

## MSA Assignment and Assumption Agreement

This Assignment and Assumption Agreement ("**Agreement**") dated as of August 31, 2021 ("**Effective Date**"), is entered into by and between Outco Labs, Inc. a California corporation ("**Assigning Party**"), Nutritional High LLC, a Nevada limited liability corporation, ("**Assuming Party**"), and San Diego Natural, Inc., a California non-profit mutual benefit corporation (the "**Licensed Party**").

**WHEREAS**, Assigning Party and the Assuming Party have entered into an asset purchase agreement dated June 18, 2021 (the "APA") whereby the Assigning Party have agreed to assign to the Assuming Party all of its rights and to delegate to Assuming Party all of its obligations under the Management Services Agreement between the Assigning Party and the Licensed Party, dated January 1, 2018 as described on Schedule 1 attached hereto (collectively "**Assigned Contract**");

**WHEREAS**, the Assigning Party and the Licensed Party desire to grant to the Assuming Party the rights and delegation of obligations under the Assigned Contract and to replace such Assigned Contract with a new management services agreement; and

**WHEREAS**, Assuming Party desires to accept such assignment of rights and delegation of obligations under the Assigned Contract and shall replace such Assigned Contract with a New Management Services Agreement included as Schedule 2.

**NOW, THEREFORE**, in consideration of the mutual covenants, terms and conditions set out herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment and Assumption.

1.1 Assignment. Assigning Party irrevocably sells, assigns, grants, conveys and transfers to Assuming Party all of Assigning Party's right, title and interest in and to the Assigned Contracts.

1.2 Assumption. Assuming Party unconditionally accepts such assignment and assumes all of Assigning Party's duties, liabilities and obligations under the Assigned Contracts, and agrees to pay, perform and discharge, as and when due, all of the obligations of Assigning Party under the Assigned Contracts accruing on and after the Effective Date.

1.3 Consent to Assignment and Assumption. The Licensed Party unconditionally and irrevocably consents to the Assuming Party's assumption of Assigning Party's duties, liabilities and obligations under the Assigned Contracts.

2. Consideration. Assuming Party agrees to pay Assigning Party the consideration described in the asset purchase agreement ("APA") between the Assigning Party and Assuming Party, upon the closing of the APA.

3. Representations and Warranties.

3.1 Assigning Party's Representations and Warranties. Assigning Party represents and warrants as follows:

(a) It is duly organized, validly existing, and in good standing under the laws of California.

(b) It is qualified and licensed to do business and in good standing in every jurisdiction where such qualification and licensing is required.

(c) It has the full right, corporate power and authority to enter into this Agreement and to perform its obligations hereunder.

(d) It has taken all necessary corporate action to authorize the execution of this Agreement by its representative whose signature is set out at the end hereof.

(e) When executed and delivered by it, this Agreement will constitute the legal, valid, and binding obligation of Assigning Party, enforceable against it in accordance with its terms and not subject to defenses.

(f) It is the sole legal and beneficial owner of the all the rights under the Assigned Contracts on the Effective Date, free and clear of any lien, security interest, charge, or encumbrance.

(g) The Assigned Contracts have not been amended or modified as of the Effective Date.

(h) The Assigned Contracts are in full force and effect on the Effective Date. No event or condition has occurred that is an event of default or termination under any of the Assigned Contracts. There are no material disputes pending or threatened related to any rights or obligations transferred by this Agreement.

(i) It has performed all of its obligations under the Assigned Contracts that are required to be performed on or before the Effective Date.

3.2 Assuming Party's Representations and Warranties. Assuming Party represents and warrants as follows:

(a) It is duly organized, validly existing, and in good standing under the laws of Nevada.

(b) It is qualified and licensed to do business and in good standing in every jurisdiction where such qualification and licensing is required for purposes of this Agreement.

(c) It has the full right, corporate power and authority to enter into this Agreement and to perform its obligations hereunder.

(d) It has taken all necessary corporate action to authorize the execution of this Agreement by its representative whose signature is set out at the end hereof.

(e) When executed and delivered by it, this Agreement will constitute the legal, valid, and binding obligation of Assuming Party, enforceable against it in accordance with its terms.

#### 4. Indemnification.

4.1 Mutual Indemnification. Subject to the terms and conditions set out in Section 4.2, Assigning Party and Assuming Party (as "**Indemnifying Party**") shall indemnify, hold harmless, and defend each other and their respective officers, directors, employees, agents, affiliates, successors and permitted assigns (collectively, "**Indemnified Party**") against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorney fees, that are awarded against Indemnified Party in a final judgment (collectively, "**Losses**"), arising out of or resulting from any third-party claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or other, whether at law, in equity or otherwise ("**Claim**") alleging:

(a) A material breach or non-fulfillment of any material representation, warranty, or covenant set out in Section 3 of this Agreement by Indemnifying Party or its representatives;

(b) any grossly negligent or more culpable act or omission of Indemnifying Party or any of its representatives (including any reckless or willful misconduct) in connection with the performance of its obligations under this Agreement; or

(c) any failure by Indemnifying Party to materially comply with any applicable federal, state, or local laws, regulations, or codes in the performance of its obligations under this Agreement.

4.2 Exceptions and Limitations on Indemnification. Despite anything to the contrary in this Agreement, Indemnifying Party is not obligated to indemnify or defend Indemnified Party against any Claim if such Claim or corresponding Losses arise out of or result from, in whole or in part, Indemnified Party's:

(a) Gross negligence or more culpable act or omission (including recklessness or willful misconduct); or

(b) Bad faith failure to materially comply with any of its material obligations set out in this Agreement.

4.3 Sole Remedy. THIS SECTION 4 SETS FORTH THE ENTIRE LIABILITY AND OBLIGATION OF THE INDEMNIFYING PARTY AND THE SOLE AND EXCLUSIVE REMEDY FOR THE INDEMNIFIED PARTY FOR ANY LOSSES COVERED UNDER SECTION 4.

5. Miscellaneous.

5.1 Further Assurances. On the other party's reasonable request, each party shall, at its sole cost and expense, execute and deliver all such further documents and instruments, and take all such further acts, necessary to give full effect to this Agreement.

5.2 Survival. Subject to the limitations and other provisions of this Agreement, the representations of the Parties contained in this Agreement survive the expiration or earlier termination of this Agreement for a period of 5 years from the date of such expiration or termination. All covenants and agreements of any party contained herein survive the expiration or earlier termination of this Agreement for the period explicitly specified therein or if such period is not specified, for a period of 5 years from the date of the expiration or termination of this Agreement. Despite the foregoing, any claim by any party asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice before the expiration date of the applicable survival period (if any) is not thereafter barred by the expiration of the relevant period and such claims survive until finally resolved.

