

**VIBE BY CALIFORNIA INC.**

- and -

**VENTURA CANNABIS AND WELLNESS CORP.**

---

**SHARE PURCHASE AGREEMENT**

---

**August 29, 2020**

## TABLE OF CONTENTS

### ARTICLE 1 INTERPRETATION

1.1	Definitions .....	1
1.2	Certain Rules of Interpretation .....	10
1.3	Schedules and Exhibits .....	12

### ARTICLE 2 PURCHASE AND SALE OF SHARES

2.1	Purchase and Sale .....	13
2.2	Amount of Purchase Price .....	13
2.3	Payment of Purchase Price .....	13
2.3.1	Consideration Shares .....	13
2.3.2	Bonus Warrants .....	13
2.3.3	Contractual Hold Period .....	14

### ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1	Representations and Warranties of the Vendor .....	14
3.1.1	Incorporation and Qualification of the Corporation .....	14
3.1.2	No Solvency or Reorganization Proceedings .....	15
3.1.3	Validity of Agreement .....	15
3.1.4	Authorized and Issued Capital .....	15
3.1.5	Title to Purchased Shares .....	15
3.1.6	No Other Agreements or Options .....	16
3.1.7	No Conflicts .....	16
3.1.8	Required Regulatory Approvals .....	17
3.1.9	Required Consents .....	17
3.1.10	Corporate Records .....	17
3.1.11	Dividends and Distributions .....	18
3.1.12	Business Carried on in Ordinary Course .....	18
3.1.13	Compliance with Applicable Laws .....	20
3.1.14	Required Licenses .....	20
3.1.15	No Material Adverse Change .....	20
3.1.16	Books and Records .....	20
3.1.17	Financial Statements .....	20
3.1.18	Non-Arm's Length Transactions .....	21
3.1.19	No Liabilities .....	21
3.1.20	Debt Instruments .....	22
3.1.21	Guarantees .....	22
3.1.22	Banking Information and Powers of Attorney .....	22
3.1.23	Title to the Assets .....	22
3.1.24	Sufficiency and Condition of Assets .....	22
3.1.25	Owned Real Property .....	23
3.1.26	Leases and Leased Property .....	23
3.1.27	Real Property Generally .....	24
3.1.28	Equipment Leases .....	25
3.1.29	Material Contracts .....	25
3.1.30	Intellectual and Industrial Property .....	26
3.1.31	Investments .....	26
3.1.32	Employees .....	26

3.1.33	Employee Benefit Plans .....	26
3.1.34	Environmental Matters .....	27
3.1.35	Insurance .....	28
3.1.36	Legal Proceedings .....	28
3.1.37	Tax Matters .....	28
3.1.38	No Broker .....	29
3.1.39	Anti-Money Laundering .....	29
3.1.40	Securities Laws .....	30
3.1.41	Full Disclosure .....	30
3.2	Representations and Warranties of the Purchaser .....	30
3.2.1	Incorporation and Qualification of the Purchaser .....	31
3.2.2	Authorization of Purchase by Purchaser .....	31
3.2.3	Validity of Agreement .....	31
3.2.4	No Conflicts .....	31
3.2.5	Legal Proceedings .....	32
3.2.6	No Broker .....	32

#### **ARTICLE 4 COVENANTS OF THE PARTIES**

4.1	Interim Period Covenants of the Vendor .....	32
4.1.1	Investigations and Availability of Records .....	33
4.1.2	Consents .....	33
4.1.3	Conduct of the Business .....	33
4.1.4	Tax Matters .....	36
4.1.5	Actions to Satisfy Closing Conditions .....	37
4.1.6	Exclusive Dealings .....	37
4.1.7	Notice of Untrue Representation and Warranty .....	37
4.1.8	License Applications .....	38
4.2	Interim Period Covenants of the Purchaser .....	38
4.2.1	Actions to Satisfy Closing Conditions .....	38
4.2.2	Notice of Untrue Representation and Warranty .....	38
4.3	Additional Interim Period Covenants of the Parties .....	38
4.3.1	Confidentiality .....	39
4.3.2	Regulatory Approvals .....	40
4.3.3	Cooperation .....	41
4.3.4	Management Services Agreement .....	41
4.3.5	Cash Transfer .....	41
4.4	Post-Closing Covenants of the Parties .....	41
4.4.1	Tax Matters .....	41

#### **ARTICLE 5 CONDITIONS OF CLOSING**

5.1	Conditions for the Benefit of the Purchaser .....	43
5.1.1	Representations, Warranties and Covenants of the Vendor .....	43
5.1.2	Deliveries of the Vendor .....	44
5.1.3	No Material Adverse Change or Effect .....	45
5.1.4	No Legal Proceedings .....	45
5.1.5	Due Diligence .....	45
5.2	Conditions for the Benefit of the Vendor .....	46
5.2.1	Representations, Warranties and Covenants of the Purchaser .....	46
5.2.2	Deliveries of the Purchaser .....	47
5.2.3	No Legal Proceedings .....	47
5.3	Waiver of Conditions .....	47

5.4	Conditions Precedent .....	48
5.5	Damage or Expropriation .....	48

#### **ARTICLE 6 CLOSING ARRANGEMENTS**

6.1	Date, Place and Time of Closing .....	49
6.2	Deliveries at the Closing .....	49

#### **ARTICLE 7 TERMINATION**

7.1	Termination Rights .....	50
7.2	Effect of Exercise of Termination Rights .....	50
7.3	Termination if Conditions Precedent Not Satisfied .....	51

#### **ARTICLE 8 SURVIVAL AND INDEMNIFICATION**

8.1	Survival of Representations, Warranties and Covenants .....	51
8.2	Indemnification by the Vendor .....	52
8.3	Indemnification by the Purchaser .....	53
8.4	Time Limits for Claims for Breaches of Representations and Warranties .....	53
8.5	Limitation Periods .....	55
8.6	Notice of Claim .....	55
8.7	Defence of Third Party Claims .....	56
8.8	Assistance for Third Party Claims .....	57
8.9	Settlement of Third Party Claims .....	57
8.10	Direct Claims .....	58
8.11	Insurance .....	58
8.12	Reductions and Subrogation .....	58
8.13	Tax Effect .....	59
8.14	Payment and Interest .....	59
8.15	Agency for Indemnified Persons .....	59
8.16	Set-Off .....	59
8.17	Exclusive Remedies .....	60

#### **ARTICLE 9 MISCELLANEOUS**

9.1	Notices .....	60
9.2	Public Announcements .....	61
9.3	Further Assurances .....	62
9.4	Costs and Expenses .....	62
9.5	Brokers .....	62
9.6	Waiver of Rights .....	63
9.7	Remedies Cumulative .....	63
9.8	Severability .....	63
9.9	Assignment .....	64
9.10	Successors and Assigns .....	64
9.11	Third Parties .....	64
9.12	Entire Agreement .....	64
9.13	Amendment .....	65
9.14	Governing Law; Attornment .....	65
9.15	Counterparts and Delivery by Facsimile .....	65

**THIS AGREEMENT** dated August 2, 2020

**BETWEEN:**

**VENTURA CANNABIS AND WELLNESS CORP.**, a  
corporation existing under the laws of British  
Columbia

(the "**Vendor**")

**AND:**

**VIBE BY CALIFORNIA INC.**, a corporation  
incorporated under the laws of the State of Nevada

(the "**Purchaser**")

**RECITALS:**

1. The Vendor is the registered and beneficial owner of all of the issued and outstanding securities in the capital of Portland Asset Holdings Corporation, a corporation existing under the laws of the State of Oregon (the "**Corporation**")
3. The Purchaser wishes to purchase, and the Vendor wishes to sell all of the issued and outstanding securities in the capital of the Corporation upon the terms and subject to the conditions set forth in this Agreement.

The Parties therefore agree as follows:

## **Article 1**

### **INTERPRETATION**

#### **1.1 Definitions**

In this Agreement:

**"Accounting Records"** means all of the books of account, accounting records and other financial information of the Corporation (whether in written, printed, electronic or computer printout form, or stored electronically, digitally or on computer related media);

**“Affiliate”** means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with that other Person. For purposes of this definition, a Person “controls” another Person if that Person possesses, directly or indirectly, the power to direct the management and policies of that other Person, whether through ownership of voting securities, by contract or otherwise and “controlled by” and “under common control with” have similar meanings;

**“Agreement”** means this share purchase agreement;

**“Applicable Laws”** means any and all applicable (i) laws, statutes, rules, regulations, by-laws, codes, treaties, constitutions and ordinances, (ii) Orders, and (iii) policies, guidelines, standards, requirements, notices and protocols of any Governmental Authority, excluding federal laws relating to the status of cannabis sativa under the Controlled Substances Act;

**“Books and Records”** means the Accounting Records and all other information in any form relating to the Corporation or the Business, including license applications, sales and purchase records, lists of suppliers and customers, lists of potential customers, credit and pricing information, personnel and payroll records, tax records, business reports, plans and projections, inventory reports and records, marketing and advertising materials and all other documents, files, records, correspondence and other information (whether in written, printed, electronic or computer printout form, or stored electronically, digitally or on computer related media);

**“Business”** means the business carried on or proposed to be carried on by the Corporation, including operating cannabis dispensaries;

**“Business Day”** means any day except Saturday, Sunday, any public holiday in the Province of British Columbia, or any other day on which the principal chartered banks in the City of Vancouver are closed for business;

**“City of Portland Approval”** means City of Portland approval of Purchaser’s City of Portland recreational marijuana retailer application submitted in connection with this Agreement;

**“Closing”** means the completion of the purchase and sale of the Purchased Shares and all other transactions contemplated by this Agreement, except as otherwise provided herein;

**“Closing Date”** means October 23, 2020 or such other date as the Parties may agree in writing;

**“Closing Document”** means any agreement, certificate or other instrument to be executed or delivered at the Closing as contemplated by this Agreement;

**“Closing Time”** means 1:00 p.m. in the City of Portland, Oregon on the Closing Date or such other time on the Closing Date as the Parties may agree in writing that the Closing will take place;

**“Consent”** means any approval, consent, permit, waiver, ruling, exemption, acknowledgement or similar authorization from any Person other than (i) the Corporation, or (iii) any Governmental Authority, including those required by Applicable Laws or under the terms or conditions of any Contract;

**“Consideration Shares”** means Common Shares in the capital of the Vibe;

**“Contract”** means any contract, agreement, instrument or other legally binding commitment or arrangement, written or oral, to which the Corporation is a party or under which it has rights or obligations;

**“Corporation’s Intellectual and Industrial Property”** means any Intellectual and Industrial Property used, in whole or in part, in or required by the Corporation for the carrying on of the Business, both domestic and foreign, whether or not that Intellectual and Industrial Property is registered;

**“Damages”** means, whether involving a Direct Claim or Third Party Claim, any damages (available at law or in equity), losses, liabilities, claims, demands, debts, interest, charges, fines, penalties, assessments, reassessments, judgments, costs or expenses, including the costs and expenses of any Legal Proceeding or any Order, settlement or compromise relating thereto (including reasonable costs, fees and expenses of legal counsel), but excluding any contingent liability until it becomes actual;

**“Debt Instrument”** means any bond, debenture, promissory note, trust indenture, loan agreement or other agreement evidencing indebtedness for borrowed money;

**“Direct Claim”** means any cause, thing, act, omission or state of facts not involving a Third Party Claim which entitles an Indemnified Person to make a claim for indemnification under Article 8 of this Agreement;

**“Employee”** means an individual who is employed by the Corporation, whether on a full-time or part-time basis;

**“Employee Benefit Plans”** means all compensation, bonus, deferred compensation, incentive compensation, share purchase, share appreciation, share option, severance or termination pay, vacation pay, hospitalization or other medical, health and welfare benefits, life or other insurance, dental, eye care, disability, salary continuation, supplemental unemployment benefits, profit-sharing, mortgage assistance, employee loan, employee discount, employee assistance, counselling, pension, retirement or supplemental retirement benefit plans, arrangements or agreements, including defined benefit or defined contribution pension plans and group registered retirement savings plans, and all other similar employee benefit plans, arrangements or agreements, whether oral or written, formal or informal, funded or unfunded, including all policies with respect to holidays, sick leave, long-term disability, vacations, expense reimbursements and automobile allowances and rights to company-provided automobiles, that are administered, sponsored or maintained or contributed to or required to be contributed to, by the Corporation for the benefit of any of the Employees or former employees of the Corporation or beneficiaries of it;

**“Environment”** means the environment or natural environment as defined in any Environmental Law and includes soil, air, surface water, ground water, land surface, subsurface strata, any sewer system and the environment in the workplace;

**“Environmental Laws”** means Applicable Laws relating to the Environment, employee health or safety, or public health or safety, including Applicable Laws relating to (a) reporting, licensing, permitting, investigating, remediating and cleaning up in connection with any presence or Release, or the threat of the same, of Hazardous Substances, and (b) the generation, manufacture, processing, distribution, use, re-use, treatment, storage, disposal, transport, labelling, handling and the like of Hazardous Substances;



**“Environmental Permits”** means all Licenses issued, granted or required under Environmental Laws;

**“Equipment Leases”** means the leases of personal property to which the Corporation is a party or under which it has rights or obligations;

**“Financial Statements”** means the unaudited financial statements of the Corporation for the fiscal year ending May 29, 2020, consisting of the consolidated balance sheet of the Corporation and the accompanying statements of profit and loss, retained earnings and changes in financial position for the year then ended and all notes to them;

**“Governmental Authority”** means any (i) federal, provincial, state, territorial, municipal, local or other government, domestic or foreign, (ii) governmental or public ministry, department, agency, Tribunal, commission, board, bureau or instrumentality, domestic or foreign, (iii) subdivision or authority of any of the foregoing, or (iv) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above and shall include the policies of any applicable stock exchange;

**“Guarantee”** means any agreement, contract or commitment providing for the guarantee, indemnification, assumption or endorsement or any like commitment with respect to the obligations, liabilities (contingent or otherwise) or indebtedness of any Person;

**“Hazardous Substance”** means any solid, liquid, gas, odour, heat, sound, vibration, radiation or combination of them that may impair the Environment, injure or damage property or plant or animal life or harm or impair the health of any individual;

**“Indemnified Person”** means any Person entitled to indemnification under Article 8 of this Agreement;

**“Indemnifier”** means any Person obligated to provide indemnification under Article 8 of this Agreement;

**“Indemnity Payment”** means the amount of any Damages required to be paid under Sections 8.2 or 8.3;

**“Intellectual and Industrial Property”** means tangible or intangible property in which Intellectual and Industrial Property Rights subsist and/or that is subject to Intellectual and Industrial Property Rights including, without limitation, ideas, formulae, algorithms, concepts, techniques, processes, procedures, approaches, methodologies, plans, systems, research, information, documentation, data, data compilations, specifications, requirements, designs, diagrams, inventions, technology, computer programs (including all related code), tools, products, knowledge, know-how and trade secrets;

