3 (Outstanding Interests), Section 5.4 (Authorization of Agreement), Section 5.9(a) (Title to Assets; Liens), Section 5.10(e) (Absence of Certain Developments) and Section 5.25 (Financial Advisors) and (ii) the representations and warranties of Purchasers contained in Section 6.1 (Organization and Good Standing), Section 6.2 (Authorization of Agreement), and Section 6.4 (Financial Advisors) (collectively, the "Purchaser Fundamental Representations") shall survive the Closing indefinitely and (b) the representations and warranties of Sellers contained in Section 5.11 (Taxes) (together with the representations and warranties listed in clause (a)(i), the "Seller Fundamental Representations") shall survive the Closing until 60 days after the expiration of the applicable statutes of limitations (after giving effect to any waiver, modification, tolling or extension thereof). The covenants or other agreements contained in this Agreement shall survive the Closing Date until fully performed or satisfied and for the period ending on the date that is thirty (30) days after the expiration of applicable statute of limitations (after giving effect to any waiver, modification, tolling or extension thereof). Notwithstanding the foregoing, any claims asserted in compliance herewith by notice from the non-breaching Party to the breaching Party prior to the expiration of any applicable survival period shall survive until finally resolved. For the avoidance of doubt, the Parties agree and acknowledge that the survival periods set forth in this Section 10.1 are contractual statutes of limitations and any claim brought by any Party pursuant to this Article X must be brought or filed prior to the expiration of the applicable survival period.

10.2 Indemnification.

(a) Seller Parties, jointly and severally, hereby agree to indemnify and hold Purchaser and its Affiliates and their respective managers, directors, officers, employees, members, stockholders, partners, agents, representatives, successors and assigns (collectively, the “Purchaser Indemnified Parties”) harmless from and against:

(i) any and all Losses based upon, attributable to or resulting from the breach or inaccuracy of any representation or warranty of Sellers contained in this Agreement or any other Transaction Document;

(ii) any and all Losses based upon, attributable to or resulting from the breach of any covenant or other agreement on the part of Sellers contained in this Agreement or any other Transaction Document;

(iii) any Indebtedness or Transaction Expense not paid at the Closing;

(iv) any Indemnified Taxes;

(v) any and all Losses based upon, attributable to or resulting from that certain action captioned Herman v Coffman, et al., 19STCV12078 (Ca. Superior Ct., Los Angeles County); and

(vi) any Excluded Liabilities.

Notwithstanding the foregoing, Seller Principal shall have no individual liability for indemnity claims pursuant to Section 10.2(a)(i) to which the Cap is applicable.

(b) Purchasers hereby agree, jointly and severally, to indemnify and hold Sellers and their respective managers, directors, officers, employees, members, stockholders, partners, agents, representatives, successors and assigns (collectively, the “Seller Indemnified Parties”) harmless from and against:

(i) any and all Losses based upon, attributable to or resulting from the breach or inaccuracy of any representation or warranty of Purchaser contained in this Agreement or any other Transaction Document; and

(ii) any and all Losses based upon, attributable to or resulting from the breach of any covenant or other agreement on the part of Purchaser contained in this Agreement or any other Transaction Document; and

(iii) any and all Assumed Liabilities, including any guarantees thereof.

10.3 Indemnification Procedures.

(a) Third Party Claims. If any Legal Proceedings shall be instituted or any claim or demand shall be asserted by any Person in respect of which indemnification may be sought under Section 10.2 (regardless of the limitations set forth in Section 10.4) (each, a “Third Party Claim”), then the indemnified party shall promptly cause written notice of the assertion of any such claim to be sent to the indemnifying party, with such notice to include reasonable details of the nature and basis of the Third Party Claim and the relevant facts and circumstances relating to such Third Party Claim (to the extent reasonably ascertainable). After receipt of such notice of a Third Party Claim, if the indemnifying party shall acknowledge in a writing delivered to the indemnified party that the indemnifying party is