5.3 Notices. Each party shall deliver all notices, requests, consents, claims, demands, waivers, and other communications under this Agreement (each, a "Notice") in writing and addressed to the other party at its address set out below (or to such other address that the receiving party may designate from time to time in accordance with this section). Each party shall deliver all Notices by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile or e-mail (with confirmation of transmission), or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only (a) on receipt by the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

Notice to Assigning Party:

OutCo Labs Inc  
8157 Wing Ave El Cajon, CA 92020

Facsimile:

E-mail: [linc@outco.com](mailto:linc@outco.com)

Attention: Lincoln Fish CEO

Notice to Assuming Party:

Nutritional High International Inc

77 King St West suite 2905

Toronto Canada M5K 1H1

Facsimile: 888-262-4645

E-mail: [rwilson@nutritionalhigh.com](mailto:rwilson@nutritionalhigh.com)

Attention: Robert Wilson CFO

5.4 Interpretation. For purposes of this Agreement: (a) the words "include," "includes," and "including" is deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto," and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references in this Agreement: (x) to sections, schedules, and exhibits mean the sections of, and schedules and exhibits attached to, this Agreement; (y) to an agreement, instrument, or other document means such agreement, instrument, or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. The parties drafted this Agreement without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The schedules and exhibits referred to herein are an integral part of this Agreement to the same extent as if they were set out verbatim herein.

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

5.6 Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability does not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. On such determination that any term or other provision is invalid, illegal, or unenforceable, the parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

5.7 Entire Agreement. This Agreement, together with all related exhibits and schedules, is the sole and entire agreement of the parties to this Agreement regarding the subject matter contained herein and therein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, regarding such subject matter.

5.8 Amendment and Modification. No amendment to or rescission, termination, or discharge of this Agreement is effective unless it is in writing, identified as an amendment to or rescission, termination, or discharge of this Agreement and signed by an authorized representative of each party to this Agreement.

5.9 Waiver.

(a) No waiver under this Agreement is effective unless it is in writing, identified as a waiver to this Agreement, and signed by an authorized representative of the party waiving its right.

(b) Any waiver authorized on one occasion is effective only in that instance and only for the purpose stated, and does not operate as a waiver on any future occasion.

(c) None of the following is a waiver or estoppel of any right, remedy, power, privilege, or condition arising from this Agreement:

(i) any failure or delay in exercising any right, remedy, power, or privilege or in enforcing any condition under this Agreement; or

(ii) any act, omission, or course of dealing between the parties.

5.10 Cumulative Remedies. All rights and remedies provided in this Agreement are cumulative and not exclusive, and the exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently be available at law, in equity, by statute, in any other agreement between the parties or otherwise. Despite the previous sentence, the parties intend that Indemnified Party's rights under Section 4 are its exclusive remedies for the events specified therein.

5.11 Equitable Remedies. Each of Assigning Party and Assuming Party acknowledges that a breach or threatened breach by it of any of its obligations under this Agreement would give rise to irreparable harm to the other Party for which monetary damages would not be an adequate remedy and hereby agrees that if a breach or a threatened breach by such party of any such obligations occurs, the other Party will, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to seek equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

5.12 No Third-Party Beneficiaries. This Agreement benefits solely the parties to this Agreement and their respective successors and assigns and nothing in this Agreement, express or implied, confers on any other Person any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

5.13 Choice of Law. This Agreement and exhibits and schedules attached hereto, and all matters arising out of or relating to this Agreement, are governed by, and construed in accordance with, the laws of the State of California, United States of America, without regard to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State of California.

5.14 Choice of Forum. Each party irrevocably and unconditionally agrees that it will not commence any action, litigation, or proceeding of any kind whatsoever against the other party in any way arising from or relating to this Agreement, and exhibits and schedules attached hereto, and all contemplated transactions, including, but not limited to, contract, equity, tort, fraud, and statutory claims, in any forum other than the courts of the State of California and any appellate court from any thereof. Each party irrevocably and unconditionally submits to the exclusive jurisdiction of such courts and agrees to bring any such action, litigation, or proceeding only in the courts of the State of California sitting in San Joaquin County, California. Each party agrees that a final judgment in any such action,

litigation, or proceeding is conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

5.15 WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT, INCLUDING EXHIBITS AND SCHEDULES ATTACHED TO THIS AGREEMENT, IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY ABOUT ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY EXHIBITS OR SCHEDULES ATTACHED TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

5.16 Counterparts. This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together is deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail, or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

**OutCo Labs Inc.**

By: /s/ "Lincoln Fish"  
Name: Lincoln Fish  
Title: CEO

**Nutritional High International Inc.**

By: /s/ "Robert Wilson"  
Name: Robert Wilson  
Title: CFO

**San Diego Natural, Inc.**

By: /s/ "Darren Machulsky"  
Name: Darren Machulsky  
Title: Owner



**SCHEDULE 1**

**ASSIGNED CONTRACTS**

- 1. Management Services Agreement between SAN DIEGO NATURAL INC. and Outco Labs, Inc., dated: January 1, 2018.**

## SCHEDULE 2

### NEW MSA

#### MANAGEMENT SERVICES AGREEMENT

**THIS MANAGEMENT SERVICES AGREEMENT** (this “Agreement”) is made and entered into effective as of August \_\_ 2021 (the “Effective Date”) by and between **Nutritional High LLC**, a (“Manager”) and **San Diego Natural, Inc.**, California nonprofit mutual benefit corporation (the “Company”). Manager and Company are sometimes referred to collectively as the “Parties” or individually as “Party”.

A. Manager is engaged in the business of, *inter alia*, providing comprehensive, long-term management and advisory services, including, but not limited to, property management, security, inventory management and product procurement, storage and transportation logistics, quality control, development and modification of standard operating procedures, regulatory compliance and licensing, tax and accounting compliance, financial management including cash controls and management, human resources management, employee and management training, growth strategies, and business planning and analysis in connection with operation and management of state-authorized commercial cannabis retailers (the “Management Services”).

B. Company is engaged in the business of operating, managing, and owning state-approved cannabis business in California, and related activities (collectively, the “Business”).

C. Company desires to engage Manager to be its comprehensive, exclusive, long-term provider for all Management Services to Company in connection with the Business, as more fully set forth herein.

D. Manager agrees to be engaged by the Company as its exclusive, long-term, comprehensive provider of all Management Services in connection with the Business, as more fully set forth herein.