**“Intellectual and Industrial Property Rights”** means:

- (i) any and all proprietary rights anywhere in the world provided under: patent law, copyright law, trademark law, design patent or industrial design law, trade secret law, or any other statutory provision or common law principle that provides a right in either intellectual property or the expression or use of intellectual property; and
- (ii) any and all applications, registrations, licenses, sub-licenses, franchises, agreements or any other evidence of a right in any of the foregoing;

**“Interested Person”** means any present or former officer, director, shareholder or Employee of the Corporation, or any Person with which the Corporation or any of the foregoing does not deal at arm's length;

**“Interim Period”** means the period from and including the time of execution of this Agreement to and including the Closing Time;

**“Leased Property”** means premises other than Owned Real Property which are leased, subleased, licensed, used or occupied by the Corporation, including those listed in Schedule 3.1.27, and the interest of the Corporation in all plants, buildings, structures, fixtures, erections, improvements, easements, rights-of-way, spur tracks and other appurtenances situated on or forming part of those premises;

**“Leases”** means the real property leases or other rights of occupancy relating to real property to which the Corporation is a party or under which it has rights or obligations, whether as lessor or lessee including those listed in Schedule 3.1.27;

**“Legal Proceeding”** means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review and any application for same;

**“License”** means any license, permit, approval, authorization, certificate, directive, order, variance, registration, right, privilege, concession or franchise issued, granted, conferred or otherwise created by any Governmental Authority;

**“Licensed IP”** means Intellectual and Industrial Property used by either the Corporation under a license agreement or arrangement from another Person;

**“Lien”** means any lien, mortgage, charge, pledge, hypothec, security interest, assignment, option, conditional sale, warrant, lease, sublease, easement, restrictive covenant, title retention agreement, statutory or deemed trust, adverse claim or other encumbrance of any kind, which secures payment or performance of an obligation or otherwise affects the right, title or interest in or to any particular property;

**“Material Adverse Change”** means any change, event or occurrence without giving effect to this Agreement and the transactions contemplated by this Agreement with respect to the Business or the assets, operations, affairs, prospects, condition (financial or otherwise) of the Corporation that has resulted or that could reasonably be expected to result in a Material Adverse Effect;

**“Material Adverse Effect”** means any effect without giving effect to this Agreement and the transactions contemplated by this Agreement that is, or could reasonably be expected to be, material and adverse to the results of the Business or the assets, operations, affairs, prospects, condition (financial or otherwise) of the Corporation;

**“Material Contracts”** has the meaning specified in Subsection 3.1.29;

**“OLCC”** means the Oregon Liquor Control Commission

**“OLCC Approval”** means OLCC approval of Purchaser’s OLCC recreational marijuana retailer application submitted in connection with this Agreement;

**“Order”** means any order, directive, judgment, decree, award or writ of any Tribunal;

**“Oregon Management Holdings Corporation”** means the Oregon corporation by that name, a wholly owned subsidiary of the Vendor;

**“Owned IP”** means Intellectual and Industrial Property (including all Intellectual and Industrial Property Rights pertaining thereto) owned by either the Corporation;

**“Owned Real Property”** means real property owned by the Corporation, and includes all plants, buildings, structures, erections, improvements, appurtenances and fixtures situated on or forming part of that property;

**“Parties”** means the Vendor and the Purchaser and **“Party”** means either one of them;

**“Person”** includes any individual, body corporate, unlimited liability company, limited liability corporation, partnership, limited liability partnership, sole proprietorship, firm, joint stock company, joint venture, trust, unincorporated association, unincorporated organization, syndicate, Governmental Authority and any other entity or organization of any nature whatsoever;

**“Personal Information”** means any information in the possession or control of the Corporation about an identifiable individual other than the name, title or business address or telephone number of an Employee;

**“Prime Rate”** for any day means the rate of interest expressed as a rate per annum that the Royal Bank of Canada establishes as the reference rate of interest that it will charge on that day for Canadian dollar demand loans to its customers in Canada and which it refers to as its prime rate;

**“Purchase Price”** means the consideration payable by the Purchaser to the Vendor for the Purchased Shares under Section 2.2;

**“Purchased Shares”** means 1,000,000 common shares in the capital of the Corporation, being all of the issued and outstanding securities of the Corporation;

**“Purchaser’s Advisors”** means the directors, officers, employees, auditors, legal counsel, financial advisors (including lenders) and tax advisors of the Purchaser and any other Person authorized in writing by the Purchaser to represent the Purchaser for purposes of Subsection 4.1.1;

**“Purchaser’s Indemnified Persons”** means the Purchaser and the Corporation and their respective shareholders, directors, officers, employees and agents;

**“Regulatory Approval”** means any approval, consent, permit, waiver, ruling, exemption, acknowledgement or similar authorization from any Governmental Authority, including those required by Applicable Laws or under the terms or conditions of any Contract, License or Order;

**“Release”** means any release or discharge of any Hazardous Substance, including any burial, incineration, spray, injection, inoculation, abandonment, deposit, spillage, leakage, seepage, pouring, emission, emptying, throwing, dumping, placing, exhausting, escape, leaching, migration, dispersal, dispensing or disposal;

**“Representatives”** means, in respect of a Party, that Party’s directors, officers, employees, agents, solicitors, accountants, professional advisors and other representatives involved in the transactions contemplated by this Agreement and, in the case of the Vendor prior to Closing, includes those of the Corporation;

**“Stub Period Returns”** has the meaning specified in clause 4.4.1(a);

**“Tax Legislation”** means the all federal, provincial, state, territorial, municipal, foreign, or other statutes imposing a tax, including all treaties, conventions, case law, interpretation bulletins, circulars and releases, rules, regulations, orders, and decrees of any jurisdiction;

**“Tax Returns”** means all reports, elections, returns, and other documents required to be filed under the provisions of any Tax Legislation and any tax forms required to be filed, whether in connection with a Tax Return or not, under any provisions of any applicable Tax Legislation;

**“Tax”** or **“Taxes”** means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority under any applicable Tax Legislation, including, federal, provincial, state, territorial, municipal and local, foreign or other income, capital, goods and services, sales, use, consumption, excise, value-added, business, real property, personal property, transfer, franchise, withholding, payroll, or employer health taxes, customs, import, anti-dumping or countervailing duties, pension plan contributions, provincial pension plan contributions, employment insurance

premiums, and provincial workers' compensation payments, including any interest, penalties and fines associated therewith;

**“Third Party Claim”** means any claim or Legal Proceeding that is instituted or asserted by any Person who is not a Party against an Indemnified Person which entitles the Indemnified Person to make a claim for indemnification under Article 8 of this Agreement;

**“Tribunal”** means any court (including a court of equity), arbitrator or arbitration panel, or any Governmental Authority or other body exercising adjudicative, regulatory, judicial or quasi-judicial powers, including any stock exchange; and

**“Vibe”** means Vibe Bioscience Ltd.

## 1.2 Certain Rules of Interpretation

In this Agreement:

- (a) **Accounting Principles**– Unless otherwise specified, any reference in this Agreement to “generally accepted accounting principles” is to International Financial Reporting Standards consistently applied.
- (b) **Consent** – Whenever a provision of this Agreement requires or contemplates the consent or approval of a Party and that approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, that Party will be deemed to have withheld its approval or consent.
- (c) **Currency** – Unless otherwise specified, all dollar amounts in this Agreement, including the symbol “\$”, refer to Canadian currency.
- (d) **Gender and Number** – In this Agreement, unless the context requires otherwise, any reference to gender includes all genders and words importing the singular number only include the plural and vice versa.
- (e) **Headings, etc.** – The division of this Agreement into Articles, Sections and other subdivisions and the inclusion of headings and a table of contents are provided

for convenience only and do not affect the construction or interpretation of this Agreement.

- (f) **Including** – In this Agreement, the words “include” or “including” mean “include (or including) without limitation” and the words following “include” or “including” are not to be considered an exhaustive list.
- (g) **Knowledge** – Where any representation or warranty is expressly qualified by reference to “the knowledge of the Vendor” or similar words, it refers to the knowledge actually known to, or which after due enquiry and reviewing this Agreement ought to have come to the attention of, the Vendor, or the officers or employees of the Corporation who have overall responsibility for or would reasonably be expected to have knowledge of the relevant subject matter and the Vendor hereby confirms that it has made due inquiries of all those individuals.
- (h) **Performance on Holidays** – If any act is required by the terms of this Agreement to be performed on a day which is not a Business Day, the act will be valid if performed on the next succeeding Business Day.
- (i) **References to Documents** – Unless otherwise specified, any reference in this Agreement to this Agreement or any other agreement or document, is a reference to this Agreement or the other agreement or document as it may have been, or may from time to time be, amended, supplemented, restated, novated or replaced and includes all schedules and exhibits to it.
- (j) **References to Persons** – Unless the context otherwise requires, any reference in this Agreement to a Person includes its heirs, administrators, executors and other legal representatives, successors and permitted assigns.
- (k) **References to this Agreement** – The words “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement as a whole and not to any particular section or portion of it.

- (l) **Statutory References** – Unless otherwise specified, any reference in this Agreement to a statute includes all rules and regulations made under it and all applicable guidelines, bulletins or policies made in connection with it and which are legally binding, in each case as it or they may have been, or may from time to time be, amended or re-enacted.
- (m) **Time** – Time is of the essence of this Agreement, and no extension or variation of this Agreement will operate as a waiver of this provision.
- (n) **Time Periods** – Unless otherwise specified, a period of days will be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Kelowna time) on the last day of the period. If a period of time is to expire on any day that is not a Business Day, the period will be deemed to expire at 5:00 p.m. (Kelowna time) on the next succeeding Business Day.

### 1.3 Schedules and Exhibits

The following Schedules and Exhibits form an integral part of this Agreement:

<u>Schedule 3.1.8</u>	Required Regulatory Approvals
<u>Schedule 3.1.9</u>	Required Consents
<u>Schedule 3.1.22</u>	Banking Information
<u>Schedule 3.1.26</u>	Leases and Leased Property
<u>Schedule 3.1.27</u>	Real Property Generally
<u>Schedule 3.1.29</u>	Material Contracts
<u>Exhibit A</u>	Form of Release



## Article 2

### PURCHASE AND SALE OF SHARES

#### 2.1 Purchase and Sale

Subject to the terms and conditions of this Agreement, at the Closing Time the Vendor shall sell to the Purchaser, and the Purchaser shall purchase from the Vendor, all of the Purchased Shares, free and clear from all Liens.

#### 2.2 Amount of Purchase Price

Subject to adjustment in accordance with this Article 2, the consideration payable by the Purchaser to the Vendor for the Purchased Shares shall be CDN\$1,889,040 (the "**Purchase Price**"), payable in Consideration Shares in accordance with Section 2.3.

#### 2.3 Payment of Purchase Price

##### 2.3.1 Consideration Shares.

- (a) The Purchase Price will be paid and satisfied in full at the Closing Time by the Purchaser causing the issuance to the Vendor of such number of Consideration Shares as is equal to the lower of:
  - (i) the Purchase Price divided by the higher of: (A) the volume-weighted average trading price of the Consideration Shares on the CSE during the 30 trading day period prior to the closing date of the acquisition (the "**30-Day VWAP**"); or (B) the closing market price of the Consideration Shares on the CSE on the trading day prior to the announcement of the proposed acquisition, less a discount of not more than 25%; and
  - (ii) the Purchase Price divided by \$0.25.

##### 2.3.2 Bonus Warrants.

Vibe will issue to Ventura on the closing date 1,200,000 common share purchase warrants (the "**Bonus Warrants**"). Each Bonus Warrant would entitle the holder to acquire an additional

Consideration Share at an exercise price equal to the higher of: (i) the 30-Day VWAP; (ii) \$0.25 per share; or (iii) the closing trading price of the Common Shares on the CSE on the trading day prior to closing of the acquisition. The Bonus Warrants shall expire 12 months following the date of issuance. The Bonus Warrants shall be non-transferable by the holder, except that Ventura may distribute the Bonus Warrants to its shareholders.

### **2.3.3 Contractual Hold Period.**

Consideration Shares and the Consideration Shares issuable upon due exercise of the Bonus Warrants shall be subject to a contractual hold period of six months from the date of issuance. The contractual hold period shall run concurrently with, and shall not be in addition to, any hold periods imposed under applicable securities laws.

## **Article 3**

### **REPRESENTATIONS AND WARRANTIES**

#### **3.1 Representations and Warranties of the Vendor**

The Vendor represents and warrants to the Purchaser as set out in this Section 3.1 and acknowledges that the Purchaser is relying on those representations and warranties in entering into this Agreement and completing the transactions contemplated by it. No investigations made by or on behalf of the Purchaser will have the effect of waiving, diminishing the scope of, or otherwise affecting any representation or warranty made by the Vendor.

##### **3.1.1 Incorporation and Qualification of the Corporation**

The Corporation is a corporation incorporated and existing under the laws of Oregon and has the corporate power and capacity to own, lease, use and operate its property, carry on the Business as now being conducted by it and enter into and perform its obligations under this Agreement and each of the Closing Documents to which it is or is to become a party. The Corporation is registered, licensed or otherwise qualified to carry on its business and is in good standing in each jurisdiction in which the nature of its business or the property or assets owned or leased by it

makes that qualification necessary or where it owns or leases any material properties or assets or conducts any material business.

### **3.1.2 No Solvency or Reorganization Proceedings**

Neither the Vendor nor the Corporation is insolvent and no proceedings have been taken or authorized by the Vendor, the Corporation or by any other Person with respect to the bankruptcy, insolvency, liquidation, dissolution or winding up of the Vendor or, except as disclosed in writing to the Purchaser, the Corporation or with respect to any amalgamation, merger, consolidation, arrangement, receivership or reorganization of, or relating to, the Corporation nor have any such proceedings been threatened by any other Person.

### **3.1.3 Validity of Agreement**

This Agreement and each of the Closing Documents to which the Vendor or the Corporation is or is to become a party have been or will be duly executed and delivered by the Vendor and the Corporation, as the case may be, and are or will be legal, valid and binding obligations of the Vendor or the Corporation, as the case may be, enforceable against each of them in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

### **3.1.4 Authorized and Issued Capital**

The authorized share capital of the Corporation consists of 1,000,000 common shares, of which the Purchased Shares (and no more) are issued and outstanding, all of which Purchased Shares have been duly issued and are outstanding as fully paid and non-assessable shares. All of the Purchased Shares have been issued in compliance with Applicable Laws.

### **3.1.5 Title to Purchased Shares**

The Purchased Shares are owned by Oregon Management Holdings Corporation as the registered and beneficial owner with good and valid title to the Purchased Shares, free and clear of all Liens. At the later to occur of Closing, OLCC Approval, and City of Portland Approval, Oregon Management Holdings Corporation will transfer to the Vendor title to the Purchased Shares and

immediately thereafter, the Purchaser will acquire good and valid title to the Purchased Shares, free and clear of all Liens.

### **3.1.6 No Other Agreements or Options**

Except for the Purchaser's right in this Agreement, no Person has any written or oral agreement or option or any right or privilege capable of becoming an agreement or option for (i) the purchase or other acquisition from the Vendor of any of the Purchased Shares; (ii) the purchase, subscription, allotment or issuance of any unissued shares or other securities of the Corporation; or (iii) other than in the ordinary course of business, the purchase or other acquisition from the Corporation of any of its undertaking, property or assets.