obligated to indemnify, defend and hold harmless the indemnifying party hereunder in connection with such Third Party Claim, the indemnifying party shall have the right, at its sole cost and expense, to retain counsel of its choice reasonably satisfactory to the indemnified party and to defend against, negotiate, settle or otherwise deal with such Third Party Claim, provided that the indemnifying party shall not have the right to assume the defense of such Third Party Claim if (i) the Third Party Claim seeks an injunction or other equitable relief, (ii) in the reasonable opinion of the indemnified party, counsel for the indemnifying party could not adequately represent the interests of the indemnified party because such interests could be in conflict with those of the indemnifying party, (iii) such Third Party Claim involves, or could have a material effect on, any material matter beyond the scope of the indemnification obligation of the indemnifying party (including any relationship of Purchasers or Sellers with any vendor or customer), (iv) the indemnifying party shall have failed to defend in good faith such Third Party Claim, the indemnified party shall have a reasonable basis to conclude that such failure will adversely affect the indemnified party and such failure shall have continued for twenty (20) days following notice thereof to the indemnifying party from the indemnified party or (v) such Third Party Claim relates to or arises in connection with any criminal matter. If the indemnifying party elects to defend against, negotiate, settle or otherwise deal with such Third Party Claim, then it shall within ten (10) Business Days (or sooner, if the nature of the claim so requires) notify the indemnified party of its intent to do so. If the indemnifying party (i) elects not to defend against, negotiate, settle or otherwise deal with such Third Party Claim or (ii) fails to notify the indemnified party of its election as herein provided, then the indemnified party may defend against, negotiate, settle or otherwise deal with such Third Party Claim. If the indemnifying party elects to defend against, negotiate, settle or otherwise deal with such Third Party Claim, then the indemnified party may participate, at its own cost and expense, in the defense, negotiation and settlement of such Third Party Claim; provided, however, that such indemnified party shall be entitled to participate in any such defense, negotiation or settlement with separate counsel at the cost and expense of the indemnifying party if (i) so requested by the indemnifying party or (ii) in the reasonable opinion of counsel to the indemnified party, a conflict or potential conflict exists between the indemnified party and the indemnifying party that would make such separate representation advisable. The indemnifying party shall not be required to pay for more than one lead counsel, or more than one local counsel in any jurisdiction, for all indemnified parties in connection with such Third Party Claim. Notwithstanding anything in this Section 10.3(a) to the contrary, neither the indemnifying party nor the indemnified party shall, without the written consent of the other party (which consent shall not be unreasonably withheld), settle or compromise such Third Party Claim or permit a default or consent to entry of any judgment with respect thereto. A refusal by an indemnified or indemnifying party to so consent shall be deemed reasonable if the terms of the settlement or compromise would require such party to admit liability or wrongdoing or, in the case of the indemnified party, if the terms of the settlement or compromise do not include a complete release at no cost to the indemnified party.

(b) Other Claims. In the event an indemnified party determines that it has a claim for Losses against an indemnifying party under this Article X (other than a result of Third Party Claim described in Section 10.3(a)) (each, a “Direct Claim”), the indemnified party shall promptly give written notice to the indemnifying party describing in reasonable detail the nature and basis of such Direct Claim. The indemnified party shall provide the indemnifying party with any additional information in the possession or under the control of the indemnified party reasonably requested by the indemnifying party, provided that this Section 10.3 is not intended to alter applicable discovery procedures in connection with any Legal Proceeding between any of the Parties hereto. The indemnifying party shall notify the indemnified party within 20 days following its receipt of such notice of a Direct Claim if the indemnifying party disputes its liability to the indemnified party under this Article X. If the indemnifying party does not so notify the indemnified party, the Direct Claim specified by the indemnified party in such notice shall be conclusively deemed to be a liability of the indemnifying party under this Article X and the indemnifying party shall pay (or, if applicable, instruct the Escrow Agent to cancel Shares included in the Escrow Property) the amount of such liability to the indemnified party

promptly on demand or, in the case of any notice in which the amount of the Direct Claim (or any portion of the Direct Claim) is not specified or estimated, on such later date when the amount of such Direct Claim (or such portion of such Direct Claim) becomes finally determined and liquidated. If the indemnifying party has timely disputed its liability with respect to such Direct Claim as provided above, the indemnifying party and the indemnified party shall negotiate in good faith to resolve such dispute. Disputes between the indemnifying party and the indemnified party relating to a Direct Claim that cannot be resolved with good faith negotiation within 30 days of such dispute notice may be submitted by any Party to a court of competent jurisdiction pursuant to Section 12.2.

(c) The failure of the indemnified party to give reasonably prompt notice of any claim shall not release, waive or otherwise affect the indemnifying party's obligations with respect thereto, except to the extent that the indemnifying party can demonstrate that the indemnifying party's rights have been prejudiced as a result of such failure.

10.4 Limitations on Indemnification. Notwithstanding anything contained in this Article X to the contrary, no claim for indemnification pursuant to Section 10.2(a) or Section 10.2(b) shall be made or otherwise permitted after the applicable survival period specified in Section 10.1.