E. This agreement is intended update and replace the Management Services Agreement between the Parties dated January 1, 2018.

NOW, THEREFORE, in consideration of the promises and of the mutual covenants set forth in this Agreement, the Parties agree as follows:

1. **Term; Termination.**

(a) Generally. Unless earlier terminated as set forth herein, this Agreement commences on the Effective Date and continues for five (5) years (the “Initial Term”). The last day of the Initial Term is the “Expiration Date” herein.

(b) Extensions of Term. Unless otherwise terminated as set forth herein, upon the Expiration Date, the term of the Agreement automatically and without notice or action extends for additional one (1) year period, and shall be continually be extended for an additional year on each anniversary of the Expiration Date (each, a “Renewal Date”) until the Agreement is terminated as set forth herein. Each additional one year period shall be referred to as an “Extended Term”.

(c) Non-extension of Term. Either Party may opt out of extensions of the automatic extensions the Agreement through the Extended Term mechanism above by delivering to the other Party a written notice of the intention not to renew the Agreement (a “Non-Renewal Notice”). To be effective, a Nonrenewal Notice must be in writing and be delivered not more than ninety (90) days and not less than thirty (30) days prior to the Expiration Date or any Renewal Date.

(d) Termination during the Term. Either Party may terminate the Agreement:

i. Not less than sixty (60) days after a Party provides written notice to the other Party setting forth a material breach of a term of this Agreement (a “Breach Notice”), and the breach is either not remedied within sixty (60) days of the date of the Breach Notice or reasonable assurances of a remedy have not been provided by the Party receiving the Breach Notice within sixty (60) days;

ii. Not less than sixty (60) days after a Party provides written notice to the other Party that a change in any rule, law, or regulation (including a change in the enforcement practices in connection with any rule, law, or regulation): (1) has made the provision of Management Services pursuant to this Agreement illegal under California law; or (2) has reasonably made the operation of the Business illegal under California law.

(e) Termination. The Manager may unilaterally terminate this Agreement in writing at any time and expressly referencing this provision of this Agreement.

(f) Continuation assurances. Each Party to this Agreement warrants and represents and promises to the other Party to this Agreement to undertake any and all steps necessary to continue its organizational existence for at least the period(s) covered by any Initial Term or Extended Term of this Agreement.

2. **Management Services.** During the Initial Term and any Extended Term, and subject to the terms and conditions contained herein, the Parties agree that Manager will exclusively provide to the Company all Management Services as further described in Exhibit A. The Parties expressly confirm that this relationship shall permit Manager to act in a fiduciary

capacity with respect to the handling of funds and other assets of the Company, subject to any applicable law. In addition, Manager shall make, from time to time, and as reasonably requested by the Company, periodic status reports to the Company concerning operations, financial results, legal compliance and any other matter within the scope of the Manager's broad range of duties. Management Services are further described on Exhibit A.

3. **Compensation to Manager.** In consideration of the provision of Management Services pursuant to this Agreement, Company will pay to Manager: (a) management fees in the amounts and at the times agreed upon between the Parties, but at all times no less than a fee equal to 20% of the Company's annual Operating Income (each, a "Management Fee"); and (b) immediately upon request, the full amount of any and all costs, fees, charges, and or expenses or expenditures of any type or nature incurred by Manager in connection with its provision of Management Services to the Company in relation to the Business, including any costs incurred by Manager prior to the execution of this agreement (each, a "Management Cost"). For the purposes of this section 3, Operating Income shall be defined on an annual basis as revenues minus cost of goods sold, minus, reasonable operating expenses associated with operating the business.

Company's accrued obligation to pay to Manager any Management Fee and any Management Cost pursuant to this Section of this Agreement shall survive any termination or non-renewal of the Agreement without limitation. Each Management Fee and Management Cost accrues and is payable immediately upon invoice to the Company, is non-refundable and will not be returned to Company under any circumstance once incurred. The Parties to this Agreement may agree to defer payment of any Management Fee or Management Cost owed to the Manager on terms and conditions acceptable to the Manager. Any such deferral, in whatever form, shall not at any time result in any waiver of the Manager's right to full payment, or be barred by estoppel, laches or on any other basis. The Parties agree and hereby direct that, upon invoice, any and all Management Fees and Management Costs owed to the Manager may be paid out by the Manager to itself out of funds managed and or held for the Company by the Manager, subject only to periodic reporting to the Company. Either Party hereto may request an accounting of compensation to Manager under this Agreement on reasonable prior, written notice to the other.

4. **Standards of Performance; Reliance Upon Company's Performance.** Manager will perform the Management Services: (a) to the reasonable best of Manager's ability under the circumstances; (b) in accordance with all applicable rules, regulations, and laws. Manager's performance of the Management Services in accordance with the aforementioned standards is contingent upon Company's full and timely performance of Company's obligations under this Agreement.
5. **Independent Contractor Status.** Manager is an independent contractor, and neither Manger nor Manager Company's employees or contract personnel are or will be deemed Company's employees. Manager has the sole right to control and direct the means, manner and method by which the services required by this Agreement will be performed. Manager will furnish its own staff, computers, and supplies used to facilitate its Management

Services required under this Agreement, except to the extent that Manager's work must be performed on or with Company's computer or existing software. Manager will be responsible for paying all ordinary and necessary expenses of its own staff and Company shall be responsible for all labor costs for day to day retail operations.

6. **Fringe Benefits.** Manager understands that neither Manager nor Manger's employees or contract personnel are eligible to participate in any employee pension, health, vacation pay, sick pay, or other fringe benefit plan of Company.