### **3.1.7 No Conflicts**

The execution and delivery of and performance by the Vendor and the Corporation, as the case may be, of this Agreement and each of the Closing Documents to which it is or is to become a party do not and will not (with or without the giving of notice, the lapse of time or the happening of any other event or condition):

- (a) result in the breach of, or conflict with, or allow any Person to exercise any rights under, or cause the Vendor or the Corporation to be bound by any additional or more onerous obligation under, any of the terms or provisions of:
- (b) the articles, by-laws, other constating documents or any resolutions of the shareholders or directors of the Corporation; or
- (c) any agreement, contract or commitment, written or oral, to which the Vendor or the Corporation is a party, under which it has rights or obligations or by which any of the property or assets of the Vendor or the Corporation may be affected;
- (d) result in the breach of, or cause the termination, amendment or revocation of, any Consent or License held by the Corporation or necessary to the ownership of the Purchased Shares or the operation of the Business;
- (e) result in the violation of any Applicable Law;

- (f) cause the Corporation to lose any rights to a government grant or tax credit or refund; or
- (g) result in the creation of any Lien on the Purchased Shares or any of the property or assets of the Corporation.

### **3.1.8 Required Regulatory Approvals**

Except as disclosed in Schedule 3.1.8, there is no requirement on the part of the Vendor or the Corporation to obtain any Regulatory Approval or make any filing with or give notice to any Governmental Authority in connection with the lawful completion of the transactions contemplated by this Agreement or to maintain all rights and benefits of the Corporation under any Contract, Order or License after Closing.

### **3.1.9 Required Consents**

Except as disclosed in Schedule 3.1.8, there is no requirement on the part of the Vendor or the Corporation to obtain any Consent in connection with the lawful completion of the transactions contemplated by this Agreement or to maintain all rights and benefits of the Corporation under any Contract, Order or License after Closing.

### **3.1.10 Corporate Records**

The minute books of the Corporation, and other corporate records made available to the Purchaser for review have been maintained in accordance with Applicable Laws and include,

- (a) complete and accurate copies of the articles of incorporation of the Corporation;
- (b) complete and accurate copies of all by-laws of the Corporation, all of which were duly enacted and are in full force and effect;
- (c) complete and accurate minutes of all meetings of shareholders since the date incorporation of the Corporation, which meetings were duly called and held;

- (d) complete and accurate copies of all resolutions in writing passed by the shareholders since the date of incorporation of the Corporation, which resolutions were duly passed;
- (e) complete and accurate copies of all resolutions of the directors of the Corporation, which were duly adopted and consented; and
- (f) the share certificate book and register of directors and officers of the Corporation, all of which is complete, accurate and current.

All corporate proceedings and actions reflected in the minute books of the Corporation have been conducted or taken in accordance with Applicable Laws, its articles of incorporation and by-laws. There are no shareholders' agreements or unanimous shareholders' agreements governing the affairs of the Corporation or the relationship, rights and duties of the shareholders, nor are there any voting trusts, pooling arrangements or other similar agreements with respect to the ownership or voting of any shares of the Corporation.

#### **3.1.11 Dividends and Distributions**

The Corporation has not, directly or indirectly, declared or paid any dividends or declared or made any other distribution or return of capital in respect of any of its shares (or been deemed under Tax Legislation to have done so) nor has the Corporation, directly or indirectly, redeemed, purchased or otherwise acquired any of its outstanding shares or agreed to do so.

#### **3.1.12 Business Carried on in Ordinary Course**

Since its date of incorporation, the Corporation has carried on the Business in the ordinary course, consistent with past practice. Without limiting the generality of the foregoing, since its date of incorporation, the Corporation has not:

- (a) sold or otherwise disposed of any of its assets outside the ordinary course;
- (b) incurred or assumed any obligation or liability of any nature whatsoever other than current liabilities incurred in the ordinary course of business;

- (c) discharged any Lien or paid any secured or unsecured obligation or liability of any nature whatsoever other than current liabilities incurred in the ordinary course of business, or scheduled payments under Contracts;
- (d) created or permitted to exist any Lien on any of its assets;
- (e) made any capital expenditure other than in the ordinary course of business;
- (f) suffered any extraordinary loss;
- (g) made any material change to the method of billing customers or the credit terms made available to customers;
- (h) made any material change to any method of management, operation or accounting in respect of the Business;
- (i) waived or cancelled any material rights or claims;
- (j) compromised or settled any Legal Proceeding pending against it, the Business or any of its assets;
- (k) written off any accounts receivable other than in the ordinary course of business;
- (l) increased the benefits to which Employees and former employees are entitled;
- (m) entered into, modified, amended or terminated any Contract or waived or released any rights under any Contract, other than in the ordinary course of business;
- (n) terminated, discontinued, closed or disposed of any plant, facility or business operation; or
- (o) authorized, agreed or become bound to do any of the foregoing.

### **3.1.13 Compliance with Applicable Laws**

The Corporation has conducted and is conducting its business and operates and maintains the properties and assets used in its businesses operations in compliance with Applicable Laws, the Corporation has received any notice of any alleged violation of any Applicable Law that has not been remedied or rectified and there are no facts that could give rise to a notice of non-compliance by the Corporation with any Applicable Law.

### **3.1.14 Required Licenses**

The Corporation possesses all Licenses required under Applicable Laws to conduct the Business and to own, use and operate the properties and assets used in the Business. No License contains any burdensome term, provision, condition or limitation which has or could have an adverse effect on the Corporation or the Business.

### **3.1.15 No Material Adverse Change**

Since its date of incorporation, there have been no changes in the Business or any of the assets, operations, affairs, prospects or condition (financial or otherwise) of the Corporation other than changes in the ordinary course of the Business, which do not, individually or in the aggregate, constitute a Material Adverse Change.

### **3.1.16 Books and Records**

All Books and Records have been properly, fully and accurately kept in all material respects and in accordance with Applicable Laws and contain full and accurate records of all matters relating to the Business of the Corporation. All financial transactions relating to its business have been accurately recorded in the Accounting Records respectively in accordance with sound business and financial practice. No Books and Records are in the possession or control of, recorded, stored, maintained by, or otherwise dependent on, any Person other than the Corporation.

### **3.1.17 Financial Statements**

The Financial Statements have been prepared in accordance with generally accepted accounting principles and present fully, fairly and accurately in all material respects:



- (a) the assets, liabilities and financial condition of the Corporation; and
- (b) the revenues, earnings and results of operations of the Corporation on a consolidated basis,

in each case as of the date and throughout the period indicated. True, correct and complete copies of the Financial Statements have been delivered to the Purchaser.

**3.1.18 Non-Arm's Length Transactions**

- (a) no Interested Person is indebted to the Corporation nor is the Corporation indebted to any Interested Person;
- (b) the Corporation is not a party to any Contract with any Interested Person;
- (c) no Interested Person owns, directly or indirectly, in whole or in part, any property that the Corporation uses in the operation of the Business;
- (d) no Interested Person has any cause of action or other claim against the Corporation; and
- (e) no payment has been made to any Interested Person, other than in the ordinary course of business.

**3.1.19 No Liabilities**

The Corporation has no liabilities of any nature whatsoever and no event has occurred, or circumstance exists which may give rise after Closing to any liability of any nature whatsoever, except for, in either case:

- (a) liabilities reflected or reserved against in the Financial Statements;
- (b) liabilities disclosed in this Agreement; or
- (c) liabilities incurred in the ordinary course of business after the date of incorporation, which are not, in the aggregate, materially adverse to the

Business or the assets, operations, affairs, prospects or condition (financial or otherwise) of the Corporation.

### **3.1.20 Debt Instruments**

The Corporation is not a party to or bound by or subject to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument, and no Debt Instrument or Lien which the Corporation is a party to or bound by or subject to is dependent upon the Guarantee of or any security provided by any other Person.

### **3.1.21 Guarantees**

The Corporation has not given or agreed to give, nor is it a party to or bound by or subject to any Guarantee.

### **3.1.22 Banking Information and Powers of Attorney**

Schedule 3.1.22 is a complete and accurate list of (i) the name and location (including municipal address) of each bank, trust company or similar institution in which the Corporation has an account or safe deposit box, the number or designation of each such account and safe deposit box and the name of each Person authorized to draw thereon or have access thereto; and (ii) the name of each Person holding a power of attorney from the Corporation, if any, and a summary of its terms. True and complete copies of all powers of attorney listed in Schedule 3.1.22 have been made available to the Purchaser for inspection.

### **3.1.23 Title to the Assets**

The Corporation is the sole beneficial (and where its interests are registered, the sole registered) owner of all its property and assets (whether real, personal or mixed and whether tangible or intangible) used by it in connection with the Business or reflected in the Books or Records as being owned by the Corporation, with good title thereto, free and clear of all Liens.

### **3.1.24 Sufficiency and Condition of Assets**

The assets owned, licensed or leased by the Corporation constitute all of the property and assets necessary to carry on the Business as it is currently carried on, are free of material defects and

include all proprietary rights, Intellectual and Industrial Property Rights and other property and assets, tangible and intangible, used in connection with the Business. All tangible assets used in the Business are in good operating condition and in a state of good repair and maintenance, except only for reasonable wear and tear.

### **3.1.25 Owned Real Property**

The Corporation does not own any Owned Real Property.

### **3.1.26 Leases and Leased Property**

- (a) Schedule 3.1.26 is a complete and accurate list of all of the Leases. True and complete copies of all of the Leases, including any amendments to those Leases, have been made available to the Purchaser for inspection.
- (b) Schedule 3.1.26 contains an accurate summary of the material terms of the Leases, including the parties to and dates of each of the Leases, their expiry dates, particulars of any options to renew, the locations (including municipal addresses) of the Leased Property, any restrictions on assignment, change of control of the Corporation or amalgamation, and the rental payable and any other payments required under the Leases.
- (c) The Leases are in full force and effect and in good standing with no amendments except as disclosed in Schedule 3.1.26. Except as disclosed in Schedule 3.1.26, there are no current or pending negotiations with respect to the renewal, surrender, repudiation or amendment of any of the Leases listed in Schedule 3.1.26.
- (d) All payments required to be made by the Corporation under the Leases have been paid, there are no outstanding defaults or violations under any of those Leases on the part of the Corporation or, to the knowledge of the Vendor, on the part of any other party to any of those Leases, there are no disputes between the Corporation or any Subsidiary and any other party to any of those Leases, and none of the Corporation or the Subsidiaries has sublet, assigned, licensed or

otherwise conveyed any rights in the Leases or the Leased Property to any other Person.

### **3.1.27 Real Property Generally**

- (a) The Corporation does not own or have any interest in, nor is the Corporation a party to or bound by or subject to any option or other Contract respecting, any real or immovable property other than the Leased Property.
- (b) All of the plant, buildings, structures, erections, improvements, appurtenances and fixtures (in this Subsection 3.1.27, "buildings and structures") situated on or forming part of the Leased Property are in good operating condition and in a state of good maintenance and repair, are adequate and suitable for the purposes for which they are currently being used and the Corporation has adequate rights of ingress and egress to and from all of the buildings and structures for the operation of the Business in the ordinary course.
- (c) Except as disclosed in Schedule 3.1.27, none of the buildings and structures situated on or forming part of the Leased Property, or the operation or maintenance thereof, violates any restrictive covenant or any Applicable Law or encroaches on any property owned by others.
- (d) The Leased Property and the current uses thereof by the Corporation comply in all respects with Applicable Laws.
- (e) No alterations, repairs, improvements or other work have been ordered, directed or requested in writing under any Applicable Law by any Person with respect to the Leased Property or the buildings and structures or with respect to any of the plumbing, heating, elevating, water, drainage or electrical systems, fixtures or works, which alteration, repair, improvement or other work has not been completed.
- (f) All accounts for material, work and services with respect to the Leased Property (except for current accounts the payment dates of which have not yet passed)

have been fully paid and satisfied and no Person is entitled to claim a lien against the Leased Property.

- (g) There is nothing owing by the Corporation in respect of the supply to or the use by it of water, gas, electrical power or energy, steam or hot water, or other utilities (except for current accounts the payment dates of which have not yet passed).
- (h) No part of the Leased Property has been taken or expropriated by any Tribunal or other body having power of expropriation, nor has any Legal Proceeding or notice in respect of any such expropriation been commenced, given or threatened.

### **3.1.28 Equipment Leases**

The Corporation does not have any Equipment Leases.

### **3.1.29 Material Contracts**

- (a) Schedule 3.1.29 is a complete and accurate list of all the Material Contracts that are not listed in any other Schedule. For purposes of this Agreement, “**Material Contract**” means any Contract other than a Contract made in the ordinary course of business under which the Corporation has a financial obligation of less than \$10,000 per annum and which can be terminated by it without it being required to pay any damages, penalty or other amount by giving not more than 60 days’ notice.
- (b) True and complete copies of all the Material Contracts listed in Schedule 3.1.29, including any amendments to those Material Contracts, have been made available to the Purchaser for inspection. The Material Contracts listed in Schedule 3.1.29 are in full force and effect and in good standing with no amendments except as disclosed in Schedule 3.1.29 and there are no outstanding defaults or violations under any of those Material Contracts on the part of the Corporation or, to the knowledge of the Vendor, on the part of any other party to any of those Material Contracts. Except as disclosed in

Schedule 3.1.29, there are no current or pending negotiations with respect to the renewal, repudiation or amendment of any of the Material Contracts listed in Schedule 3.1.29. The Corporation has the capacity, including the necessary personnel, equipment and supplies, to perform its obligations under the Material Contracts.

### **3.1.30 Intellectual and Industrial Property**

The Corporation does not own, directly or indirectly, any Intellectual or Industrial Property.

### **3.1.31 Investments**

- (a) The Corporation has no subsidiaries and does not own nor has it agreed to acquire, directly or indirectly, any shares or securities convertible into shares in the capital of any body corporate or any equity or ownership interest in any business or Person.
- (b) The Corporation is not a partner, beneficiary, trustee, co-tenant, joint venturer or otherwise a participant in any partnership, trust, joint venture, co-tenancy or similar jointly owned business undertaking.
- (c) The Corporation is not subject to any obligation to provide funds to or to make any investment in any business or Person by way of loan, capital contribution or otherwise.

### **3.1.32 Employees**

The Corporation has less than ten (10) employees and will provide a list of employees and details of their employment terms in Schedule 3.1.30.

### **3.1.33 Employee Benefit Plans**

The Corporation provides to the Employees the benefits required by Applicable Law.