(a) Basket. No Purchaser Indemnified Party shall be entitled to indemnification with respect to the breach or inaccuracy of any representation or warranty pursuant to Section 10.2(a)(i) unless, until and only to the extent that any Purchaser Indemnified Party (individually or collectively with all other Purchaser Indemnified Parties) has suffered or incurred actual Losses in respect to Section 10.2(a)(i) aggregating in excess of \$75,000 (the "Basket"), in which case Purchaser Indemnified Parties shall be entitled to recover all Losses to the extent they exceed the Basket, subject to the other limitations set forth herein. No Seller Indemnified Party shall be entitled to indemnification with respect to the breach or inaccuracy of any representation or warranty pursuant to Section 10.2(b)(i) unless, until and only to the extent that any Seller Indemnified Party (individually or collectively with all other Seller Indemnified Parties) has suffered or incurred actual Losses in respect to Section 10.2(b)(i) aggregating in excess of the Basket, in which case the Seller Indemnified Parties shall be entitled to recover all Losses in full from the first dollar, subject to the other limitations set forth herein.

(b) Indemnity Cap. In no event shall Seller Parties be obligated to indemnify Purchaser Indemnified Parties with respect to the breach or inaccuracy of any representation or warranty pursuant to Section 10.2(a)(i) for amounts in excess of \$1,761,990 (the "Cap"). In no event shall Purchasers be obligated to indemnify Seller Indemnified Parties with respect to the breach or inaccuracy of any representation or warranty pursuant to Section 10.2(b)(i) for amounts in excess of the Cap.

(c) Purchase Price Cap. In no event shall Seller Parties be obligated to indemnify Purchaser Indemnified Parties with respect to the breach or inaccuracy of any representation or warranty pursuant to Section 10.2(a) (other than Section 10.2(a)(vi)) for amounts in excess of \$20,000,000 (the "Purchase Price Cap"). For the avoidance of doubt, the Purchase Price Cap is not intended to override the applicability of the Cap as set forth in Section 10.4(b). In no event shall Purchasers be obligated to indemnify Seller Indemnified Parties with respect to the breach or inaccuracy of any representation or warranty pursuant to Section 10.2(b) for amounts in excess of the Purchase Price Cap.

(d) Exceptions. The limitations set forth in Sections 10.4(a) through (c) shall not apply to a claim of fraud (and any Losses from claims of fraud shall not count towards Sellers' satisfaction of the Basket, the Cap or the Purchase Price Cap). The limitations set forth in Section 10.4(a) and Section 10.4(b) shall not apply to a claim for breach or inaccuracy of any Seller Fundamental Representations (and any Losses from claims for breach or inaccuracy of Seller Fundamental Representations shall not count towards Seller Parties' satisfaction of the Basket or the Cap).

(e) Certain Reductions. For purposes of determining Losses pursuant to this Article X, there shall be deducted (i) an amount equal to the amount of any insurance proceeds and any indemnity, contribution or other similar payment received by an indemnified party in respect of such Losses and (ii) an amount equal to the Tax benefit realized by the indemnified party as a result of such Losses.

(f) Materiality. Solely for purposes of determining Losses based upon, attributable to or resulting from any breach or inaccuracy of a representation, warranty, covenant or agreement (and not for the purposes of determining whether or not a breach or inaccuracy has occurred), the references to “material”, “Material Adverse Effect” or other materiality qualifiers (or correlative terms) shall be disregarded.

(g) Effect of Investigation. Each Seller Party acknowledges that the representations and warranties contained in Article V shall not be deemed waived or otherwise affected by the knowledge of or any investigation by or on behalf of Purchasers or their Affiliates.

10.5 Payment of Claims.

(a) Any amounts payable to a Purchaser Indemnified Party under this Article X shall be paid to such Purchaser Indemnified Party by first seeking recovery from the Escrow Property in the following order: first, from cash included in the Escrow Property and second, by cancellation of Shares included in the Escrow Property. Subject to the limitations contained in this Article X, Seller Parties shall be jointly and severally responsible to pay to such Purchaser Indemnified Party any amount that is not satisfied from the Escrow Property within five (5) Business Days following such the determination thereof, by payment to the account designated in writing by such Purchaser Indemnified Party. Subject to the limitations contained in this Article X, Purchasers shall be jointly and severally responsible to pay to such Seller Indemnified Party any amount that is determined to be due to such Seller Indemnified Party under this Article X. Any amounts payable to a Seller Indemnified Party under this Article X shall be paid by Purchasers no later than five Business Days following the determination thereof, to the account designed in writing by such Seller Indemnified Party.