7. **Representations, Warranties, and Covenants of Company.** Company represents, warrants, and covenants to Manager, with the understanding Manager is relying upon such representations, warranties, and covenants that:

(a) Company will in good faith cooperate with respect to Manager's efforts to, on behalf of the Company, obtain and maintain all necessary approvals, licenses, permits, certificates or other authorizations to operate the Business and the timely satisfaction of any rules, regulations, laws, or other regulatory requirements that affect the Business (the "Regulatory Requirements"), including but not limited to the payment of all costs and fees associated therewith;

(b) Company will comply in all respects with all applicable regulatory requirements, as amended from time to time, in the operation the Business and will cooperate with Manager's efforts to do so as well;

(c) Company will fully-cooperate with Manager in all aspects of the provision of Management Services, including, but not limited to, the completion of all tasks which reasonably need to be assigned to Company by Manager;

(d) Company has the full right, power, and authority to enter into this Agreement and be bound by the terms of this Agreement without the consent of any other person or entity;

(e) the execution and delivery of this Agreement and the performance by Company of its obligations pursuant to this Agreement do not and will not constitute a breach of or a default under any other agreement or obligation applicable to Company;

(f) upon execution and delivery of this Agreement, this Agreement will constitute the valid and binding obligation of Company;

(g) all information supplied by Company or its agents to Manager or its agents will be true, complete, and correct and will not fail to state a material fact necessary to make any of such information not misleading;

(h) Company is the sole intended beneficiary of the Management Services and is entering into this Agreement on behalf of itself and not for the benefit of any other person or entity;

(i) Manager is being engaged by Company and not any other party;

(j) The representations, warranties, and covenants of Company set forth in this Section and elsewhere in the Agreement survive the termination of the Agreement for a period of two (2) years, are not lessened or rendered inapplicable by any more specific or general representation, warranty, or covenant, and are not lessened or rendered inapplicable by Manager's actual or constructive knowledge of any fact or circumstance to the contrary of any representation or warranty of Company, and are independent of any legal obligation of the Company to Manager arising as a matter of law or other agreement; and,

(k) Company shall, at reasonable intervals, and as requested by the Manager, execute an estoppel certificate as requested by the Manager representing to the Manager and any third party designated by the Manager that this Agreement is in full force and effect and not subject to any breach or default on the part of the Manager.

8. **Company's change of control and non-assignment rights.** Notwithstanding anything seemingly to the contrary contained in this Agreement, or elsewhere, at all times, the Company shall have the right, in its sole discretion, for any reason good and sufficient to it, and without any other limitation, condition or parameter, to:

(a) At any time, including retroactively, disapprove of any change in control of the Manager which may occur at any time by terminating this Agreement without written notice and without otherwise being subject to the termination requirements of Paragraph 1 of this Agreement, unless such right is expressly waived in a written instrument signed by the Parties to this Agreement and specifically referencing this provision of this Agreement.

(b) The Parties agree that the Manager may assign or sell this Agreement with the written consent of the Company.

9. **Indemnification by Company.** For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Company hereby fully indemnifies, defends, and holds harmless Manager and each of Manager's owners, employees, attorneys, accountants, representatives, and other agents ("Manager's Affiliates") against all liabilities, claims, damages, losses, and expenses, including, but not limited to, reasonable attorneys' fees, court costs, and disbursements, incurred by Manager and/or Manager's Affiliates which are the direct or indirect consequence, in whole or in part, of: (a) any material, uncured breach of this Agreement by Company; or (b) any act or omission of Company or any of its respective designees, nominees, owners, employees, attorneys, accountants, representatives, and other agents ("Company's Affiliates"), in either case notwithstanding any concurrent or contributory negligence or other malfeasance by

Manager and/or Manager's affiliates. Company's obligations under this Section survive termination of this Agreement without limitation, unless this Agreement is assigned or sold in writing by Manager with written consent of the Company, at which time the Company's obligations shall thereafter be owed to the party purchasing or taking an assignment of this Agreement in place of Manager.

10. **Indemnification by Manager.** For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Manager hereby fully indemnifies, defends, and holds harmless Company and Company's Affiliates against all liabilities, claims, damages, losses, and expenses, including, but not limited to, reasonable attorneys' fees, court costs, and disbursements, incurred by Company and/or Company's Affiliates which are the direct or indirect consequence, in whole or in part, of: (a) any material, uncured breach of this Agreement by Manager; or (b) any act or omission of Manager or any Manager Affiliates, in either case notwithstanding any concurrent or contributory negligence or other malfeasance by Company and/or Company's affiliates. Manager's obligations under this Section survive termination of this Agreement without limitation, unless this Agreement is assigned or sold in writing by Manager with written consent of the Company, at which time the purchaser or assignee shall, by purchasing or taking an assignment of this Agreement, take over the Manager's then-existing indemnity obligations to the Company.
  
11. **Confidential Information.** Pursuant to this Agreement, Company may be entrusted with confidential information belonging to Manager ("Confidential Information"). In order to avoid disclosure, and separately and independently to avoid the proliferation, of the Company's Confidential Information, the terms of this Agreement and all information disclosed to Company by Manager or Manager's agents in connection with the Manager's management of the Business constitutes Confidential Information notwithstanding the fact that such information may have been delivered to, disclosed to, or shared with others by Manager or otherwise becomes available to the general public or any other person. During the term of Agreement and for a period of two (2) years following the termination of this Agreement, Company must, in order to protect against disclosure, and separately and independently to protect against proliferation: (a) maintain all Confidential Information in a confidential manner; (b) not disclose any Confidential Information to any person or entity not authorized in writing by Manager to receive or use such Confidential Information; and (c) not use, permit, or aid others in the use of any Confidential Information for any purpose other than the purposes expressly contemplated by this Agreement. Any Confidential Information required to be disclosed by Company pursuant to a valid order by a court or to a governmental body having proper jurisdiction over Company will not be disclosed by Company until and unless Company provides written notice to Manager of such order or requirement sufficiently in advance of the disclosure to allow Manager the reasonable opportunity to defend against or condition such disclosure. This Section survives termination of this Agreement. Notwithstanding the foregoing, the Parties agree that either of them may disclose this Agreement to any financial institution for purposes of establishing or maintaining a relationship, and may disclose it to any auditor of the

Company, and to the Bureau of Cannabis Control, and to enforce a claim for breach or default hereof.