### **3.1.34 Environmental Matters**

- (a) The Corporation has not used any of the Leased Property or any other real property (including any real property previously owned, leased, occupied or used by the Corporation), or permitted them to be used, to refine, treat, dispose, produce or process Hazardous Substances, except in compliance with Environmental Laws and Environmental Permits held by the Corporation.
- (b) Neither the Corporation nor any other Person responsible under Environmental Laws for acts of the Corporation (i) has been convicted of an offence, fined or otherwise sentenced for non-compliance with any Environmental Laws, (ii) has been investigated or subjected to any Legal Proceeding for non-compliance with any Environmental Law, (iii) is or has been subject to any Order or other sanction requiring investigation or remediation of any real property, or (iv) has settled any Legal Proceeding for non-compliance with any Environmental Law short of conviction in connection therewith.
- (c) The Corporation has not caused or permitted the Release of any Hazardous Substance at, on or under the Leased Property or any real property previously owned, leased, occupied or used by the Corporation, or the Release of any Hazardous Substance off-site any real property previously owned, leased, occupied or used by the Corporation. No real property has ever been used by the Corporation or by any other Person as a waste disposal site or land fill. All Hazardous Substances and all other wastes used by the Corporation in or resulting from their businesses have been disposed of and stored in compliance with Environmental Laws and Environmental Permits held by the Corporation.
- (d) The Corporation has not received any notice and there are no facts that could give rise to any notice, that the Corporation is potentially responsible for any remedial or other corrective action or any work, repairs, construction or capital expenditures to be made under any Environmental Law with respect to their businesses (including any real property previously owned, leased or used by the Corporation).

- (e) To the knowledge of the Vendor, there is no Hazardous Substance originating from any adjoining or neighbouring properties which has, or is suspected to be, migrating into or under the Leased Property or otherwise affecting the Business or the Corporation.

### **3.1.35 Insurance**

The Corporation maintains insurance as disclosed in Schedule 3.1.31.

### **3.1.36 Legal Proceedings**

- (a) There is no Legal Proceeding (whether or not purportedly on behalf of the Corporation) in progress, pending or, to the knowledge of the Vendor, threatened against or affecting the Corporation or its assets before or by any Tribunal. There is no Order outstanding against or affecting the Corporation or its assets. Without limiting the generality of the foregoing, there is no Legal Proceeding involving any product liability claim in progress, pending or, to the knowledge of the Vendor, threatened against or affecting the Corporation or its assets.
- (b) There is no Legal Proceeding in progress, pending, or threatened, against or affecting the Vendor, affecting adversely the ability of the Vendor to enter into this Agreement or perform its obligations under this Agreement, or affecting the title of the Vendor to any of the Purchased Shares, at law or in equity or before or by any Tribunal and there are no grounds on which any such Legal Proceeding might be commenced with any reasonable likelihood of success nor is there any Order outstanding against or affecting the Vendor which, in any such case, affects adversely or might affect adversely the ability of the Vendor to enter into this Agreement or to perform its obligations under this Agreement.

### **3.1.37 Tax Matters**

- (a) As at the date hereof and as at the Closing Date, the Corporation has income tax arrears of USD\$88,000.



- (b) The Financial Statements fully reflect accrued liabilities for all Taxes which are payable.
- (c) No examination of any Tax Return of the Corporation by a Governmental Authority is currently in progress. There is no Legal Proceeding, assessment, reassessment or request for information outstanding or, to the knowledge of the Vendor, threatened against the Corporation with respect to Taxes or any matters under discussion with any Governmental Authority relating to Taxes.
- (d) There are no agreements, waivers or other arrangements providing for an extension of time with respect to any assessment or reassessment of Tax, the filing of any Tax Return or the payment of any Tax by the Corporation.
- (e) The Corporation has complied with all registration, reporting, collection and remittance requirements in respect of all applicable Tax Legislation and has an unpaid income tax balance owing of USD\$88,000.

### **3.1.38 No Broker**

The Vendor has carried on all negotiations relating to this Agreement and the transactions contemplated by this Agreement without intervention on its behalf of any other party in such a manner as to give rise to any valid claim for a brokerage commission, finder's fee or other like payment against the Purchaser or the Corporation.

### **3.1.39 Anti-Money Laundering**

The operations of the Corporation are and have been conducted at all times in compliance with all applicable financial recordkeeping and reporting requirements and the applicable anti-money laundering statutes of jurisdictions where the Corporation conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Anti-Money Laundering Laws**"), and no Legal Proceeding involving the Corporation with respect to the Anti-Money Laundering Laws is pending or threatened.

### **3.1.40 Securities Laws**

- (a) The Vendor (i) is entering into the this Agreement and, if and when issued, will be acquiring the Consideration Shares, as principal for its own account, and not on behalf of or for the benefit of any other Person; and (ii) is, and on any acquisition of Consideration Shares will be, an accredited investor as defined in National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators and will, if requested by the Purchaser, deliver to the Purchaser an accredited investor certificate, in a form acceptable to the Purchaser, acting reasonably, confirming its status as such.
- (b) The Vendor (i) is knowledgeable, sophisticated and experienced in business and financial matters; (ii) has had access to management of the Purchaser and Vibe Bioscience Ltd. and its records for the purpose of conducting its due diligence; (iii) is capable of evaluating the merits and risks of the Consideration Shares; and (iv) is able to bear the economic risk of in an investment in the Consideration Shares.
- (c) No Person has made any written or oral representation to the Vendor that the Person shall resell or repurchase the Consideration Shares.

### **3.1.41 Full Disclosure**

To Vendor's Knowledge, the representations and warranties of the Vendor contained in this Agreement, in any Closing Document and in any other document delivered under this Agreement or any Closing Document are true and correct and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained in those representations and warranties not misleading to a prospective purchaser of the Purchased Shares. Except for matters disclosed in this Agreement, the Vendor has no knowledge of any facts which, if known to the Purchaser, might reasonably be expected to materially diminish the Purchaser's evaluation of the value of the Purchased Shares or might reasonably be expected to deter the Purchaser from completing the transactions contemplated hereby.

## **3.2 Representations and Warranties of the Purchaser**

The Purchaser represents and warrants to the Vendor as set out in this Section 3.2 and acknowledges that the Vendor is relying on those representations and warranties in entering into

this Agreement and completing the transactions contemplated by it. No investigations made by or on behalf of the Vendor will have the effect of waiving, diminishing the scope of, or otherwise affecting any representation or warranty made by the Purchaser.

### **3.2.1 Incorporation and Qualification of the Purchaser**

The Purchaser is a corporation incorporated and existing under the laws of the State of Nevada and has the corporate power and capacity to purchase the Purchased Shares from the Vendor and to enter into and perform its obligations under this Agreement and each of the Closing Documents to which it is or is to become a party.

### **3.2.2 Authorization of Purchase by Purchaser**

The execution and delivery of, and performance by the Purchaser of, this Agreement and each of the Closing Documents to which it is or is to become a party and the completion of the transactions contemplated by them have been duly authorized by all necessary corporate action on behalf of the Purchaser.

### **3.2.3 Validity of Agreement**

This Agreement and each of the Closing Documents to which the Purchaser is or is to become a party have been or will be duly executed and delivered by the Purchaser and are or will be legal, valid and binding obligations of the Purchaser, enforceable against it in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

### **3.2.4 No Conflicts**

The execution and delivery of and performance by the Purchaser of this Agreement and each of the Closing Documents to which it is or is to become a party do not and will not (with or without the giving of notice, the lapse of time or the happening of any other event or condition):

- (a) result in the breach of, or conflict with, or allow any Person to exercise any rights under, or cause the Purchaser to be bound by any additional or more onerous obligation under, any of the terms or provisions of:

- (i) the articles, bylaws or any resolutions of the board of directors or shareholders of the Purchaser; or
- (ii) any agreement, contract or commitment, written or oral, to which the Purchaser is a party or under which it has rights or obligations; or
- (iii) result in the violation of any Applicable Law.

### **3.2.5 Legal Proceedings**

There is no Legal Proceeding in progress, pending, or to the knowledge of the Purchaser, threatened, against or affecting the Purchaser, affecting adversely the ability of the Purchaser to enter into this Agreement or perform its obligations under this Agreement, or affecting the Purchaser, at law or in equity or before or by any Tribunal, and there are no grounds on which any such Legal Proceeding might be commenced with any reasonable likelihood of success nor is there any Order outstanding against or affecting the Purchaser which, in any such case, affects adversely or might affect adversely the ability of the Purchaser to enter into this Agreement or to perform its obligations under this Agreement.

### **3.2.6 No Broker**

The Purchaser has carried on all negotiations relating to this Agreement and the transactions contemplated by this Agreement without intervention on its behalf of any other party in such a manner as to give rise to any valid claim for a brokerage commission, finder's fee or other like payment against the Vendor.

## **Article 4**

### **COVENANTS OF THE PARTIES**

#### **4.1 Interim Period Covenants of the Vendor**

The Vendor hereby covenants as set out in this Section 4.1.

#### **4.1.1 Investigations and Availability of Records**

Until September 15, 2020, the Vendor shall, and shall cause the Corporation to, permit the Purchaser's Advisors to have free and unrestricted access (including, if necessary by facilitating a virtual video tour) to the premises of the Corporation and its property and assets, including access to the Books and Records, all Contracts and the Corporation's independent consultants, to make such investigations of the Business and the property and assets of the Corporation (including their legal, financial and tax condition and their compliance with Applicable Laws) as the Purchaser deems necessary or desirable, and the Vendor shall co-operate fully in facilitating those investigations and furnish copies of all documents and materials relating to those matters as may be reasonably requested by or on behalf of the Purchaser.

#### **4.1.2 Consents**

Commencing immediately after the date of this Agreement, the Vendor shall make all reasonable efforts to obtain, at or prior to the Closing Time, all Consents on terms satisfactory to the Purchaser.

#### **4.1.3 Conduct of the Business**

During the Interim Period, the Vendor shall cause the Corporation to conduct the Business in the ordinary course, consistent with past practice. Without limiting the generality of the foregoing, unless otherwise contemplated by the provisions of this Agreement, the Vendor shall cause the Corporation to:

- (i) carry on the Business in compliance with Applicable Laws and perform its obligations under all Contracts, Orders and Licenses;
- (ii) preserve the Business and the goodwill of suppliers, customers and others having business relations with the Corporation;
- (iii) retain the services of the present executives, consultants and advisors of or to the Corporation;

- (iv) retain possession and control of the assets of the Corporation and preserve the confidentiality of any confidential or proprietary information of the Business or the Corporation;
  - (v) maintain in full force and effect all Contracts;
  - (vi) pay, satisfy and discharge the obligations and liabilities of the Corporation in the ordinary course of the Business, consistent with past practice; and
  - (vii) make all reasonable efforts to not cause or permit to exist a breach of any representations and warranties of the Vendor contained in this Agreement or in any Closing Document and to conduct the Business in such a manner that at the Closing Time those representations and warranties will be true and correct as if they were made at and as of that time.
- (b) During the Interim Period, the Vendor shall ensure that the Corporation does not (unless otherwise contemplated by the provisions of this Agreement), without the prior written consent of the Purchaser:
- (i) become a party to or bound by any new agreement or arrangement with any Interested Person or amend or concur in the amendment of any such existing agreement or arrangement or make or authorize any payment to or for the benefit of any Interested Person;
  - (ii) make any capital expenditure or authorize any new capital expenditures;
  - (iii) become a party to or bound by any new agreement or arrangement with respect to Employee Benefits or amend or concur in the amendment of or increase any payment or obligation under any existing agreement or arrangement with respect to Employee Benefit Plans other than as contemplated by an existing policy or practice as to periodic review of Employee Benefit Plans;
  - (iv) take any step to dissolve, wind-up or otherwise affect its continuing corporate existence or amalgamate or merge with any Person or amend the articles or by-laws of the Corporation;

- (v) make any loan to or investment in any other Person;
- (vi) become a party to or bound by any new Debt Instrument or amend or concur in the amendment of or prepay or vary the terms of any indebtedness or other obligation under any existing Debt Instrument;
- (vii) become a party to or bound by any new Guarantee or amend or concur in the amendment of any existing Guarantee;
- (viii) declare or pay any dividend or other distribution (whether out of capital or surplus or otherwise) on any of its outstanding securities or redeem, purchase or otherwise acquire any of its outstanding securities;
- (ix) purchase, sell or lease any property or assets other than in the ordinary course of business;
- (x) cancel, waive or vary the terms of any debt owing to or any claim or right of the Corporation;
- (xi) issue any shares or other securities or make any change in the number or class of or rights attached to any issued or unissued shares of its capital stock or grant, issue or make any option, warrant, subscription, convertible security or other right or commitment to purchase or acquire any shares of its capital stock or other securities;
- (xii) incur any obligation or liability except in the ordinary course of business or make, authorize or accept any early payment of any existing obligation or liability;
- (xiii) create or permit the creation of any new Lien on any of its property or assets or amend or concur in the amendment of any such existing Lien;
- (xiv) terminate, transfer or modify, or grant any rights under, any Intellectual and Industrial Property Rights;
- (xv) change or alter the physical content or character of any inventories of the Business so as to materially affect the nature of the Business or materially and

adversely change the value of those inventories from that reflected in the Financial Statements;

- (xvi) refrain from taking any reasonable action that would prevent any of the representations and warranties of the Vendor under this Agreement or any Closing Document from becoming not true and correct at the Closing Time; or
- (xvii) take any other action that would cause any of the representations and warranties of the Vendor under this Agreement or any Closing Document to not be true and correct at the Closing Time as if they were made at and as of that time,

or agree or become bound to do any of the foregoing.

#### **4.1.4 Tax Matters**

During the Interim Period, the Vendor shall ensure that the Corporation:

- (i) duly pays, within the prescribed time, all Taxes that become due and payable on or before the Closing Date;
- (ii) makes adequate provision in the Books and Records for the Taxes that relate to any period ending on or before the Closing Date (including as a consequence of the Closing) but that are not yet due and payable and for which Tax Returns are not yet required to be filed;
- (iii) withholds from each payment made by it the amount of all Taxes and other deductions required under any applicable Tax Legislation to be withheld therefrom and pays all those amounts to the relevant Governmental Authority within the time prescribed under any applicable Tax Legislation;
- (iv) refrains from entering into any arrangements to provide for an extension of time with respect to any assessment or reassessment of Tax, the filing of any Tax Return or the payment of any Tax by it, without the prior written consent of the Purchaser; and



- (v) except as may be required by generally accepted accounting principles or Applicable Laws, does not make any material change in the Tax, financial or accounting policies or practices applied in the preparation of the Financial Statements, including any material change in credit, collection or payment policies, procedures or practices or the method of determining reserves.

#### **4.1.5 Actions to Satisfy Closing Conditions**

During the Interim Period, the Vendor shall take all such actions as are within its power to control, and use its best efforts to cause other actions to be taken which are not within its power to control, to ensure compliance with all of the conditions set out in Section 5.1, including ensuring that during the Interim Period and at the Closing Time, there is no incorrectness in or breach of any of its representations and warranties.

#### **4.1.6 Exclusive Dealings**

During the Interim Period, neither the Vendor, the Corporation nor any of their respective Representatives shall, directly or indirectly, in any manner, (a) entertain, solicit or encourage, (b) furnish or cause to be furnished any information to any Persons (other than the Purchaser or its Representatives) in connection with or (c) negotiate or otherwise pursue, any proposal or discussions for or in connection with any possible sale of any Purchased Shares or of the Business (in whole or in part), no matter how structured, including without limitation by sale of all or any significant or controlling part of the Purchased Shares, or by sale or license of all or any significant part of the property and assets of the Corporation by any merger or other business combination involving the Corporation. The Vendor shall, and shall cause the Corporation to, immediately cease any existing activities, discussions and negotiations with any Persons with respect to any of the foregoing.