(b) Any Shares from the Escrow Property that are cancelled in satisfaction of an indemnification obligation to a Purchaser Indemnified Party under this Article X shall be valued at the Stock Consideration Initial Value; provided, however, that if the only Escrow Property available to satisfy all or a portion of an indemnification obligation to a Purchaser Indemnified Party consists of Shares that are still subject to transfer restrictions pursuant to Section 3.2, then any such restricted Shares that are cancelled in satisfaction of such indemnification obligation shall be valued at the greater of: (i) the volume weighted average trading price of the Shares on the Canadian Securities Exchange during the 20-trading day period preceding their cancellation and (ii) the Stock Consideration Initial Value.

10.6 Tax Treatment of Indemnity Payments. Sellers and Purchasers agree to treat any indemnity payment made pursuant to this Article X as an adjustment to the Purchase Price to the extent permitted by Law.

ARTICLE XI TAXES

11.1 Transfer Taxes. Seller Parties and Purchasers shall each be responsible for the payment of 50% of any and all Liabilities for any sales, use, stamp, documentary, filing, recording, transfer, real estate transfer, stock transfer, gross receipts, registration, duty, securities transactions or similar fees or taxes or governmental charges (together with any interest or penalty, addition to tax or additional amount

imposed) as levied by any Taxing Authority in connection with the transactions contemplated by this Agreement (collectively, “Transfer Taxes”), regardless of the Person liable for such Transfer Taxes under applicable Law. Purchasers and Sellers shall cooperate to (i) determine the amount of Transfer Taxes, (ii) provide all requisite exemption certificates and (iii) prepare and timely file any and all required Tax Returns for or with respect to such Transfer Taxes with any and all appropriate Taxing Authorities.

11.2 Prorations.

(a) If one Party remits to the appropriate Taxing Authority payment for Taxes that are subject to proration under this Section 11.2 and if such payment includes the other Party’s share of such Taxes, then, upon remittance of a statement certifying the amount of Tax shown on such Tax Return allocable to the other Party pursuant to Section 11.2(b), such other Party shall promptly reimburse the remitting Party for its share of such Taxes.

(b) In the case of Taxes that are payable with respect to any taxable period beginning before, and ending after, the Closing Date (each, a “Straddle Period”), the portion of any such Tax that is allocable to the portion of such Straddle Period ending at the Closing Date will be:

(i) in the case of Taxes that are either (A) based upon or related to income, wages or receipts or (B) imposed in connection with any sale or other transfer or assignment of property (real or personal, tangible or intangible) deemed equal to the amount that would be payable if the taxable year ended or otherwise closed on the Closing Date; and

(ii) in the case of Taxes imposed on a periodic basis with respect to the Assets or otherwise measured by the level of any item, such as property and ad valorem Taxes, deemed to be the amount of such Taxes for the entire period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding period), multiplied by a fraction, the numerator of which is the number of calendar days in the period ending on the Closing Date and the denominator of which is the number of calendar days in the entire Straddle Period. Any credit or refund resulting from an overpayment of Taxes for any Straddle Period will be prorated based upon the method employed in this Section 11.2(b) taking into account the type of the Tax to which the refund relates. In the case of any Tax based upon or measured by capital (including net worth or long-term debt) or intangibles, any amount thereof required to be allocated under this Section 11.2(b) will be computed by reference to the level of such items at the Closing Date. All determinations necessary to effect the foregoing allocations will be made in a manner consistent with prior practice of Sellers. For the avoidance of doubt, all income, gain, loss and deduction attributable to the Business through the Closing Date will be included in the income Tax Return of Sellers, and all income, gain, loss and deduction attributable to the Business after the Closing Date will be included in the income Tax Return of Purchasers.

11.3 Cooperation on Tax Matters.

(a) Purchasers and Sellers shall furnish or cause to be furnished to each other, as promptly as practicable, such information and assistance relating to the Business and the Assets as is reasonably necessary for the preparation and filing of any Tax Return, claim for refund or other required or optional filings relating to Tax matters, for the preparation of any Tax audit, for the preparation of any Tax protest or for the prosecution or defense of any suit or other proceeding relating to Tax matters.