12. **Intellectual Property.** Manager retains exclusive rights to all common law and statutory legal and equitable rights, including, but not limited to, all intellectual property rights, in all materials provided to Company or used in connection with this Agreement and the Business (“Manager IP”). Without limiting the generality or applicability of the foregoing, Manager IP includes the rights to any and all derivative and complementary works. Company will not, by virtue of this Agreement, acquire any right in or to any Manager IP, including, without limitation, notwithstanding any contribution to such Manager IP by Company or Company’s agents. In order to confirm the foregoing, Company will assign in writing to Manager immediately upon Manager’s request, for no further consideration, any and all rights Company may acquire or be perceived to acquire by operation of law or otherwise in or to any aspect of any Manager IP. Company will not take any action or fail to take any action, or permit or aid any other person or entity in taking any action or failing to take any action, that is inconsistent or conflicts with Manager’s ownership of the Manager IP or this Section, which survives termination of this Agreement. Company will not on its own, or facilitate any other person or entity to, copy, attempt to re-create, reverse engineer, create derivative works from, or otherwise develop or attempt to develop the practical or functional equivalent of any document or item belonging to Manager, including, without limitation, the software, manuals, other materials, documents, and other items provided to Company by Manager pursuant to this Agreement. No property created or contributed to by Manager during or in furtherance of this Agreement will constitute a “work made for hire” or otherwise belong in whole or in part to Company or any affiliate of Company.
13. **Enforcement.** Notwithstanding anything to the contrary, Company consents that Manager shall have the right to enforce Company’s performance of this Agreement through specific performance and injunctive relief and that, in connection therewith, the Manager shall not be required to post any bond and that any threatened or actual breach of this Agreement by the Company shall be considered to be *prima facie* evidence of irreparable harm to the Manager. The foregoing remedies are not the Manager’s exclusive remedies as the Manager may also seek and obtain damages and any other remedy available in law or equity.
14. **Arbitration.** Any controversy or claim, including, but not limited to, errors and omissions arising out of, or relating to, concerning or touching on this Agreement or any alleged breach of this Agreement, will be settled by arbitration using the rules of the American Arbitration Association (“AAA”) with three (3) arbitrators selected in accordance with such rules, the locale for which will be Stockton, California. The arbitration award will be final and binding upon the parties and may be entered in any court having jurisdiction thereof. This Section does not prohibit or limit the Parties’ right to seek relief in court as permitted in accord with the AAA’s Commercial Arbitration Rules of purposes of paragraphs 11 or 26 of this Agreement, or otherwise when injunctive relief in aid of



arbitration may be appropriate. The Parties agree that, in such event, the exclusive venue for any such request for court relief shall be San Joaquin County, California.

15. **Notice.** In the event any notice is required to be provided pursuant to the terms of this Agreement, such notice must be provided by United States Certified Mail, Return Receipt Requested, or overnight mail. The notice is deemed received three (3) days from the date the notice is sent by that Party. All notices must be sent to the addresses maintained by each Party with the California Corporation Commission or the California Secretary of State.
16. **Jurisdiction.** In the event of an alleged default of or dispute arising out of or related to this Agreement, and irrespective of where the Parties then currently reside or maintain their principal place of business, each consents to the jurisdiction of the San Joaquin County Superior Court, in Stockton, California and covenant not object to the jurisdiction of that Court. Any filing in court shall only be for the purpose of seeking injunctive relief in aid of arbitration, given the Parties' separable agreement to arbitrate set forth herein above.
17. **Governing Law and Venue.** This Agreement will be governed by and construed in accordance with the laws of the State of California without regard to the principles of conflicts of laws thereof.
18. **Attorneys' Fees and Costs.** In the event of any future dispute arising out of or related to this Agreement, the successful Party is entitled to recover its reasonable attorneys' fees and costs associated with that dispute.
19. **Recitals.** All recitals are incorporated in this Agreement by reference.
20. **Entire Agreement.** This Agreement constitutes the entire Agreement between the Parties pertaining to the subject matter contained in this Agreement. All prior and/or contemporaneous agreements, representations, and understandings of the parties, oral or written, pertaining to the subject matter contained in this Agreement are superseded by and merged in this Agreement. No supplement, modification, or amendment, or assignment or sale, of this Agreement will be binding unless in writing and executed by the Parties.
21. **Time.** Time is of the essence for this Agreement and each provision contained in this Agreement. Any extension of time granted for the performance of any obligation under this Agreement will not be considered an extension of time for the performance of any other obligation under this Agreement.
22. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which when executed and delivered is an original, and all of which when executed constitute one and the same instrument. Any Party may deliver its signed counterpart of this Agreement to the other Party by electronic mail or facsimile transmission and such

delivery is deemed made upon receipt of such electronic or facsimile transmission by the other Party.

23. **Waiver.** No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision, and no waiver is a continuing waiver except as expressly provided in this Agreement. No waiver will be binding unless executed in writing by the Party making the waiver.
24. **No Third-Party Beneficiaries.** Nothing in this Agreement will be construed to give any rights or benefits in this Agreement to anyone other than the Parties. All duties and responsibilities undertaken under this Agreement are for the sole and exclusive benefit of the Parties and not for the benefit of any other party.
25. **Further Acts.** Each party to this Agreement will perform any further acts and execute and deliver any documents that may be reasonably necessary or appropriate to fully carry out the provisions, intent, and purposes of this Agreement.
26. **Headings.** The headings of this Agreement are for purposes of reference only and will not limit or define the meaning of any provision of this Agreement.
27. **Severability.** In the event any provision of this Agreement is held to be void, voidable, or unenforceable, the remaining provisions remain in full force and effect.
28. **No Public Statement or Information Disclosures.** Company will not make, permit to be made, or aid others in making any public statement or information disclosure regarding the existence of this Agreement, the action or inaction of Manager pursuant to this Agreement, or otherwise about Manager, its agents, its affiliates, or its business, regardless of the truth, relevance, or importance of such statement or information disclosure. Manager is entitled to the grant of equitable remedies in order to enforce the foregoing, including, without limitation, an expedited court issued affirmative injunction prohibiting the breach of the foregoing by Company without the need to post any bond or make any further demonstration of irreparable injury, as the Parties agree that any such action will constitute irreparable injury for purposes of seeking and obtaining injunctive relief. Any such injunctive relief will not be the exclusive remedy for Manager. For purposes of the foregoing, a “public statement” includes, without limitation, a statement to any person or entity that is not a party to this Agreement whether or not such person or entity will or may disseminate such information. A “public statement” does not include disclosure of this Agreement as may be required or advisable to accountants, auditors, lawyers, regulators or other governmental authorities. This Section survives termination of this Agreement.

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

**MANAGER:**

By:

\_\_\_\_\_ (signature)  
e)

\_\_\_\_\_ (print name)

**COMPANY:**

By:

\_\_\_\_\_ (signature)  
e)

\_\_\_\_\_ (print name)

## **EXHIBIT A**

### **MANAGEMENT SERVICES**

#### **Organizational Development**

Manager will provide counsel, advice, and assistance to the Company in connection with: (i) zoning and entitlement (generally, “Site-Related Matters”); (ii) identify the regulatory requirements and conditions that must be satisfied in order to operate the Company in compliance with state and local laws (generally, the “Applicable Laws”); (iii) establish actions that must be undertaken and completed by the Company in order to satisfy the Applicable Laws; (iv) develop and maintain Standard Operating Procedures (“SOPs”) for operating a state-authorized cannabis business in compliance with Applicable Laws; (v) determine the assets and/or services to be procured or dedicated by the Company to the satisfaction of the Applicable Laws and completion of Site-Related Matters; (vi) develop appropriate timelines and action plans to guide the Company in completing the Site-Related Matters in compliance with the Applicable Laws; and (vii) other matters as may be agreed upon in writing by the Parties, if any. In furtherance of the foregoing, Services related to organizational development phase shall include the following: property management, security, inventory management and product procurement, storage and transportation logistics, quality control, development and modification of standard operating procedures, regulatory compliance and licensing, tax and accounting compliance, financial management including cash controls and management, human resources management, employee and management training, growth strategies, and business planning and analysis in connection with operation and management of state-authorized cannabis business (the “Management Services”).