#### **4.1.7 Notice of Untrue Representation and Warranty**

During the Interim Period, the Vendor shall promptly notify the Purchaser in writing upon any representation or warranty made by it contained in this Agreement or any Closing Document becoming untrue or incorrect. Any such notice will set out particulars of the untrue or incorrect representation or warranty and details of any actions being taken by the Vendor or the

Corporation to rectify the matter. Notifying the Purchaser will not relieve the Vendor of its obligations under Subsection 4.1.4.

#### **4.1.8 License Applications**

During the Interim Period, the Vendor shall permit the Purchaser to apply for and pursue such Licenses, including Licenses from the Oregon Liquor Control Commission (the "**OLCC License**"), as the Purchaser may deem reasonably necessary to enable the Purchaser to carry on the Business upon Closing. The Vendor shall take all such actions as are within its power to control, and use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, to assist the Purchaser in obtaining any such Licenses.

### **4.2 Interim Period Covenants of the Purchaser**

The Purchaser hereby covenants as set out in this Section 4.2.

#### **4.2.1 Actions to Satisfy Closing Conditions**

During the Interim Period, the Purchaser shall take all such actions as are within its power to control, and use its best efforts to cause other actions to be taken which are not within its power to control, to ensure compliance with all of the conditions set out in Section 5.2, including ensuring that during the Interim Period and at the Closing Time, there is no incorrectness in or breach of any of its representations and warranties.

#### **4.2.2 Notice of Untrue Representation and Warranty**

During the Interim Period, the Purchaser shall promptly notify the Vendor in writing upon any representation or warranty made by it contained in this Agreement or any Closing Document becoming untrue or incorrect. Any such notification will set out particulars of the untrue or incorrect representation or warranty and details of any actions being taken by the Purchaser to rectify the matter. Notifying the Vendor will not relieve the Purchaser of its obligations under Subsection 4.2.1.

### **4.3 Additional Interim Period Covenants of the Parties**

Each Party hereby covenants as set out in this Section 4.3.

#### **4.3.1 Confidentiality**

During the Interim Period and for a period of two (2) years from the Closing Date, each Party shall keep confidential the terms and conditions of this Agreement and any trade secrets, know-how or confidential, personal or proprietary information (including Personal Information) and any financial or business documents or information (collectively, the "Information") received by it from the other Party and the receiving Party shall not disclose any Information to any third party, it being understood that the Purchaser may disclose Information to the Purchaser's Advisors. The Purchaser shall use its reasonable efforts to ensure that the Purchaser's Advisors keep confidential any Information disclosed to them. A Party will not be liable for disclosure of any Information contemplated by this Agreement if:

- (i) the Information becomes generally known in the industry to which the Business is related or to the public generally other than through a breach of this Agreement;
- (ii) the Information is lawfully obtained from a third party without breach of this Agreement by that Party;
- (iii) in the case of the Purchaser only, the Information was known to the Purchaser prior to its disclosure by the Vendor or the Corporation;
- (iv) subject to clause 4.3.1(b), the Information is required to be disclosed under Applicable Laws;
- (v) in respect of Information that is not Personal Information, the disclosing Party provided its prior written consent to the disclosure of that Information; or
- (vi) in respect of Information that is Personal Information, the individual(s) to whom that Personal Information pertains consented to the disclosure of that Personal Information.

If a Party or any of its Representatives is requested or required by Applicable Laws to disclose any Information, that Party shall, without unreasonable delay, notify the other Party of the request or

requirement before any disclosure is made and provide the other Party with a reasonable opportunity to seek an appropriate protective order.

If this Agreement is terminated in accordance with its provisions or if the transactions contemplated by this Agreement are not completed for a reason other than a breach of this Agreement by the Vendor, each Party shall:

- a. use its reasonable efforts to ensure that all Information provided to it and all copies thereof are either destroyed or returned to the other Party if the other Party so requests so that, so far as possible, no Information is disseminated beyond those persons concerned with the subject matter of this Agreement; and
- b. not, directly or indirectly, use for its own purposes, any Information disclosed under this Agreement.

#### **4.3.2 Regulatory Approvals**

Each Party, as promptly as practicable after the date of this Agreement, shall make all reasonable efforts to obtain, at or prior to the Closing Time, all Regulatory Approvals, and shall, in the prescribed manner and within the prescribed time, make all other filings with and give all other notices to any Governmental Authority that are required in connection with the lawful completion of the transactions contemplated by this Agreement or to maintain all rights and benefits of the Corporation under any Contract, Order or License after Closing. The Parties shall co-operate fully in good faith with each other and their respective Representatives for the purposes of those Regulatory Approvals, filings and notifications, and the Parties will share equally all filing fees incurred in connection therewith. The Parties shall negotiate in good faith if reasonably necessary to effect any of the Regulatory Approvals, whether before or after Closing, to recharacterize and/or reform the mechanics of this Agreement subject to the requirements of applicable laws, rules, or regulations. A Party shall not make any filing or submission without first providing to the other Party a copy of that filing or submission in draft form and giving the other Party a reasonable opportunity to discuss its content before it is provided to the relevant Governmental Authority. The Party seeking to make a filing or submission shall then consider and take into account any and all reasonable comments timely made by the other Party and revise the draft filing or submission accordingly.

#### **4.3.3 Cooperation**

The Parties shall co-operate fully in good faith with each other and their respective Representatives in connection with any steps required to be taken as part of their respective obligations under this Agreement.

#### **4.3.4 Services Agreement**

The Corporation and the Purchaser shall enter into a management services agreement in substantially the form attached hereto as Schedule 4.3.4 (the “**Services Agreement**”) dated effective the date that the Vendor receives shareholder approval for the transactions contemplated hereby (“**Vendor Shareholder Approval**”).

#### **4.3.5 Cash Transfer**

The Corporation shall pay to the order of the Purchaser the sum of \$1,300,000 in immediately available cash forthwith following receipt of the Vendor Shareholder Approval.

### **4.4 Post-Closing Covenants of the Parties**

Each Party hereby covenants as set out in this Section 4.4.

#### **4.4.1 Tax Matters**

- (a) The Vendor shall cause the Corporation to prepare and file in a timely fashion all Tax Returns required under any applicable Tax Legislation to be filed by it for (i) any period ending on or before the Closing Date (including as a consequence of the Closing) and for which Tax Returns have not been filed as of that date; and (ii) any period beginning prior to the Closing Date and ending after the Closing Date (collectively, the “**Stub Period Returns**”). The Vendor and the Purchaser shall co-operate fully in good faith with each other and make available to each other in a timely fashion any information in their respective possession and that is reasonably required for the preparation and filing of the Stub Period Returns, and shall preserve that information in their respective possession until the expiration of any applicable limitation period under any applicable Tax Legislation. The Vendor shall provide to the Purchaser for its review and

approval a copy of the Stub Period Returns prior to filing and the Purchaser will have the opportunity to fully comment on those Stub Period Returns prior to filing. Purchaser shall be responsible for filing tax returns under any applicable Tax Legislation for the year in which the Closing Date occurs.

- (b) From and after the Closing Date, the Purchaser shall cause the Corporation to retain, until the expiration of any applicable limitation period under any applicable Tax Legislation, all Books and Records relating to any period ending on or before the Closing Date (including as a consequence of the Closing) and that are reasonably required for the purpose of the preparation and filing of the Stub Period Returns and for the purpose of contesting any assessment or reassessment for Tax in accordance with Article 8. So long as those Books and Records are retained by the Corporation under the provisions of this Agreement, the Vendor may inspect, at the expense of the Vendor, during normal business hours and upon reasonable notice, those Books and Records that are reasonably required for the purpose of the preparation and filing of the Stub Period Returns and for the purpose of contesting any assessment or reassessment for Tax in accordance with Article 8.
  
- (c) After Closing, the Purchaser shall cause the Corporation to co-operate in a reasonable manner with the Vendor and its Representatives for the purposes of the preparation of the Vendor's accounts and Tax Returns and in providing any information in the possession of the Corporation and that is reasonably required for those purposes. Without limiting the generality of the foregoing, the Purchaser shall, upon reasonable notice, cause the Corporation to provide the Vendor and its Representatives reasonable access during normal business hours to those Books and Records in the possession of the Corporation that are reasonably required for the preparation of the Vendor's accounts and Tax Returns together with the assistance of those employees of the Corporation that the Vendor may reasonably request, it being understood that the Vendor shall pay proper and reasonable compensation to the for the assistance of any of those employees.

## Article 5

### CONDITIONS OF CLOSING

#### **5.1 Conditions for the Benefit of the Purchaser**

The transactions contemplated by this Agreement, including the sale and purchase of the Purchased Shares, are subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the conditions in this Section 5.1, each of which is for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole discretion.

##### **5.1.1 Representations, Warranties and Covenants of the Vendor**

- (a) All representations and warranties of the Vendor contained in this Agreement or in any Closing Document will have been true and correct on the date of this Agreement and will be true and correct at the Closing Time with the same force and effect as if those representations and warranties had been made at and as of that time, and the Vendor will have executed and delivered a certificate to that effect. The receipt of this certificate and the Closing will not constitute a waiver (in whole or in part) by the Purchaser of, any of the representations and warranties of the Vendor contained in this Agreement or in any Closing Document. Upon the delivery of this certificate, the representations and warranties of the Vendor in Section 3.1 will be deemed to have been made at and as of the Closing Time with the same force and effect as if made at and as of that time.
- (b) The Vendor will have performed or complied with all obligations and covenants contained in this Agreement or in any Closing Document to be performed or complied with by it at or prior to the Closing Time, and the Vendor will have executed and delivered a certificate to that effect. The receipt of this certificate and the Closing will not constitute a waiver (in whole or in part) by the Purchaser of any of the covenants or obligations of the Vendor contained in this Agreement or in any Closing Document.

- (c) The Corporation shall have delivered \$1,300,000 to the Purchaser pursuant to Subsection 4.3.5.
- (d) The parties shall have entered into the Services Agreement.

### **5.1.2 Deliveries of the Vendor**

At the Closing Time, the Vendor will have delivered to the Purchaser the following in form and substance satisfactory to the Purchaser acting reasonably:

- (i) certified copies of (i) the articles and by-laws of the Corporation, (ii) resolutions of the shareholders or directors of the Corporation authorizing the entering into and completion of the transactions contemplated by this Agreement, and (iii) a list of the directors or officers of the Corporation authorized to sign agreements together with their specimen signatures;
- (ii) certificates of status, compliance, good standing or like certificate with respect to each of the Corporation, issued by the appropriate Governmental Authority in their respective jurisdictions of incorporation;
- (iii) the certificates referred to in paragraphs 5.1.1(a) and 5.1.1(b);
- (iv) an opinion of counsel to the Vendor and the Corporation, dated the Closing Date in form and substance satisfactory to the Purchaser;
- (v) non-competition, non-solicitation and confidentiality agreements duly executed by the Vendor with the Purchaser and the Corporation, in form and substance acceptable to the Purchaser;
- (vi) releases in favor of the Purchaser and the Corporation from the Vendor with respect to all claims against the Corporation up to the Closing Time, substantially in the form of the release in Exhibit A;
- (vii) the corporate seal, shareholders' minute book and share certificate book and registers of the Corporation and all other Books and Records; and



- (viii) all other documentation and evidence reasonably requested by the Purchaser in order to establish the due authorization and completion of and effectively implement the transactions contemplated by this Agreement.

Upon the later to occur of OLCC Approval and City of Portland Approval, the Vendor will deliver or cause to be delivered to the Purchaser the following in form and substance satisfactory to the Purchaser acting reasonably:

- (i) in addition to the share certificates representing the Purchased Shares required under Subsection 6.2(i), evidence that all necessary steps and proceedings to permit the Purchased Shares to be transferred to the Purchaser or its nominee(s) have been taken.

#### **5.1.3 No Material Adverse Change or Effect**

Since the date of this Agreement there will have been no Material Adverse Change or Material Adverse Effect.

#### **5.1.4 No Legal Proceedings**

No Order will have been made and no Legal Proceeding will have been commenced or will be pending or threatened against either Party, the Corporation (i) for the purpose of enjoining, restricting or prohibiting the completion of the transactions contemplated by this Agreement or (ii) the possible outcome of which could prohibit or restrict the Corporation from carrying on the Business in the ordinary course after Closing.

#### **5.1.5 Due Diligence**

The Purchaser will have completed its investigation into the Corporation, the Business, the Books and Records, the Vendor's title to the Purchased Shares and all other matters relating to its purchase of the Purchased Shares and that investigation will not have disclosed any matter which the Purchaser, acting reasonably, considers to be materially adverse to the Corporation, the Business or the Purchaser's decision to acquire the Purchased Shares.

## **5.2 Conditions for the Benefit of the Vendor**

The transactions contemplated by this Agreement, including the sale and purchase of the Purchased Shares, are subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the conditions in this Section 5.2, each of which is for the exclusive benefit of the Vendor and may be waived, in whole or in part, by the Vendor in its sole discretion.

### **5.2.1 Representations, Warranties and Covenants of the Purchaser**

- (a) All representations and warranties of the Purchaser contained in this Agreement or in any Closing Document will have been true and correct in all material respects on the date of this Agreement and will be true and correct in all material respects at the Closing Time with the same force and effect as if those representations and warranties had been made at and as of that time, and the Purchaser will have executed and delivered a certificate of an authorized senior officer of the Purchaser to that effect. The receipt of this certificate and the Closing will not constitute a waiver (in whole or in part) by the Vendor of any of the representations and warranties of the Purchaser contained in this Agreement or in any Closing Document. Upon the delivery of this certificate, the representations and warranties of the Purchaser in Section 3.2 will be deemed to have been made at and as of the Closing Time with the same force and effect as if made at and as of that time.
  
- (b) The Purchaser will have performed or complied with, in all material respects, all obligations and covenants contained in this Agreement or in any Closing Document to be performed or complied with by it at or prior to the Closing Time, and the Purchaser will have executed and delivered a certificate of an authorized senior officer of the Purchaser to that effect. The receipt of this certificate and the Closing will not constitute a waiver (in whole or in part) by the Vendor of any of the covenants or obligations of the Purchaser contained in this Agreement or in any Closing Document.

### **5.2.2 Deliveries of the Purchaser**

At the Closing Time, the Purchaser will have delivered to the Vendor the following in form and substance satisfactory to the Vendor, acting reasonably:

- (i) certified copies of (i) the articles and extracts from the by-laws of the Purchaser relating to the execution of documents, and (ii) resolutions of the board of directors and/or shareholders of the Purchaser authorizing the entering into and completion of the transactions contemplated by this Agreement;
- (ii) the certificates referred to in paragraphs 5.2.1(a) and 5.2.1(b)
- (iii) non-competition, non-solicitation and confidentiality agreements duly executed by the Purchaser and the Corporation with the Vendor, in form and substance acceptable to the Purchaser; and
- (iv) all other documentation and evidence reasonably requested by the Vendor in order to establish the due authorization and completion of and effectively implement the transactions contemplated by this Agreement.