(b) Notwithstanding anything to the contrary in this Agreement, Sellers and Purchasers shall retain in electronic or paper format at Sellers election all Tax Returns, work papers and all material records or other documents in its possession (or in the possession of its Affiliates) relating to Tax matters of Sellers for any taxable period that includes the Closing Date and for all prior taxable

periods until the later of (i) the expiration of the statute of limitations of the taxable periods to which such Tax Returns and other documents relate, without regard to extensions, and (ii) six (6) years following the due date (without extension) for such Tax Returns. If any Party wishes for the other Party to keep such records after the time set forth in this Section 11.3(b), such Party shall give written notice prior to the expiration of the time set forth in this Section 11.3(b) to the other Party with possession of the records, and such other Party shall give the requesting Party the right at its option and expense, to take possession of the requested records within one hundred eighty (180) days after the date of such notice. Any information obtained under this Section 11.3(b) will be kept confidential, except as may be otherwise necessary in connection with the filing of Tax Returns or claims for refund or in conducting an audit or other proceeding. In addition, from and after the Closing Date, Purchasers shall provide such access to Sellers and Sellers' representatives (after reasonable prior notice and during normal business hours) to the books, records, documents and other information relating to Sellers as is reasonably necessary for Sellers to properly prepare for, file, prove, answer, prosecute or defend any Tax Return, claim, filing, tax audit, tax protest, suit, proceeding or answer.

(c) Each Party agrees that each of them shall preserve and keep the records respectively held by them or their Affiliates relating to the Assets for a period of six (6) years from the Closing Date, unless a longer period is mandated by Contract or Law; provided, however, that records necessary to the prosecution or defense of any claim or investigation or potential claim or investigation known to such Party shall be retained until the resolution of such claim or investigation. Each Party agrees that each of them shall make such records and personnel available to the other as may be reasonably required by such Party in connection with, among other things, any insurance claims by, Legal Proceedings against or governmental investigations of any Party or any of their Affiliates or in order to enable each Party to comply with their respective obligations under this Agreement and each other Transaction Document. If any Party wishes for the other Party to keep such records after the time set forth in this Section 11.3(c), such Party shall give written notice prior to the expiration of the time set forth in this Section 11.3(c) to the other Party with possession of the records, and such other Party shall give the requesting Party the right at its option and expense, to take possession of the requested records within one hundred eighty (180) days after the date of such notice.

(d) Sellers and Purchasers shall make themselves (and their respective employees) reasonably available on a mutually convenient basis to provide explanations of any documents or information provided under this Section 11.3.

11.4 Refunds. Any Tax refund (including any interest with respect thereto) relating to Sellers for any Pre-Closing Period (as defined in Section 11.4) will be the property of Sellers and if a refund that is treated as the property of a Seller is received by any Purchaser, will be paid over promptly to such Sellers.

11.5 Tax Treatment / Purchase Price Allocation. Purchasers and Sellers agree that the purchase of Assets provided for hereunder is a fully taxable transaction for U.S. Federal income tax purposes including the portion of consideration paid in the Shares. Purchasers and Sellers agree to allocate the Purchase Price, together with assumed liabilities and other items included in the purchase price for Federal income tax purposes, among the assets of Sellers in accordance with Section 1060 of the Code and the regulations promulgated thereunder. The Parties agree that the portion of the Purchase Price allocable to the Inventory acquired in a business acquisition will be determined by the aggregate net realizable value, rather than GAAP recorded value, under IRS Revenue Procedure 2003-51 (consistent with GAAP fair value concepts applicable to Business Combinations). Purchasers and Sellers shall work in good faith to come to a mutually acceptable allocation of the Purchase Price by the Closing. The allocation, as agreed to by the Sellers and Purchasers (the "Purchase Price Allocation"), shall be conclusive and binding on Purchasers and Sellers. Neither Sellers nor Purchasers will take a position on

any Tax Return, before any Taxing Authority charged with the collection of any Tax, or in any Legal Proceeding that is in any way inconsistent with the terms of this Section 11.5, and Sellers and Purchasers shall file a Form 8594 with the IRS in a manner consistent with the Purchase Price Allocation.

ARTICLE XII MISCELLANEOUS

12.1 Expenses. Except as otherwise expressly provided in this Agreement, each of the Parties shall bear its own expenses incurred in connection with the negotiation and execution of this Agreement and each other Transaction Document and the consummation of the transactions contemplated hereby and thereby.

12.2 Submission to Jurisdiction; Consent to Service of Process; Waiver of Jury Trial.

(a) Each party hereto agrees that any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in Las Vegas, Nevada before a single arbitrator. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. Judgment on the award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. The Parties hereto irrevocably consent to the service of process out of any of the aforementioned courts in any such action or proceeding by the delivery of a copy thereof in accordance with Section 12.5. Nothing herein shall affect the right to serve process in any other manner permitted by applicable Law.