1. Budget Development.

- (a) Manager will provide a budget template based on the size of the store;
- (b) Manager will select the accounting personnel to assist in operating the Company’s business;

#### **Hiring & Training**

Manager will source, interview, hire, terminate, train, and manage the Company’s general manager(s), sales personnel, inventory manager(s), security personnel, and administrative staff for the Company. In furtherance of the foregoing, Services related to the hiring and training phase shall include the following:

1. Hiring & Training. Manager will provide training for and manage the ongoing staffing for the Company, including:

- (a) Systems training and oversight;
- (b) Cash management and controls;

- (c) Local product procurement or receiving guidelines;
- (d) Inventory management system training and oversight; and
- (e) Company safety systems.

## **Operations**

Manager will provide counsel, advice, and assistance to the Company in connection with: (i) operations management; (ii) employee training; (iii) regulatory compliance; (iv) security; and (v) inventory control. In furtherance of the foregoing, Services related to the operations phase shall include the following:

1. Model Operations Plan. Based on Manager's assessment of the Company's needs, Manager will provide the Company with an operations plan that will include (to the extent existing items do not exist or require amendment):

- (a) A template staffing structure chart (org chart);
- (b) Job descriptions for all positions included on the template/staffing structure chart;
- (c) Employee handbook for reference;
- (d) Employee confidentiality and non-disclosure agreement; and
- (e) Any additional legal documents necessary for operations.

2. Policies & Procedures. Manager will provide SOPs to ensure adherence to compliance requirements and Applicable Law, which may include:

- (a) Human Resources (including Sample Employment Application; Hiring Checklists; Orientation Training Checklist; New Hire Paperwork Checklist; and Employee Handbook);
- (b) Cash management protocols;
- (c) Security (including secure storage SOPs);
- (d) Inventory (including Inventory management SOPs; Operating Checklist; and Closing Checklist); and
- (e) Patient consultation services (including Patient Services Operations SOPs).

3. Day-to-Day Operations. Manager will provide, or cause to be provided, at the Company's cost, services relating to the day-to-day operations of the Company, which may include:

- (a) Facilitate payment of rent (including, base rent and any percentage rent), CAM (including, but not limited to, snow removal, sprinkler expense and landscaping), real estate and use taxes, HVAC, utilities, telephone charges (including base telephone, leased line charges and data circuit charges), personal property leases (including, point of sale equipment), personal property taxes, equipment repair and maintenance, systems repair and maintenance (including inventory management systems), building maintenance, building insurance relating to the Company and Manager's liability and casualty insurance and security and secure storage services;
- (b) Select and facilitate payroll services for all Company employees including employee benefits, except to the extent prohibited under applicable state or local law. Benefits shall include vacation days or vacation pay, sick days or sick leave, maternity leave or other leaves of absence, termination or severance pay, ERISA coverage and similar contributions;
- (c) The provision of supplies as may be required by Manager to operate and manage the Company;
- (d) Facilitate the Company's payment of all telephone, postage/overnight or delivery/courier services, water, heating electricity and other utility services;
- (e) Facilitate the Company's ability to process credit card and bank card services (including processing fees), chargebacks and discounts;
- (f) Facilitate the binding and payment of merchant's casualty, property, general liability and workers' compensation insurance premiums by and attributable to the Company and any applicable distribution centers;
- (g) Facilitate the selection of trash removal and ordinary course third party cleaning services;
- (h) Facilitate the selection and engagement with security and building alarm services, to the extent not included in 3(a) above;
- (i) Facilitate the selection of and engagement with armored car services, as needed;
- (j) Facilitate the selection of and engagement with service providers necessary to the Company (as determined by Manager), including, but not limited to:
  - (i) Inventory management software services, (ii) HR Services, (iii)

bookkeeping and accounting services, (iv) inventory processing and handling, and (vi) data processing and reporting to the extent such services are normally provided by Manager;

- (k) Actual costs and services associated with the operation of any applicable distribution centers as determined by Manager; and
- (l) Actual costs of transferring to and from any applicable distribution center and merchandise to and from other dispensaries managed by Manager.

4. Professional Services. Manage and enter into contracts for professional resources on behalf of and as required by the Company in its operations and regulatory compliance including but not limited to legal, construction, accounting, and auditing.

5. Approval. No prior approval or authorization by the Company to the Manager is required for the provision of any Management Services.

# License Option Assignment and Assumption Agreement

This Assignment and Assumption Agreement (“Agreement”) dated as of August 31 2021, (“Effective Date”), is entered into by and between Outco Labs, Inc. a California corporation (“Assigning Party”), Nutritional High LLC, a Nevada limited liability corporation, (“Assuming Party”), and San Diego Natural, Inc., a California non-profit mutual benefit corporation (the “Licensed Party”).

WHERE AS, Assigning Party and the Assuming Party have entered into an asset purchase agreement dated June 18, 2021 (the “APA”) whereby the Assigning Party have agreed to assign to the Assuming Party all of its rights and to delegate to Assuming Party all of its obligations under License Option Agreement as described on Schedule 1 attached hereto (collectively “Assigned Contract”); and

WHEREAS, Assuming Party desires to accept such assignment of rights and delegation of obligations under the Assigned Contract.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set out herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment and Assumption.

1.1 Assignment. Assigning Party irrevocably sells, assigns, grants, conveys and transfers to Assuming Party all of Assigning Party's right, title and interest in and to the Assigned Contracts.

1.2 Assumption. Assuming Party unconditionally accepts such assignment and assumes all of Assigning Party's duties, liabilities and obligations under the Assigned Contracts, and agrees to pay, perform and discharge, as and when due, all of the obligations of Assigning Party under the Assigned Contracts accruing on and after the Effective Date.

1.3 Consent to Assignment and Assumption. The Licensed Party unconditionally and irrevocably consents to the Assuming Party’s assumption of Assigning Party’s duties, liabilities and obligations under the Assigned Contracts.

2. Consideration. Assuming Party agrees to pay Assigning Party consideration under the APA between the Assigning Party and Assuming Party closes.