### **5.2.3 No Legal Proceedings**

No Order will have been made and no Legal Proceeding will have been commenced or will be pending or threatened against either Party, the Corporation (i) for the purpose of enjoining, restricting or prohibiting the completion of the transactions contemplated by this Agreement or (ii) the possible outcome of which could adversely affect the title of the Vendor to the Purchased Shares or the ability of the Vendor to enter into and perform its obligations under this Agreement.

### **5.3 Waiver of Conditions**

Either Party may waive, in whole or in part, at any time by notice in writing to the other Party, any condition in Section 5.1 or Section 5.2 which is for its benefit. No waiver by a Party of any condition, in whole or in part, will operate as a waiver of any other condition or of that Party's rights of termination in the event of non-fulfilment of any other condition, in whole or in part. The waiver, in whole or in part, by a Party of any condition requiring the accuracy of a

representation or warranty will be without prejudice to the right of that Party to indemnification under Article 8 based upon that representation or warranty or covenant.

#### **5.4 Conditions Precedent**

The transactions contemplated by this Agreement, including the sale and purchase of the Purchased Shares, are subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the conditions in this Article 5, which are true condition precedents to the Closing.

#### **5.5 Damage or Expropriation**

If, prior to the Closing Time, all or any part of the property or assets of the Corporation are destroyed or damaged by fire or any other hazard or are expropriated or seized by any Governmental Authority, the Purchaser will have the option, exercisable by notice in writing to the Vendor given prior to the Closing Date:

- (a) to not complete the transactions contemplated by this Agreement, in which case this Agreement will terminate immediately upon the Purchaser giving notice as required under this Section 5.5, except that each Party's respective obligations under Subsection 4.3.1, Section 9.2, Section 9.4 and Section 9.5 will continue indefinitely;
- (b) to complete the transactions contemplated by this Agreement with a reduction of the Purchase Price by an amount equal to the cost of repair, or, if destroyed or damaged beyond repair, by an amount equal to the replacement cost of the property or assets so damaged or destroyed, after taking into account all proceeds of any insurance or compensation for that damage or destruction received by the Corporation; or
- (c) to complete the transactions contemplated by this Agreement without a reduction of the Purchase Price, in which case (i) all proceeds of any insurance (other than business interruption insurance as provided in (ii) below) or compensation for expropriation or seizure will be retained by the Corporation, and (ii) all proceeds of any business interruption insurance which compensates

for business lost during the Interim Period less the sum of all deductibles on all other insurance will be paid to the Vendor immediately upon receipt.

## **Article 6**

### **CLOSING ARRANGEMENTS**

#### **6.1 Date, Place and Time of Closing**

The Closing will take place remotely via the exchange of documents and signatures at the Closing Time at the offices of Pushor Mitchell LLP, 301 - 1665 Ellis Street, Kelowna, British Columbia V1W 3E9, or at such other place, on such other date and at such other time as may be agreed upon in writing by the Parties.

#### **6.2 Deliveries at the Closing**

At the Closing Time, subject to satisfaction of all the conditions in Article 5 that have not been waived in writing by the Purchaser or the Vendor, as applicable,

- (i) the Vendor shall deliver to the Escrow Agent share certificates representing the Purchased Shares, to be delivered to the Purchaser upon the later of Closing, OLCC Approval, and City of Portland Approval;
- (ii) the Vendor shall deliver those Closing Documents as are required to be delivered by the Vendor or Vendor's counsel under this Agreement;
- (iii) the Purchaser shall deliver those Closing Documents as are required to be delivered by the Purchaser or Purchaser's counsel under this Agreement; and
- (iv) the Purchaser shall deliver to the Vendor share certificates (or other evidence of issuance) representing the Consideration Shares.

## **Article 7**

### **TERMINATION**

#### **7.1 Termination Rights**

- (a) Subject to Section 7.2, this Agreement may be terminated by notice in writing given to the other Party at or prior to the Closing Time:
  - i. by the Purchaser if there has been a material breach of this Agreement by the Vendor and that breach has not been waived by the Purchaser;
  - ii. by the Vendor if there has been a material breach of this Agreement by the Purchaser and that breach has not been waived by the Vendor;
  - iii. by the Purchaser if any of the conditions in Section 5.1 has not been satisfied at the Closing Time, or if it becomes apparent that any such condition cannot be satisfied at or prior to the Closing Time, and the Purchaser has not waived that condition at or prior to the Closing Time;  
or
  - iv. by the Vendor if any of the conditions in Section 5.2 has not been satisfied at the Closing Time, or if it becomes apparent that any such condition cannot be satisfied at or prior to the Closing Time, and the Vendor has not waived that condition at or prior to the Closing Time.
- (b) This Agreement may be terminated by notice in writing given by the Purchaser to the Vendor in the circumstances and upon the terms set out in Section 5.5.
- (c) This Agreement may be terminated by mutual written agreement of the Vendor and the Purchaser upon the terms of that agreement.

#### **7.2 Effect of Exercise of Termination Rights**

If a Party exercises its right of termination under Section 7.1(a), immediately upon the Party giving notice as required under Section 7.1(a) the Parties will be discharged from any further obligations under this Agreement, except that:

- (a) each Party's respective obligations under Subsection 4.3.1, Section 9.2, Section 9.4 and Section 9.5 will continue indefinitely; and
- (b) if a Party exercises its right of termination under Section 7.1(a) because of a material breach of this Agreement by the other Party or because a condition for the benefit of the terminating Party has not been satisfied because the other Party failed to perform any of its obligations or covenants under this Agreement, any rights, remedies or causes of action the terminating Party may have based upon the other Party's breach will continue unimpaired.

### **7.3 Termination if Conditions Precedent Not Satisfied**

If any of the conditions precedent in Article 5 has not or will not have been satisfied at or prior to the Closing Time, this Agreement will terminate and the Parties will be discharged from any further obligations under this Agreement, except that:

- (i) each Party's respective obligations under Subsection 4.3.1, Section 9.2, Section 9.4 and Section 9.5 will continue indefinitely; and
- (ii) if any of the conditions precedent in Article 5 has not or will not have been satisfied at or prior to the Closing Time because a Party failed to perform any of its obligations or covenants under this Agreement, any rights, remedies or causes of action the other Party may have based upon the first Party's breach will continue unimpaired.

## **Article 8**

### **SURVIVAL AND INDEMNIFICATION**

#### **8.1 Survival of Representations, Warranties and Covenants**

- (a) The representations and warranties of each Party contained in this Agreement and in the certificates to be delivered under clauses 5.1.1(a) and 5.2.1(a) and in any other Closing Document will not merge on and will survive the Closing and will continue in full force and effect, notwithstanding the Closing or any investigation or knowledge acquired by or on behalf of the other Party.

- (b) The covenants of each Party contained in this Agreement and in any Closing Document will survive the Closing and, notwithstanding the Closing, will continue in full force and effect for the benefit of the other Party in accordance with the terms of this Agreement or that Closing Document, as the case may be.

## **8.2 Indemnification by the Vendor**

- (a) Subject to Section 8.4, the Vendor shall indemnify and save each of the Purchaser's Indemnified Persons fully harmless against, and will reimburse them for, any Damages suffered by or asserted against it or any of them, directly or indirectly, arising from, in connection with or related to:
  - (i) any incorrectness in or breach of any representation or warranty of the Vendor contained in this Agreement or in the certificate to be delivered under clause 5.1.1(a) or in any other Closing Document;
  - (ii) any breach or non-fulfilment of any covenant or obligation on the part of the Vendor contained in this Agreement or in any Closing Document;
  - (iii) defects or deficiencies in any product manufactured or distributed or any services provided by the Corporation, in whole or in part, prior to the Closing Date;
  - (iv) any failure by the Vendor to transfer to the Purchaser good and valid title to the Purchased Shares, free and clear of all Liens;
  - (v) any Third Party Claim against the Corporation instituted prior to or after the Closing Time which is based on an act or omission of the Vendor or the Corporation that occurred or commenced prior to the Closing Time;
  - (vi) all debts or liabilities, contingent or otherwise, of the Corporation existing at the Closing Date, except to the extent that those debts or liabilities were disclosed in this Agreement.
- (b) The rights to indemnification of the Purchaser's Indemnified Persons under this Section 8.2 will apply notwithstanding (i) the Closing, (ii) the delivery of the certificates under clauses 5.1.1(a) and 5.1.1(b); or (iii) any investigation or



knowledge acquired by or on behalf of any of the Purchaser's Indemnified Persons prior to the Closing.

### **8.3 Indemnification by the Purchaser**

- (a) Subject to Section 8.4, the Purchaser shall indemnify and save the Vendor fully harmless against, and will reimburse them for, any Damages suffered by or asserted against it or any of them arising from, in connection with or related to:
  - (i) any incorrectness in or breach of any representation or warranty of the Purchaser contained in this Agreement or in the certificate to be delivered under clause 5.2.1(a) or in any other Closing Document; and
  - (ii) any breach or non-fulfilment of any covenant or obligation on the part of the Purchaser contained in this Agreement or in any Closing Document.
- (b) The rights to indemnification of the Vendor under this Section 8.3 will apply notwithstanding (i) the Closing, (ii) the delivery of the certificates under clauses 5.2.1(a) and 5.2.1(b); or (iii) any investigation or knowledge acquired by or on behalf of any of the Vendor prior to the Closing.

### **8.4 Time Limits for Claims for Breaches of Representations and Warranties**

- (a) The Vendor has no obligation to make any payment for Damages in respect of a claim (for indemnification or otherwise) under clause 8.2(a)(i) unless written notice of that claim is delivered to the Vendor under Section 8.6 on or before the following dates:
  - (i) with respect to the representations and warranties set out in Subsection 3.1.1, Subsection 3.1.2, Subsection 3.1.3, Subsection 3.1.4, Subsection 3.1.5, Subsection 3.1.6, Subsection 3.1.7, Subsection 3.1.8, Subsection 3.1.9 and Subsection 3.1.10 and the corresponding representations and warranties contained in the certificate to be delivered under clause 5.1.1(a), at any time after the Closing Date;

- (ii) with respect to the representations and warranties set out in Subsection 3.1.37 and the corresponding representations and warranties set out in the certificate to be delivered under clause 5.1.1(a), on or before the date on which the last applicable limitation period under any applicable Tax Legislation expires with respect to any taxation year to which those representations and warranties relate;
- (iii) with respect to any representation or warranty involving the fraudulent act or fraudulent misrepresentation of the Vendor, the Corporation, at any time after Closing; and
- (iv) with respect to all other representations and warranties, on or before the date that is two (2) years after the Closing Date.

The Vendor will have no further liability with respect to any representation or warranty made by the Vendor in this Agreement or in the certificate to be delivered under clause 5.1.1(a) or in any other Closing Document after the expiry of the applicable time period specified in this Section 8.4(a), except for claims relating to representations or warranties for which written notice has been given under Section 8.6 at or prior to the end of the applicable time period. This Section 8.4(a) will not be construed to impose any time limit on the assertion of a right to indemnification under clauses 8.2(a)(ii) through 8.2(a)(vii), whether or not the basis on which the right is asserted could also entitle any of the Purchaser's Indemnified Persons to exercise its right under clause 8.2(a)(i).

- (b) The Purchaser has no obligation to make any payment for Damages in respect of a claim (for indemnification or otherwise) under clause 8.3(a)(i) unless notice of that claim is delivered to the Purchaser under Section 8.6 on or before the following dates:
  - (i) with respect to the representations and warranties set out in Subsection 3.2.1, Subsection 3.2.2, Subsection 3.2.3 and Subsection 3.2.4 and the corresponding representations and warranties contained in the certificate to be delivered under clause 5.2.1(a), at any time after the Closing Date;

- (ii) with respect to any representation or warranty involving the fraudulent act or fraudulent misrepresentation of the Purchaser, at any time after Closing; and
- (iii) with respect to all other representations and warranties, on or before the date that is two (2) years after the Closing Date.

The Purchaser will have no further liability with respect to any representation or warranty made by the Purchaser in this Agreement or in the certificate to be delivered under clause 5.2.1(a) or in any other Closing Document after the expiry of the applicable time period specified in this Section 8.4(b) except for claims relating to representations or warranties for which written notice has been given under Section 8.6 at or prior to the end of the applicable time period. This Section 8.4(b) will not be construed to impose any time limit on the assertion of a right to indemnification under clause 8.3(a)(ii), whether or not the basis on which the right is asserted could also entitle the Vendor to exercise its right under clause 8.3(a)(i).

#### **8.5 Limitation Periods**

Notwithstanding the provisions of the *Limitation Act, (British Columbia)* or any other statute, an Indemnified Person may commence Legal Proceedings in respect of Damages arising from any incorrectness in or breach of any representation and warranty of the Indemnifier described in a notice of claim given under Section 8.6 within the time periods in Section 8.4, at any time on or before the second anniversary of the date upon which the notice is delivered under Section 8.4, and any applicable limitation period is hereby so varied to the full extent permitted by law.

#### **8.6 Notice of Claim**

- (a) If a Third Party Claim is instituted or asserted against an Indemnified Person, the Indemnified Person shall promptly notify the Indemnifier in writing of the Third Party Claim. The notice will describe the Third Party Claim in reasonable detail and indicate, if reasonably practicable, the nature and amount of the potential Damages arising therefrom.
- (b) If an Indemnified Person becomes aware of a Direct Claim, the Indemnified Person shall promptly notify the Indemnifier in writing of that Direct Claim. The

notice will describe the Direct Claim in reasonable detail and indicate, if reasonably practicable, the nature and amount of the potential Damages arising therefrom.

- (c) Notice to an Indemnifier of a Third Party Claim or Direct Claim under this Section 8.6 will constitute assertion of a claim for indemnification against the Indemnifier under this Article 8 and upon receipt of notice, the provisions of Sections 8.7 to 8.9 will apply to any Third Party Claim and the provisions of Section 8.10 will apply to any Direct Claim.
- (d) Failure by an Indemnified Person to give timely notice of a Third Party Claim or Direct Claim will not relieve an Indemnifier from the obligation to indemnify the Indemnified Person, unless the Indemnified Person gives notice after the expiration of the time periods under Section 8.4 or the failure to notify materially prejudices the ability of the Indemnifier to exercise its rights under Sections 8.7 to 8.9 with respect to a Third Party Claim.

## **8.7 Defence of Third Party Claims**

With respect to a Third Party Claim, the Indemnifier may participate in or, by giving notice to that effect to the Indemnified Person not later than 60 days after receipt of notice with respect to that Third Party Claim and, subject to the rights of any insurer or other third party having potential liability therefor, elect to assume the control of the defence of the Third Party Claim at the Indemnifier's own expense and by the Indemnifier's own counsel, and the Indemnified Person may participate in the defence of any Third Party Claim assisted by counsel of its choice at its own expense. If the Indemnifier does not give notice within 60 days after receipt of notice of the Third Party Claim that it has elected to assume the control of the defence of the Third Party Claim, the Indemnified Person may, at its option and assisted by counsel of its choice, assume the defence of or settle or compromise the Third Party Claim without prejudice to its right of indemnification under this Agreement. If the Indemnifier elects to assume the defence of a Third Party Claim under this Section 8.7, the Indemnifier shall not have the right thereafter to contest its liability for that claim with respect to the Indemnified Person.