(b) EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, LEGAL PROCEEDING OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

12.3 Entire Agreement; Amendments and Waivers. This Agreement (including the Disclosure Schedules and Exhibits hereto) represents the entire understanding and agreement among the Parties with respect to the subject matter hereof and can be amended, supplemented or changed, and any provision hereof can be waived, only by written instrument signed by the Party against whom enforcement of any such amendment, supplement, modification or waiver is sought. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any Party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such Party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

12.4 Governing Law. This Agreement, including the validity hereof and the rights and obligations of the Parties hereunder, shall be construed in accordance with and governed by the Laws of the State of Delaware applicable to contracts made and to be performed entirely in such state without giving effect to the conflicts of Laws principles thereof.

12.5 Notices. All notices required to be given under this Agreement shall be in writing and be given in person or by means of electronic mail of a PDF document, by overnight courier or by mail, and shall become effective: (a) on delivery if given in person; (b) on the date of transmission if sent by electronic mail and successfully delivered; (c) one (1) Business Day after delivery to the overnight service

and selecting one-day delivery service; or (d) when actually delivered, for first-class registered or certified mail, prepaid. Notices shall be addressed as follows (or at such other addresses for such party as shall be specified by like notice):

If to any Seller, to:

A. Todd Justice
500 Archdale Drive
Charlotte, NC 28217
E-mail: tjustice37@gmail.com

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

Timothy B. Gavigan, PLLC
10700 Sikes Pl., Suite 375
Charlotte, NC 28277
Attention: Timothy B. Gavigan
E-mail: tgavigan@gaviganlaw.net

If to any Purchaser, to:

c/o Indus Holding Company
20 Quail Run Circle
Salinas, California 93907
Attention: Tina Maloney, CFO
Email: tina@indusholdingco.com

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

Akerman LLP
666 Fifth Avenue, 20th Floor
New York, New York 10103
Attention: Kenneth G. Alberstadt
Email: kenneth.alberstadt@akerman.com

12.6 Severability. If any provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, then all other terms or provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

12.7 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third-party beneficiary rights in any Person not a party to this Agreement, except as provided in Article X. No assignment of this Agreement or of any rights or obligations hereunder may be made by any Party (by operation of law or otherwise) without the prior written consent of the other Parties and any attempted assignment without the required consents shall be void; provided, however, that (a) Purchasers may assign this Agreement and any or all rights or obligations hereunder to any Affiliate of Purchasers, provided that no such assignment shall relieve

Purchasers of their obligations hereunder, and (b) Purchasers or any such Affiliate may assign its rights, but not its obligations, under this Agreement to any debt financing sources (including as collateral security to any lender (as agent or trustee therefor) to Purchasers or any such Affiliate).

12.8 Specific Performance. The Parties agree that irreparable harm for which monetary damages, even if available, would not be an adequate remedy would occur in the event that the Parties hereto do not perform the provisions of this Agreement in accordance with its specified terms or otherwise breach such provisions. Accordingly, the Parties hereto acknowledge and agree that the Parties hereto shall be entitled to injunctive relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, in addition to any other remedy to which they are entitled to at Law or in equity. Any Party seeking equitable relief shall not be required to provide any bond or other surety in connection with any such relief.

12.9 Counterparts. This Agreement may be executed in one or more counterparts (including by electronic signature or by emailed scanned signature), and each fully executed counterpart shall be deemed an original and all of which, when taken together, will be deemed to constitute one and the same agreement.

12.10 Disclosure Schedules. The Disclosure Schedules shall be deemed to be a part of this Agreement and are fully incorporated into this Agreement by reference. Any capitalized terms used in the Disclosure Schedules but not otherwise defined therein shall have the meanings ascribed to such terms in this Agreement. The inclusion of any item referenced in one section or subsection of the Disclosure Schedules shall be deemed to refer to (a) the corresponding section or subsection of this Agreement and (b) any other section or subsection of the Disclosure Schedules (and accordingly to the applicable sections or subsections of this Agreement), whether or not an explicit cross-reference appears, if the applicability of such item to the other section or subsection is reasonably apparent on the face of such disclosure. The inclusion of any information in the Disclosure Schedules shall not be deemed to be an admission or evidence of the materiality of such item, nor shall it establish a standard of materiality for any purpose whatsoever.