3. Representations and Warranties.

3.1 Assigning Party's Representations and Warranties. Assigning Party represents and warrants as follows:

(a) It is duly organized, validly existing, and in good standing under the laws of California.



(b) It is qualified and licensed to do business and in good standing in every jurisdiction where such qualification and licensing is required.

(c) It has the full right, corporate power and authority to enter into this Agreement and to perform its obligations hereunder.

(d) It has taken all necessary corporate action to authorize the execution of this Agreement by its representative whose signature is set out at the end hereof.

(e) When executed and delivered by it, this Agreement will constitute the legal, valid, and binding obligation of Assigning Party, enforceable against it in accordance with its terms and not subject to defenses.

(f) It is the sole legal and beneficial owner of the all the rights under the Assigned Contracts on the Effective Date, free and clear of any lien, security interest, charge, or encumbrance.

(g) The Assigned Contracts have not been amended or modified as of the Effective Date.

(h) The Assigned Contracts are in full force and effect on the Effective Date. No event or condition has occurred that is an event of default or termination under any of the Assigned Contracts. There are no material disputes pending or threatened related to any rights or obligations transferred by this Agreement.

(i) It has performed all of its obligations under the Assigned Contracts that are required to be performed on or before the Effective Date.

3.2 Assuming Party's Representations and Warranties. Assuming Party represents and warrants as follows:

(a) It is duly organized, validly existing, and in good standing under the laws of California.

(b) It is qualified and licensed to do business and in good standing in every jurisdiction where such qualification and licensing is required for purposes of this Agreement.

(c) It has the full right, corporate power and authority to enter into this Agreement and to perform its obligations hereunder.

(d) It has taken all necessary corporate action to authorize the execution of this Agreement by its representative whose signature is set out at the end hereof.

(e) When executed and delivered by it, this Agreement will constitute the legal, valid, and binding obligation of Assuming Party, enforceable against it in accordance with its terms.

4. Indemnification.

4.1 Mutual Indemnification. Subject to the terms and conditions set out in Section 4.2, Assigning Party and Assuming Party (as "**Indemnifying Party**") shall indemnify, hold harmless, and defend each other and their respective officers, directors, employees, agents, affiliates, successors and permitted assigns (collectively, "**Indemnified Party**") against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorney fees, that are awarded against Indemnified Party in a final judgment (collectively, "**Losses**"), arising out of or resulting from any third-party claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or other, whether at law, in equity or otherwise ("**Claim**") alleging:

(a) A material breach or non-fulfillment of any material representation, warranty, or covenant set out in Section 3 of this Agreement by Indemnifying Party or its representatives;

(b) any grossly negligent or more culpable act or omission of Indemnifying Party or any of its representatives (including any reckless or willful misconduct) in connection with the performance of its obligations under this Agreement; or

(c) any failure by Indemnifying Party to materially comply with any applicable federal, state, or local laws, regulations, or codes in the performance of its obligations under this Agreement.

4.2 Exceptions and Limitations on Indemnification. Despite anything to the contrary in this Agreement, Indemnifying Party is not obligated to indemnify or defend Indemnified Party against any Claim if such Claim or corresponding Losses arise out of or result from, in whole or in part, Indemnified Party's:

(a) Gross negligence or more culpable act or omission (including recklessness or willful misconduct); or

(b) Bad faith failure to materially comply with any of its material obligations set out in this Agreement.

4.3 Sole Remedy. THIS SECTION 4 SETS FORTH THE ENTIRE LIABILITY AND OBLIGATION OF THE INDEMNIFYING PARTY AND THE SOLE AND EXCLUSIVE REMEDY FOR THE INDEMNIFIED PARTY FOR ANY LOSSES COVERED UNDER SECTION 4.

5. Miscellaneous.

5.1 Further Assurances. On the other party's reasonable request, each party shall, at its sole cost and expense, execute and deliver all such further documents and instruments, and take all such further acts, necessary to give full effect to this Agreement.

5.2 Survival. Subject to the limitations and other provisions of this Agreement, the representations of the Parties contained in this Agreement survive the expiration or earlier termination of this Agreement for a period of 5 years from the date of such expiration or termination. All covenants and agreements of any party contained herein survive the expiration or earlier termination of this Agreement for the period explicitly specified therein or if such period is not specified, for a period of 5 years from the date of the expiration or termination of this Agreement. Despite the foregoing, any claim by any party asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice before the expiration date of the applicable survival period (if any) is not thereafter barred by the expiration of the relevant period and such claims survive until finally resolved.

5.3 Notices. Each party shall deliver all notices, requests, consents, claims, demands, waivers, and other communications under this Agreement (each, a "Notice") in writing and addressed to the other party at its address set out below (or to such other address that the receiving party may designate from time to time in accordance with this section). Each party shall deliver all Notices by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile or e-mail (with confirmation of transmission), or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only (a) on receipt by the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

Notice to Assigning Party:

8157 Wing Ave, El Cajon.  
California. USA 92020

E-mail: [Iinc@outco.com](mailto:Iinc@outco.com)

Attention: Lincoln Fish CEO

Notice to Assuming Party:

77 King Street west, suite 2905

Toronto Canada M6S4A8

E-mail: [rwilson@nutritionalhigh.com](mailto:rwilson@nutritionalhigh.com)

Attention: Robert Wilson CFO

5.4 Interpretation. For purposes of this Agreement: (a) the words "include," "includes," and "including" is deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto," and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references in this Agreement: (x) to sections, schedules, and exhibits mean the sections of, and schedules and exhibits attached to, this Agreement; (y) to an agreement, instrument, or other document means such agreement, instrument, or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes

any successor legislation thereto and any regulations promulgated thereunder. The parties drafted this Agreement without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The schedules and exhibits referred to herein are an integral part of this Agreement to the same extent as if they were set out verbatim herein.

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

5.6 Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability does not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. On such determination that any term or other provision is invalid, illegal, or unenforceable, the parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

5.7 Entire Agreement. This Agreement, together with all related exhibits and schedules, is the sole and entire agreement of the parties to this Agreement regarding the subject matter contained herein and therein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, regarding such subject matter.

5.8 Amendment and Modification. No amendment to or rescission, termination, or discharge of this Agreement is effective unless it is in writing, identified as an amendment to or rescission, termination, or discharge of this Agreement and signed by an authorized representative of each party to this Agreement.

5.9 Waiver.

(a) No waiver under this Agreement is effective unless it is in writing, identified as a waiver to this Agreement, and signed by an authorized representative of the party waiving its right.