## **8.8 Assistance for Third Party Claims**

The Indemnifier and the Indemnified Person shall make all reasonable efforts to make available to the Party which is undertaking and controlling the defence of any Third Party Claim (the “**Defending Party**”),

- (i) those employees whose assistance, testimony or presence is necessary to assist the Defending Party in evaluating and in defending any Third Party Claim; and
- (ii) all documents, records and other materials in the possession of that Party reasonably required by the Defending Party for its use in defending any Third Party Claim,

and shall otherwise co-operate in good faith with the Defending Party. The Indemnifier shall be responsible for all reasonable expenses associated with making those documents, records and materials available and for all reasonable expenses of any employees made available by the Indemnified Person to the Indemnifier hereunder.

## **8.9 Settlement of Third Party Claims**

- (a) If an Indemnifier elects to assume the defence of any Third Party Claim as provided in Section 8.7, the Indemnifier shall diligently proceed with the defence and shall not, without the prior written consent of the Indemnified Person, not to be unreasonably withheld, enter into any compromise or settlement of the Third Party Claim or consent to the entry of any judgment, which would lead to liability or create any other obligation, financial or otherwise, on the Indemnified Person.
- (b) If an Indemnifier elects to assume the defence of any Third Party Claim as provided in Section 8.7, the Indemnifier will not be liable for any legal expenses subsequently incurred by the Indemnified Person in connection with the defence of that Third Party Claim. However, if the Indemnifier fails to take reasonable steps necessary to defend diligently that Third Party Claim within 30 days after receiving notice from the Indemnified Person that the Indemnified Person believes on reasonable grounds that the Indemnifier has failed to take

reasonable steps, the Indemnified Person may, at its option and assisted by counsel of its choice, defend, settle or compromise the Third Party Claim without prejudice to its right of indemnification hereunder, it being understood that the Indemnified Person shall not, without the prior written consent of the Indemnifier, not to be unreasonably withheld, enter into any compromise or settlement of the Third Party Claim or consent to the entry of any judgment. The Party controlling the defence of the Third Party Claim shall keep the other Party advised of the defence of the Third Party Claim and consider in good faith recommendations made by the other Party with respect thereto.

#### **8.10 Direct Claims**

With respect to a Direct Claim, the Indemnified Person shall give notice of the Direct Claim to the Indemnifier as provided in Section 8.6. Upon receipt of that notice, the Indemnifier will then have a period of 60 days within which to respond in writing to the Direct Claim. The Indemnified Person shall make available to the Indemnifier the information relied upon by the Indemnified Person to substantiate its right to be indemnified, together with all other information as may be reasonably requested by the Indemnified Person. If the Indemnifier does not respond within that 60 day period, the Indemnifier will be deemed to have rejected that Direct Claim and the Indemnified Person may pursue any remedies available to it.

#### **8.11 Insurance**

If the Indemnified Person maintains an insurance policy that covers any Direct Claims or Third Party Claims for which indemnification from an Indemnifier is sought under this Article 8, the Indemnified Person shall take all reasonable steps to file all appropriate claims for coverage.

#### **8.12 Reductions and Subrogation**

If the amount of Damages incurred by an Indemnified Person at any time subsequent to the making of an Indemnity Payment is reduced by any recovery, settlement or otherwise under any insurance coverage or under any claim, recovery, settlement or payment by or against any other Person, the Indemnified Person shall promptly repay to the Indemnifier the amount of the reduction (less any costs, expenses (including Taxes) or premiums incurred in connection

therewith). Upon making a full Indemnity Payment, the Indemnifier will, to the extent of that Indemnity Payment, be subrogated to all rights of the Indemnified Person against any third party that is not an Affiliate of the Indemnified Person in respect of the Damages to which the Indemnity Payment relates. Until the Indemnified Person recovers full payment of its Damages, any and all claims of the Indemnifier against any such third party on account of that Indemnity Payment will be postponed and subordinated in right of payment to the Indemnified Person's rights against that third party.

#### **8.13 Tax Effect**

If any Indemnity Payment received by an Indemnified Person would constitute taxable income to that Indemnified Person, the Indemnifier shall pay to the Indemnified Person at the same time and on the same terms, as to interest and otherwise, as the Indemnity Payment an additional amount sufficient to place the Indemnified Person in the same after Tax position as it would have been if the Indemnity Payment had been received tax free.

#### **8.14 Payment and Interest**

All amounts to be paid by an Indemnifier under this Article 8 will bear interest at a rate per annum equal to the Prime Rate, calculated and payable monthly, both before and after judgment, with interest on overdue interest at the same rate, from the date that the Indemnified Person gave notice of a claim under Section 8.6 to the date of payment by the Indemnifier to the Indemnified Person.

#### **8.15 Agency for Indemnified Persons**

The Purchaser accepts each indemnity made by the Vendor under this Article 8 in favour of each of the Purchaser's Indemnified Persons as agent and trustee of that Indemnified Person and may enforce an indemnity in favour of any of the Purchaser's Indemnified Persons on behalf of that Indemnified Person.

#### **8.16 Set-Off**

The Purchaser may set off and deduct from any amounts payable by the Purchaser to the Vendor under this Agreement the amount of any Damages for which the Purchaser is entitled to be

indemnified by the Vendor under this Article 8. To assert its right to set-off under this Section 8.16, the Purchaser must, in the written notice of claim to be provided to the Vendor under Section 8.6, notify the Vendor of its claim for set off. If, at the time an amount becomes due and payable by the Purchaser to the Vendor, the Purchaser has so notified the Vendor, the Purchaser may set off the amount of Damages referred to in the written notice of claim from the amount payable to the Vendor.

### **8.17 Exclusive Remedies**

Except as provided in this Section 8.17, if the Closing occurs, the indemnities provided in Section 8.2 and Section 8.3 will, notwithstanding Section 9.7, constitute the only remedy of the Purchaser (or any of the Purchaser's Indemnified Persons) or the Vendor, respectively, against a Party in respect of a breach of any representation, warranty, covenant or agreement of that Party under this Agreement. However, if after Closing a Party makes a claim for indemnification in accordance with Section 8.2 or Section 8.3, as the case may be, and the other Party refuses to make payment for Damages or otherwise provide satisfaction in respect of that claim, then the Party making the claim for indemnification may bring a Legal Proceeding to seek a remedy for that refusal. The Purchaser may exercise its rights under Section 5.5 and Section 8.16 and the Parties may exercise their rights under Article 7 and Section 9.5. The Parties acknowledge that the failure to comply with a covenant or obligation contained in this Agreement or in any Closing Document may give rise to irreparable injury to a Party inadequately compensable in damages. Accordingly, a Party may seek to enforce the performance of this Agreement by injunction or specific performance upon application to a court of competent jurisdiction without proof of actual damage (and without the requirement of posting a bond or other security). Each Party expressly waives, from and after the Closing, any other remedies whatsoever, whether at law or in equity, which it would otherwise be entitled to as against a Party.

## **Article 9**

### **MISCELLANEOUS**

#### **9.1 Notices**

- (a) Any notice, direction or other communication (in this Section 9.1, a "**notice**") regarding the matters contemplated by this Agreement must be in writing and



delivered personally, sent by courier or transmitted by facsimile or by email, as follows:

- (i) in the case of the Vendor, to:

Ventura Cannabis and Wellness Corp.  
c/o Chris Heath  
26565 W. Agoura Rd. Suite 200  
Calabasas, CA 91302  
Email: [cheath@convalohealth.com](mailto:cheath@convalohealth.com)

- (ii) in the case of the Purchaser, to:

c/o Vibe Bioscience Ltd.  
#214, 2505 – 17 Avenue SW  
Calgary, Alberta T3E 7V3  
Email: [markw@vibebycalifornia.com](mailto:markw@vibebycalifornia.com)

- (b) A notice is deemed to be delivered and received (i) if delivered personally, on the date of delivery if delivered prior to 5:00 p.m. (recipient's time) on a Business Day and otherwise on the next Business Day; (ii) if sent by same-day courier, on the date of delivery if delivered prior to 5:00 p.m. (recipient's time) on a Business Day and otherwise on the next Business Day; (iii) if sent by overnight courier, on the next Business Day; or (iv) if transmitted by facsimile or email, on the Business Day following the date of confirmation of transmission by the originating facsimile, in the case of transmission by facsimile, or the date on which the email is sent, in the case of transmission by email; provided that in the case of email, if an "out of office" or similar reply is received, delivery by email shall be deemed not to have occurred.
- (c) A Party may change its address for service from time to time by prior notice given in accordance with the foregoing provisions.

## 9.2 Public Announcements

No press release, public statement or announcement or other public disclosure regarding this Agreement or the transactions contemplated by this Agreement may be made prior to Closing without the prior written consent and joint approval of the Vendor and the Purchaser, except if

required by Applicable Laws or a Governmental Authority; if disclosure is required by Applicable Laws or a Governmental Authority, the Party that is required (or whose Affiliate may be required) to make the disclosure shall, without unreasonable delay, notify the other Party of the request or requirement before any disclosure is made and make all reasonable efforts to obtain the approval of the other Party as to the form, nature and extent of the disclosure. After the Closing, no press release, public statement or announcement or other public disclosure regarding this Agreement or the transactions contemplated by this Agreement may be made by the Vendor unless disclosure is required by Law or a Governmental Authority, in which case the Vendor shall make all reasonable efforts to obtain the approval of the Purchaser as to the form, nature and extent of the disclosure.

### **9.3 Further Assurances**

Each Party shall from time to time, before or after the Closing Time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered all further acts, documents and instruments as may be reasonably necessary or desirable in order to give full effect to this Agreement or any provision of it.

### **9.4 Costs and Expenses**

Unless otherwise specified, each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the transactions contemplated by it. Notwithstanding the foregoing, in the event that this Agreement is terminated by the Vendor for any reason other than pursuant to Sections 7.1(a)(ii) and 7.1(a)(iv) the Vendor shall immediately pay to the Purchaser a cash termination fee of \$250,000 and any additional rights, remedies or causes of action the Purchaser may have against the Vendor or the Corporation will continue unimpaired.

### **9.5 Brokers**

The Vendor shall indemnify and save harmless the Purchaser and the Corporation from and against any claims for any commission, fee or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted for the

Vendor or the Corporation. The Purchaser shall indemnify and save harmless the Vendor from and against any claims for any commission, fee or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted for the Purchaser. These indemnities are not subject to any of the limitations in Article 8.

**9.6 Waiver of Rights**

Any waiver of any of the provisions of this Agreement or any Closing Document will be binding only if it is in writing and signed by the Party to be bound by it, and only in the specific instance and for the specific purpose for which it has been given. The failure or delay of any Party in exercising any right under this Agreement will not operate as a waiver of that right. No single or partial exercise of any right will preclude any other or further exercise of that right or the exercise of any other right, and no waiver of any of the provisions of this Agreement or any Closing Document will constitute a waiver of any other provision (whether or not similar).

**9.7 Remedies Cumulative**

Unless otherwise specified, the rights and remedies of a Party under this Agreement are cumulative and in addition to and without prejudice to any other rights or remedies available to that Party at law, in equity or otherwise, and unless otherwise specified, no single or partial exercise by a Party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that Party may be entitled.

**9.8 Severability**

If any provision of this Agreement or its application to any Party or circumstance is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, it will be ineffective only to the extent of its illegality, invalidity or unenforceability without affecting the validity or the enforceability of the remaining provisions of this Agreement and without affecting its application to other parties or circumstances.

**9.9 Assignment**

The Purchaser may assign this Agreement or any of its rights, benefits or obligations under this Agreement to an Affiliate of the Purchaser prior to the Closing Date; provided, however, that any such assignment shall not relieve the obligation to deliver the Consideration Shares hereunder.

**9.10 Successors and Assigns**

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

**9.11 Third Parties**

Unless otherwise specified in Section 8.2 and Section 8.3, this Agreement does not and is not intended to confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns. Except for the Indemnified Persons, no Person other than the Parties will be entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum. The Parties reserve their right to vary or rescind, at any time and in any way whatsoever, the rights, if any, granted by or under this Agreement to any Person who is not a Party, without notice to or consent of that Person, including any Indemnified Person.

**9.12 Entire Agreement**

This Agreement, together with the Closing Documents, constitutes the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersedes all other understandings, agreements, representations (including misrepresentations, negligent or otherwise), negotiations, communications and discussions, written or oral, made by the Parties with respect thereto (including that letter of intent between the Parties dated August 14, 2020). There are no representations, warranties, terms, conditions, covenants or other understandings, express or implied, collateral, statutory or otherwise, between the Parties, except as expressly stated in this Agreement or any Closing Document. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement and the Closing Documents. If there is any conflict or inconsistency between the provisions of this Agreement and those in any Closing Document, the terms and conditions in this Agreement will govern.

**9.13 Amendment**

This Agreement may not be amended, supplemented or otherwise modified in any respect except by written agreement signed by the Parties.

**9.14 Governing Law; Attornment**

This Agreement will be construed, interpreted and enforced in accordance with the laws of the State of Oregon. Each Party irrevocably attorns and submits to the exclusive jurisdiction of the courts of Clackamas County, Oregon and irrevocably waives objection to the venue of any proceeding in those courts or that those courts provide an inconvenient forum.

**9.15 Counterparts and Delivery by Facsimile**

This Agreement may be executed in any number of counterparts (including counterparts by facsimile), each of which will be deemed to be an original and all of which, taken together, will be deemed to constitute one and the same instrument. Delivery by facsimile or by electronic transmission of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by facsimile or by electronic transmission shall also deliver an originally executed counterpart of this Agreement, but the failure to deliver an originally executed copy does not affect the validity, enforceability or binding effect of this Agreement.

{Remainder of Page Intentionally Left Blank, Signature Page Follows}

**THIS AGREEMENT** has been executed by the Parties on this 29<sup>th</sup> day of August 2020.

**VIBE BY CALIFORNIA INC.**

DocuSigned by:  
By: *Mark Waldron*  
8144024A955D4E0...  
Name: Mark Waldron

**VENTURA CANNABIS AND WELLNESS  
CORP.**

DocuSigned by:  
By: *Chris Heath*  
77FF64F6EA08456...  
Name: Chris Heath

**EXHIBIT "A"**  
**FORM OF RELEASE**

**TO: Portland Asset Holdings Corporation (the "Corporation")**

**AND TO: Vibe by California Inc. (the "Purchaser")**

---

Reference is made to the share purchase agreement dated as of August 1, 2020, between Ventura Cannabis and Wellness Corp. (the "**Undersigned**") and the Purchaser (the "**Share Purchase Agreement**"). Capitalized terms used herein and not otherwise described shall have the respective meanings ascribed to them in the Share Purchase Agreement.