12.11 Marijuana Carve-Out. Notwithstanding any provision in this Agreement to the contrary, the Parties acknowledge that they are aware of and fully understand that despite the medical and retail marijuana laws of the States of Oregon and Nevada and the terms, conditions and covenants of this Agreement, individuals and entities engaged in the cultivation, transportation, sale, distribution or possession of medical and retail marijuana may still be arrested by federal and some state officers and prosecuted under federal and some state law; consequently, such activities are expressly excluded from any and all representations, warranties, obligations and covenants applicable to the Sellers under this Agreement. The Parties hereby waive illegality as a defense to any contract enforcement action.

[Signature page follows.]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties as of the date first written above.

PURCHASERS:

INDUS BRAND MANAGEMENT LLC

By: /s/ Robert Weakley
Name: Robert Weakley
Title: Chief Executive Officer

INDUS NEVADA LLC

By: /s/ Robert Weakley
Name: Robert Weakley
Title: Chief Executive Officer

INDUS OREGON LLC

By: /s/ Robert Weakley
Name: Robert Weakley
Title: Chief Executive Officer

PURCHASERS' REPRESENTATIVE:

INDUS BRAND MANAGEMENT LLC

By: /s/ Robert Weakley
Name: Robert Weakley
Title: Chief Executive Officer

SELLERS:

W THE BRAND, LLC

By: /s/ R. Scott Coffman
Name: R. Scott Coffman
Title: Authorized Signatory

WEST COAST DEVELOPMENT NEVADA, LLC

By: /s/ R. Scott Coffman
Name: R. Scott Coffman
Title: Authorized Signatory

WEST COAST DEVELOPMENT OREGON, LLC

By: /s/ R. Scott Coffman
Name: R. Scott Coffman
Title: Authorized Signatory

SELLER PRINCIPAL:

/s/ R. Scott Coffman
Name: R. Scott Coffman

SELLERS' REPRESENTATIVE:

/s/ A. Todd Justice
Name: A. Todd Justice

Indus hereby executes of this Agreement for the purpose of joining in the representations and warranties set forth in Section 6.6, the covenants in Section 7.6 and the indemnification obligations of Purchasers set forth in Section 10.2(b) to the extent of any breach of the representations and warranties set forth in Section 6.6 or the covenants in Section 7.6.

INDUS HOLDING COMPANY

By: /s/ Robert Weakley
Name: Robert Weakley
Title: Chief Executive Officer

Exhibit A

BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT (this “Bill of Sale”), dated as of _____, 2019, is entered into by and among Indus Brand Management LLC, a Delaware limited liability company (“Brand Purchaser”), Indus Nevada LLC, a Nevada limited liability company (“Nevada Purchaser”), and Indus Oregon LLC, an Oregon limited liability company (“Oregon Purchaser” and together with Brand Purchaser and Nevada Purchaser, each a “Purchaser” and collectively, the “Purchasers”), W The Brand, LLC, a Delaware limited liability company (“Brand Seller”), West Coast Development Nevada, LLC, a Nevada limited liability company (“Nevada Seller”), West Coast Development Oregon, LLC, a Delaware limited liability company (“Oregon Seller” and together with Nevada Seller and Brand Seller, each a “Seller” and collectively, the “Sellers”).

This Bill of Sale is executed and delivered pursuant to the terms of that certain Asset Purchase Agreement, dated May 13, 2019 (the “Purchase Agreement”), by and among Purchasers, Sellers, and the other signatories thereto.

In consideration of the foregoing, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Capitalized Terms. Any capitalized term not otherwise defined in this Bill of Sale shall have the respective meaning ascribed to such term in the Purchase Agreement.

2. Transfer of Acquired Assets. (a) Brand Seller hereby irrevocably sells, assigns, transfers and delivers to Brand Purchaser all the right, title and interest of Brand Seller in, to, and under the Assets of Brand Seller, (b) Nevada Seller hereby sells, assigns, transfers and delivers to Nevada Purchaser all the right, title and interest of Nevada Seller in, to, and under the Assets of Nevada Seller, and (c) Oregon Seller hereby sells, assigns, transfers and delivers to Oregon Purchaser all the right, title and interest of Oregon Seller in, to, and under the Assets of Oregon Seller, in each case of clauses (a) through (c) free and clear of all Liens, upon and subject to the terms of the Purchase Agreement and this Bill of Sale. The parties expressly acknowledge and agree that no Seller is selling, conveying, transferring, assigning or delivering to any Purchaser any of such Seller’s right, title and interest in and to the Excluded Assets.