(b) Any waiver authorized on one occasion is effective only in that instance and only for the purpose stated, and does not operate as a waiver on any future occasion.

(c) None of the following is a waiver or estoppel of any right, remedy, power, privilege, or condition arising from this Agreement:

(i) any failure or delay in exercising any right, remedy, power, or privilege or in enforcing any condition under this Agreement; or

(ii) any act, omission, or course of dealing between the parties.

(ii) any act, omission, or course of dealing between the parties.

5.10 Cumulative Remedies. All rights and remedies provided in this Agreement are cumulative and not exclusive, and the exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently be available at law, in equity, by statute, in any other agreement between the parties or otherwise. Despite the previous sentence, the parties intend that Indemnified Party's rights under Section 4 are its exclusive remedies for the events specified therein.

5.11 Equitable Remedies. Each of Assigning Party and Assuming Party acknowledges that a breach or threatened breach by it of any of its obligations under this Agreement would give rise to irreparable harm to the other Party for which monetary damages would not be an adequate remedy and hereby agrees that if a breach or a threatened breach by such party of any such obligations occurs, the other Party will, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to seek equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

5.12 No Third-Party Beneficiaries. This Agreement benefits solely the parties to this Agreement and their respective successors and assigns and nothing in this Agreement, express or implied, confers on any other Person any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

5.13 Choice of Law. This Agreement and exhibits and schedules attached hereto, and all matters arising out of or relating to this Agreement, are governed by, and construed in accordance with, the laws of the State of California, United States of America, without regard to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State of California.

5.14 Choice of Forum. Each party irrevocably and unconditionally agrees that it will not commence any action, litigation, or proceeding of any kind whatsoever against the other party in any way arising from or relating to this Agreement, and exhibits and schedules attached hereto, and all contemplated transactions, including, but not limited to, contract, equity, tort, fraud, and statutory claims, in any forum other than the courts of the State of California and any appellate court from any thereof. Each party irrevocably and unconditionally submits to the exclusive jurisdiction of such courts and agrees to bring any such action, litigation, or proceeding only in the courts of the State of California sitting in Joaquin County, California. Each party agrees that a final judgment in any such action, litigation, or proceeding is conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

5.15 WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT, INCLUDING EXHIBITS AND SCHEDULES ATTACHED TO THIS AGREEMENT, IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES

AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY ABOUT ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY EXHIBITS OR SCHEDULES ATTACHED TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

5.16 Counterparts. This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together is deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail, or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

**OutCo Labs Inc.**

By: /s/ "Lincoln Fish"  
Name: Lincoln Fish  
Title: CEO

**Nutritional High International Inc.**

By: /s/ "Robert Wilson"  
Name: Robert Wilson  
Title: CFO

**San Diego Natural, Inc.**

By: /s/ "Darren Machulsky"  
Name: Darren Machulsky  
Title: Owner



# Cannabis Retailer License Adult-Use and Medicinal

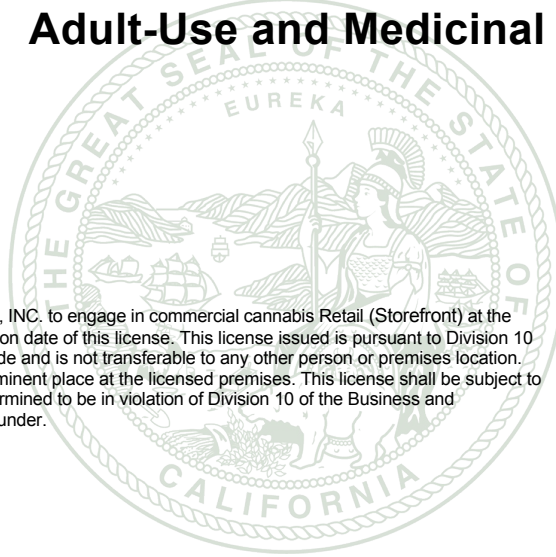
**Business Name:**  
SAN DIEGO NATURAL, INC.

**License Number:** C10-0000052-LIC  
**License Type:** Provisional Retailer  
(Storefront)

The license authorizes SAN DIEGO NATURAL, INC. to engage in commercial cannabis Retail (Storefront) at the premises address listed above until the expiration date of this license. This license issued is pursuant to Division 10 of the California Business and Professional Code and is not transferable to any other person or premises location. This license shall always be displayed in a prominent place at the licensed premises. This license shall be subject to suspension or revocation if the licensee is determined to be in violation of Division 10 of the Business and Professions Code or regulations adopted thereunder.

**Premises Address:**  
8530 N NELSON WAY  
ESCONDIDO, CA 920265215

**Valid:** 5/14/2019  
**Expires:** 5/13/2023



Scan to verify this  
license.



**Non-Transferable**

**Post in Public View**





# County of San Diego



## Planning & Development Services

PDS FILE #PDS2023-ENFGEN-000016

SHERIFF'S FILE #MMJ-007

### CANNABIS FACILITY OPERATIONS CERTIFICATE

THE BOARD OF SUPERVISORS of The County of San Diego has prescribed in the San Diego County Code of Regulatory Ordinances, Title 2, Division 1, Chapter 25 that is shall be unlawful for any person(s), firm or corporation to conduct, permit of assist in the conducting or permitting of any Medical Marijuana Collective, Commercial Cannabis Microbusiness, or Commercial Cannabis Retail Facility defined in 21.2502, in or upon any premises to which the public is admitted unless a certificate has been issued by Planning & Development Services.

Pursuant to the San Diego County code of Regulatory Ordinances, **SAN DIEGO NATURAL, INC.** is hereby issued an operations certificate to **DARREN MACHULSKY** doing business as **SOCAL CANNABIS DEPOT**, located at **8530 NELSON WAY, ESCONDIDO, CA 92026** in the County of San Diego.

The term of this license is from **March 9, 2023** to **March 9, 2024** inclusive.

Activities Permitted: **Retailer (Adult Recreational and Medical)**

**THIS LICENSE IS NOT TRANSFERABLE FROM PLACE TO PLACE.**

This license does not excuse any owner or operator from complying with all applicable federal, state, county or local laws, ordinances, or regulations. The owner or operator is required to determine if another permit or approval from any other agency or department is necessary. The County, by issuing this permit, does not relinquish its right to enforce any violation of law.

This Operations Certificate does NOT exempt the collective facility, the collective or collective members from federal laws pertaining to marijuana.

ACTING CHIEF, Code Compliance

By

Date Issued **March 9, 2023**