Undersigned, on behalf of itself and its past, present and future affiliates, subsidiaries, successors and assigns (collectively, the "**Releasor**"), in consideration of the Purchaser entering into the Share Purchase Agreement and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, hereby, effective at the Closing Time, irrevocably and unconditionally releases and forever discharges the Corporation and its past, present and future affiliates, subsidiaries, successors and assigns and each of the past, present and future directors, shareholders, officers and employees of the foregoing (collectively, the "**Corporation Releasees**"), and the Purchaser and its past, present and future affiliates, subsidiaries, successors and assigns and each of the past, present and future directors, shareholders, officers and employees of the foregoing (collectively, the "**Purchaser Releasees**" and together with the Corporation Releasees, the "**Releasees**"), of and from all and any actions, manner of actions, suits, debts, dues, covenants, contracts, agreements, claims, costs, damages and demands (collectively, "**Claims**") of every nature and description whatsoever, at common law, contract, equity, statute or otherwise, whether known or unknown, suspected or claimed, matured or unmatured, contingent or otherwise, which the Releasor now has or ever had or hereafter can, shall or may have against the Releasees, or any of them, for or by reason of or in any way arising out of any cause, matter or thing existing up to the date hereof, save and except that this release shall not be effective to release the Releasees from any Claims, rights or entitlements that the Releasor may have, if any, in respect of any matters arising out of the Undersigned's capacity as a Vendor under the Share Purchase Agreement.

The Undersigned covenants and agrees that if it hereafter makes any Claim or commences or threatens to commence any Claim against any Releasee for or by reason of any cause, matter, Claim or action that, pursuant to this release, has been released by such party, this release may be raised as an estoppel and complete bar to any such Claim.

The Undersigned confirms and warrants that it has not transferred or assigned, nor entered into any agreement to transfer or assign, to any other person any Claim, or any interest in any Claim, held by the Undersigned or formerly held by the Undersigned, as applicable, in respect of any or all matters released by him, pursuant to the terms of this release.

The Undersigned covenants and agrees that it shall not commence, maintain or enforce or cause to be commenced, maintained or enforced any proceedings of any kind or nature whatsoever against any person as a result of any injury, loss or damage that the Undersigned may have suffered in respect of any or all matters released by them in this release, including proceedings against any person who has or might claim contribution or indemnity from the other, as applicable, whether pursuant to statute or otherwise.

The Undersigned declares that it fully understands the terms of this release and: (a) acknowledges and confirms that it has obtained independent legal advice in respect of this release, or, in the alternative, (b) acknowledges, confirms, and agrees that it was advised to seek, and has had the opportunity to seek and was not prevented nor discouraged by any Releasee from seeking independent legal advice prior to the execution and delivery of this release and that, in the event that the Undersigned did not avail itself of that opportunity prior to the signing of this release, it did so voluntarily and agrees that it's failure to obtain independent legal advice should not be used by it as a defence to the enforcement of this release.

The Undersigned acknowledges that in the event that any provision of this release, or part thereof, shall be found to be void or invalid by a court of competent jurisdiction, such void or invalid provision, or part thereof, shall be deemed to be severed from this release without in any way affecting the validity enforceability or effect of any of the remaining provisions, or parts thereof, which shall be and remain in full force and effect.

A copy of this Release delivered by electronic means and bearing a copy of the signature of the Undersigned shall for all purposes be treated and accepted as an original.

This release shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Each party irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of British Columbia and all courts competent to hear appeals from those courts in respect of any matter arising from or related to this Resignation and Release.

**THIS RESIGNATION AND RELEASE** is dated effective October 23, 2020.

**VENTURA CANNABIS AND WELLNESS  
CORP.**

By:

---

Name: Chris Heath



**SCHEDULE 3.1.8**

**Required Regulatory Approvals**

**Oregon Liquor Control Commission (OLCC) (Not transferrable; Purchaser will apply for its own OLCC license pursuant to a change of ownership request filed by Vendor)**

Type: Marijuana Retailer License & Home Delivery  
Identifier: CTS# 050-1014138FB3D  
Expiry: May 7, 2021

**City of Portland (Not transferrable; Purchaser will apply for its own City of Portland license)**

Type: Marijuana Retailer  
MRL#: 1386-20  
Expiry: May 8, 2021

**Oregon Department of Agriculture**

Type: Cannabis Retail Food Establishment  
Identifier: AG-L1060918A  
Expiry: June 30, 2021

**Portland Police Bureau**

Type: Alarm Security System  
Permit #: P162011

**SCHEDULE 3.1.22**

**Banking Information**

**[Vendor to provide]**

**SCHEDULE 3.1.26**

**Leases and Leased Property**

Property: 2407 SE 49 AVE, Portland, OR 97202

Base Rent: \$[Commercially Sensitive Information Redacted]

Expiry: July 1, 2021

Lease Agreement provided containing material terms.

**SCHEDULE 3.1.27**  
**Real Property Generally**

[Vendor to provide]

**SCHEDULE 3.1.29**  
**Material Contracts**

[Vendor to provide]

**SCHEDULE 3.1.30**  
**Employee Contracts**

[Vendor to provide]

**SCHEDULE 3.1.31**  
**Insurance Policies**

[Vendor to provide]

**SCHEDULE 4.1.34**

**Form of Services Agreement**

**(see attached)**

## SERVICES AGREEMENT

This Services Agreement (“**Agreement**”) is between **PORTLAND ASSET HOLDINGS CORPORATION** (“**Client**”) and **VIBE BY CALIFORNIA INC.** (“**Supplier**”) (Client and Supplier sometimes referred to individually each as a “**Party**” and collectively as the “**Parties**”).

### SECTION 1 SERVICES

Supplier will provide to Client the services and products set forth on Schedule A performed in accordance with the specifications set forth on Schedule 1 (the “**Services**”).

### SECTION 2 CONSIDERATION/BENEFITS

**Compensation.** Supplier will receive One Thousand Dollars (USD\$1,000.00) monthly.

- 2.2 No Benefits.** Client will not provide any benefits to Supplier, and Supplier will be solely responsible for obtaining Supplier’s own benefits, including but not limited to insurance, medical reimbursement, and retirement plans.

### SECTION 3 RELATIONSHIP

- 3.1 Independent Contractor.** Supplier will be an independent contractor of Client. Supplier will not be an employee of Client.
- 3.2 Taxes.** Client will not withhold any taxes from any payments made to Supplier, and Supplier will be solely responsible for paying all taxes arising out of or resulting from the performance of the Services, including but not limited to income, social security, worker’s compensation, and employment insurance taxes.
- 3.3 Licenses.** Supplier will be solely responsible for maintaining all licenses and certificates necessary for Supplier to provide the Services to Client.
- 3.4 No Agency Relationship.** This Agreement does not create an agency relationship between the parties and does not establish a joint venture or partnership between the parties. Supplier does not have the authority to bind Client or represent to any person that Supplier is an agent of Client.
- 3.5 Direction and Control.** *Client is an Oregon Liquor Control Commission (“OLCC”) recreational marijuana licensee. Pursuant to OLCC rules, Client must and shall provide direction and control over Supplier for the scope of Supplier’s performance of the Services. Supplier shall not have the authority to exercise control over Client, enter into a contractual relationship on behalf of Client, or incur any debt or similar obligation on behalf of Client.*

### SECTION 4 COVENANTS OF SUPPLIER

Supplier covenants to Client as follows:

- 4.1 Insurance.** Supplier will obtain and maintain insurance policies that provide adequate coverage for all risks normally insured against by a person carrying on a similar business in a similar location, and for any other risks to which Supplier is normally exposed.

**4.2 Compliance With Laws.** Supplier will comply with all applicable laws or administrative rules. Supplier will immediately notify Client of any potential violations of applicable law or administrative rules identified by Supplier.

**4.3 Governmental Authorizations.** Supplier will obtain and maintain all of the licenses, permits, registrations, and other governmental authorizations required to conduct Supplier's business and perform the Services.

## **SECTION 5 INDEMNIFICATION**

Subject to Section 6, Supplier will defend and indemnify Client and each present and future shareholder, director, member, manager, partner, officer, and authorized representative of Client for, from, and against any and all claims, actions, proceedings, damages, liabilities, and expenses of every kind, whether known or unknown, including but not limited to reasonable attorney's fees, resulting from or arising out of Supplier's failure to pay any tax arising out of or resulting from the performance of the Services; or Supplier's breach of any representation, warranty, or covenant in this Agreement.

Subject to Section 6, Client will defend and indemnify Supplier and each present and future shareholder, director, member, manager, partner, officer, and authorized representative of Supplier for, from, and against any and all claims, actions, proceedings, damages, liabilities, and expenses of every kind, whether known or unknown, including but not limited to reasonable attorney's fees, resulting from or arising out of Client's breach of any representation, warranty, or covenant in this Agreement.

## **SECTION 6 LIMITATION OF ACTIONS AND SUITS**

**Neither Party may commence any action, suit, or proceeding against the other Party, whether in contract, tort, or otherwise, unless the action, suit, or proceeding is commenced within two years after the cause of action accrues.**

## **SECTION 7 TERMINATION**

This Agreement will terminate upon the earliest to occur of the following:

- (a) upon termination or closing of the Share Purchase Agreement entered into by and between Supplier and Client on August 29, 2020;
- (b) upon the written agreement of the parties;
- (c) upon written notice by Client to Supplier, if Supplier materially breaches this Agreement and fails to cure the breach within 15 days after Client notifies Supplier of the breach; and
- (d) upon written notice by Supplier to Client, if Client materially breaches this Agreement and fails to cure the breach within 15 days after Supplier notifies Client of the breach.
- (e) notwithstanding Sections 8(c) and 8(d), in the event a party breaches this Agreement and the nature of the breach is such that it cannot be reasonably cured in 15 days, no party may terminate this Agreement for such breach so long as the breaching party is working diligently to cure the breach.

## **SECTION 8 GENERAL**

- 8.1 Contingencies.** Neither Party will be responsible for failure to perform the Party's obligations under this Agreement due to contingencies beyond the Party's reasonable control, including but not limited to earthquakes, floods, tornadoes, and other acts of Nature, fires, epidemics, wars, riots, revolutions, acts of civil or military authorities, sabotage, or nuclear incidents. If any obligation of a Party will be delayed by a contingency, the Party will promptly notify the other Party. Each Party will use commercially reasonable efforts to remove the contingency as soon as practicable.
- 8.2 Binding Effect.** This Agreement will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit.
- 8.3 Amendment.** This Agreement may be amended only by a written document signed by the Party against whom enforcement is sought.
- 8.4 Notices.** All such notices which a Party is required or may desire to serve hereunder shall be in writing and shall be served by personal delivery to the receiving Party or by prepaid registered or certified mail addressed to the Party at their respective addresses as set forth below, electronic mail (Email) or at such other address as the Parties may from time to time designate in writing.

To Supplier:

Vibe By California Inc.  
8112 Alpine Ave  
Sacramento, CA 95826  
Email: markw@vibebycalifornia.com

To Client:

Portland Asset Holdings Corporation  
c/o Chris Heath  
26565 W. Agoura Rd. Suite 200  
Calabasas, CA 91302  
Email: cheath@convalohealth.com

- 8.5 Waiver.** No waiver will be binding on a Party unless it is in writing and signed by the Party making the waiver. A Party's waiver of a breach of a provision of this Agreement will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision.
- 8.6 Severability.** If a provision of this Agreement is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Agreement will not be impaired.
- 8.7 Contra Proferentem.** Each provision of this Agreement will be interpreted without disadvantage to the Party who (or whose representative) drafted that provision.
- 8.8 Further Assurances.** The parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Agreement.
- 8.9 No Third-Party Beneficiaries.** The parties do not intend to confer any right or remedy on any third party.

- 8.10 Termination.** The termination of this Agreement, regardless of how it occurs, will not relieve a Party of obligations that have accrued before the termination.
- 8.11 Survival.** All provisions of this Agreement that would reasonably be expected to survive the termination of this Agreement will do so.
- 8.12 Attachments.** Any exhibits, schedules, and other attachments or agreements referenced in this Agreement are part of this Agreement.
- 8.13 Remedies.** The parties will have all remedies available to them at law or in equity. All available remedies are cumulative and may be exercised singularly or concurrently.
- 8.14 Governing Law; Jurisdiction; Venue.** This Agreement will be governed by the laws of the state of Oregon without regard to principles of conflicts of law and the Parties irrevocably consent to the jurisdiction and exclusive venue of the state and federal courts located in Clackamas County, Oregon, in connection with any action relating to or dispute arising under this Agreement.
- 8.15 Arbitration**
- (a) Except as otherwise provided in Section 9.15(e), any controversy or claim arising out of this Agreement will be settled by arbitration before a single arbitrator in Portland, Oregon.
  - (b) If the Parties agree on an arbitrator, the arbitration will be held before the arbitrator selected by the Parties. If the Parties do not agree on an arbitrator, each Party will designate an arbitrator and the arbitration will be held before a third arbitrator selected by the designated arbitrators. Each arbitrator will be an attorney knowledgeable in the area of business law.
  - (c) The arbitration will be conducted in accordance with the then-current rules of the Arbitration Service of Portland
  - (d) The resolution of any controversy or claim as determined by the arbitrator will be binding on the parties.
  - (e) A Party may seek from a court an order to compel arbitration, or any other interim relief or provisional remedies pending an arbitrator's resolution of any controversy or claim. Any such action or proceeding—or any action or proceeding to confirm, vacate, modify, or correct the award of the arbitrator—will be litigated in courts located in Multnomah County, Oregon.
  - (f) For the purposes set forth in Section 9.15(e), each Party consents and submits to the jurisdiction of any local, state, or federal court located in Multnomah County, Oregon.
- 8.16 Attorney's Fees.** If any arbitration, action, suit, or proceeding is instituted to interpret, enforce, or rescind this Agreement, or otherwise in connection with the subject matter of this Agreement, including but not limited to any proceeding brought under the United States Bankruptcy Code, the prevailing Party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing Party's reasonable attorney's fees and other fees, costs, and expenses of every kind incurred in connection with the arbitration, action, suit, or proceeding, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.
- 8.17 Entire Agreement.** This Agreement contains the entire understanding of the Parties regarding the subject matter of this Agreement and supersedes all prior and contemporaneous

negotiations and agreements, whether written or oral, between the Parties with respect to the subject matter of this Agreement.

**8.18 Signatures.** This Agreement may be signed electronically and in counterparts. A fax transmission of a signature page will be considered an original signature page. At the request of a Party, the other Party will confirm a fax-transmitted signature page by delivering an original signature page to the requesting Party.

Dated effective: October 23, 2020

**Client:** Portland Asset Holding Corporation

By: \_\_\_\_\_  
Name: Chris Health  
Title: CEO

**Supplier:** Vibe by California Inc.

By: \_\_\_\_\_  
Name: Mark Waldron  
Title: CEO



**Schedule 1**

Services

Supplier will provide to Client a representative to work under the direction and control of Client to assist in the operations of Client's recreational cannabis retailer operation.