3. Assumption of Assumed Liabilities. (a) Brand Seller hereby assigns, and Brand Purchaser hereby assumes and agrees to pay and discharge when due, only the Assumed Liabilities attributable or relating to Brand Seller, (b) Nevada Seller hereby assigns, and Nevada Purchaser hereby assumes and agrees to pay and discharge when due, only the Assumed Liabilities attributable or relating to Nevada Seller, and (c) Oregon Seller hereby assigns, and Oregon Purchaser hereby assumes and agrees to pay and discharge when due, only the Assumed Liabilities attributable or relating to Oregon Seller, in each case of clauses (a) through (c) in accordance with the terms, subject to the conditions of, and solely to the extent provided in, the Purchase Agreement. The parties expressly acknowledge and agree that Purchasers do not hereby and shall not assume or otherwise become liable for any Excluded Liabilities.

4. Binding Effect; No Modification. All of the terms and provisions of this Bill of Sale are binding upon Sellers, Purchasers, and their respective successors and assigns and will inure to the benefit of the other parties and their respective successors and assigns, but no Seller may assign this Bill of Sale without the prior written consent of Purchasers. Notwithstanding the foregoing, no provision of this Bill of Sale shall in any way modify any of the provisions of the Purchase Agreement. This Bill of Sale is intended solely to further effect the transfer of the Assets and the assignment and assumption of the Assumed Liabilities in accordance with the Purchase Agreement.

5. Conflicts. In the event of a conflict between the terms of this Bill of Sale and the terms of the Purchase Agreement, the terms of the Purchase Agreement shall prevail and govern.

6. Governing Law. The terms and conditions of this Bill of Sale shall be governed and construed in accordance with the laws of the State of Delaware without giving effect to the conflict of laws principles thereof or of any other state.

7. Counterparts. This Bill of Sale may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original but all such counterparts together shall constitute one and the same instrument. This Bill of Sale may be executed by facsimile, PDF, or DocuSign signature, which shall have full force and effect as if a manually signed original.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the parties hereto has caused this Bill of Sale to be executed in its name and delivered by a duly authorized officer, on the date first written above.

PURCHASERS:

INDUS BRAND MANAGEMENT LLC

By: _____
Name: Robert Weakley
Title: Chief Executive Officer

INDUS NEVADA LLC

By: _____
Name: Robert Weakley
Title: Chief Executive Officer

INDUS OREGON LLC

By: _____
Name: Robert Weakley
Title: Chief Executive Officer

SELLERS:

W THE BRAND, LLC

By: _____
Name: R. Scott Coffman
Title: Authorized Signatory

**WEST COAST DEVELOPMENT
NEVADA, LLC**

By: _____
Name: R. Scott Coffman
Title: Authorized Signatory

**WEST COAST DEVELOPMENT
OREGON, LLC**

By: _____
Name: R. Scott Coffman
Title: Authorized Signatory

Exhibit B

Option

[omitted]

Exhibit C

Terms of the Management Agreement and Related Matters

From the date hereof through the earlier of the Closing or the termination of the Agreement in accordance with Article IX, in consideration for the WCDN Equity Interest, Nevada Purchaser shall fund the operation of Nevada Seller, provided that in no event shall Nevada Purchaser or its Affiliates be responsible for net funding (inflows less outflows) in excess of \$100,000 in any month or in excess of \$1 million in the aggregate, whether or not the Management Agreement is in effect. Cash management as among Seller shall continue in the ordinary course consistent with past practices. Funding of activities that are not in compliance with Section 7.1 of the Agreement shall be at Nevada Purchaser's discretion.

From the Conversion Date through the earlier of the Closing or the termination of the Agreement in accordance with Article IX, Purchasers shall manage and exercise full control over the operations of Nevada Seller and Brand Seller pursuant to the Management Agreement, which shall contain the following terms and such other terms, not inconsistent with the following, as may reasonably be proposed by Purchasers:

Nevada Purchaser and Purchasers' Representative on its behalf shall have sole authority and discretion from and after the Conversion Date with respect to the operation and funding of Nevada Seller and Brand Seller, provided that in exercising such authority and discretion, except for initiatives, expansions and innovations reasonably calculated to enhance the value of the Business, Nevada Purchaser shall cause the Business to be conducted in the ordinary course of business in all material respects. From and after the Conversion Date, Purchasers shall be entitled to a fee in the amount of all cash flow generated by the Business, which shall be determined retroactive to the Adjustment Effective Time.

Purchasers may in lieu of contributing funds to pay the purchase price of capital equipment or other assets to be used in the Business (whether prior to or after the Conversion Date) purchase such assets in its own name and lend, lease, license or distribute them to or through the Business (and Purchasers shall be permitted file UCC financing statements, including precautionary statements, with respect thereto).

Exhibit E

Standstill Agreement

[omitted]