OPTION AGREEMENT

This Option Agreement (this "Agreement") is entered into as of May 17, 2018 (the "Effective Date"), by and among the shareholders of Cowlitz County Cannabis Cultivation, Inc. a Washington corporation (the "Company"), who are listed on the signature page to this Agreement (such shareholders collectively referred to as "Grantors"), and Green Star Biosciences Inc., an Alberta corporation ("Optionee"). Grantors, the Company and Optionee are sometimes referred to individually herein as a "Party" and collectively as the "Parties".

RECITALS

- A. Grantors are the owners of a one hundred percent (100%) of the shares of capital stock in the Company (the "Shares");
- B. The Company owns a Marijuana Processor License from the Washington State Liquor and Cannabis Board ("WSLCB") and holds License Number 416502 (the "License");
- C. Grantors wishes to grant to Optionee, and Optionee wishes to acquire from Grantors, an option to purchase 100% of the Shares, on and subject to the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Option to Purchase Shares

- a. Grant of Option. Grantors hereby grant to Optionee an exclusive and irrevocable option (the "Option") to purchase 100% of the Shares subject to the terms and conditions of this Agreement.
- b. <u>Purchase Price</u>. When the Option is exercised, the aggregate purchase price for the Shares, pursuant to the Option, shall be fifty thousand dollars (\$50,000 USD) (the "Purchase Price"), which shall be paid by Optionee to the Grantors pro rata according to their percentage ownership of the Shares, concurrently with the exercise of the Option.
- c. Option Term. The Option term shall run for ten (10) years from the Effective Date of this Agreement, after which the Option shall expire ("Term").
- d. <u>Exercise of Option</u>. Optionee may exercise the Option at any time during the Term by providing written notice to Grantors, together with payment for the Shares in accordance with this Agreement.



e. <u>Restrictions on Grantors</u>. So long as this Agreement is valid and in full force and effect, (i) Grantors shall not voluntarily sell, encumber or transfer all or any portion of the Shares, (ii) in the event of an involuntary transfer of all or any portion of the Shares, the transferee of such Shares shall be bound by the terms of this Agreement, (iii) the Company shall not issue any capital stock or other equity interests to any person or entity; and (iv) without the prior consent of the Optionee, such consent not to be unreasonably withheld, the Grantors, in their capacities as directors of the Company, shall not declare a dividend on the Shares. With respect to clause (iv), Optionee hereby consents to the declaration and payment of dividends in the amount necessary for Grantors to pay their federal income taxes in connection with the Company's allocations of income to them (the "Tax Dividend"). Grantors shall, at least 2 business days prior to the declaration of the Tax Dividend, provide documentary backup of any such dividends, and the calculation of federal income tax that serves as the basis for their amounts.

f. Terms of Transfer.

- (i) Escrow. Upon Optionee's timely exercise of the Option, and to the extent permitted by the Washington laws and regulations governing marijuana licensees, the Optionee shall deposit the full Purchase Price owed into an escrow account designated by Grantors ("Escrow"). Once the Purchase Price is deposited into Escrow, the Parties shall cooperate and use commercially reasonable efforts to promptly prepare and submit to the WSLCB the Change in Governing Persons form and other documentation requested by the WSLCB.
- (ii) Disbursement of Purchase Price. The Purchase Price deposited into Escrow shall be disbursed to the appropriate party on the following terms and conditions:
 - a) If the WSLCB makes a final decision to approve of Grantors' sale of equity in the Company to Optionee, then, upon receipt of notice of the approval from either Party, the escrow agent shall release the Purchase Price to Grantors, and at that point the Purchase Price shall be deemed fully earned by Grantors and shall be non-refundable for any reason.
 - b) If for any reason attributed solely to the Optionee (i.e. Optionee fails criminal background check, Optionee makes a material misrepresentation to the WSLCB, etc.), the WSLCB makes the final decision to reject the transaction, then upon receipt of notice of the rejection from either Party, the escrow agent shall return all but Ten Thousand Dollars (\$10,000 USD) of the Purchase Price to the Optionee, and that Ten Thousand Dollars (\$10,000 USD) shall be paid to Grantors and shall be deemed fully earned non-refundable for any reason.

2. Arbitration.

a. <u>Duty to Arbitrate</u>. Any controversy or claim arising between the Parties relating to this Agreement shall be resolved exclusively by binding arbitration. The Parties' obligation to arbitrate shall continue in full force and effect despite the expiration, rescission or termination of this Agreement or any other agreement between the Parties. The Parties knowingly and voluntarily waive their rights to have tried and adjudicated by a judge or jury any controversy

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or claim which is required by this Agreement to be arbitrated. Notwithstanding the above, the Parties recognize that certain business relationships could give rise to the need for a party to seek specific performance or injunctive relief on an emergency, temporary or preliminary basis. A Party may seek in the first instance such emergency, provisional, temporary or summary equitable relief from a court of competent jurisdiction; *provided, however*, that immediately following the grant or denial of any request by a Party for such emergency, temporary or preliminary equitable relief, further judicial proceedings in the case shall be stayed pending arbitration of all underlying or related claims or controversies between the Parties.

- b. Procedure: Venue. Any Party may demand arbitration by sending written notice to the other Party. If the Parties fail to agree upon the arbitrator to be used within thirty (30) days of a Party's arbitration demand, the arbitrator may be appointed by the courts in Seattle, Washington, at the instance of either Party, and all Parties submit to the jurisdiction of such courts for the purpose of any such appointment. Except as otherwise specified by this Agreement or other written agreement of the Parties, the arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), but shall not be required to be administered by the AAA. Except as needed for preservation in lieu of a live appearance, depositions shall not be taken unless allowed by the arbitrator. Parties shall be entitled to conduct document discovery by requesting production of documents. Responses or objections shall be served twenty (20) days after receipt of a request. The arbitrator shall resolve any discovery disputes. The arbitrator and any counsel of record to the proceeding shall have the power of subpoena process as provided by law. The arbitration shall be conducted in Seattle, Washington,
- c. <u>Arbitration Award</u>. The arbitrator shall have the authority to award actual money damages with interest on liquidated unpaid amounts from the date due, specific performance, and temporary or permanent injunctive relief. The arbitration shall be of each such Party's individual claims only, and no claim of any other party shall be subject to arbitration in such proceeding. Any arbitration award shall be supported by written findings of fact and conclusions of law.
- d. <u>Costs and Attorney Fees</u>. In the event of a dispute between the Parties arising out of or under this Agreement, the most prevailing Party shall be entitled to reasonable attorney's fees and costs, as may be determined by the arbitrator.
- e. <u>Applicable Law</u>. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Washington without regard to its choice of law rules or principles, and the arbitrator shall apply such law in construing and enforcing this Agreement.
- f. <u>Confidentiality</u>. Except as otherwise required by law, the Purchaser and the Seller and the arbitrator agree to maintain as confidential the arbitration proceedings and all information or documents submitted or obtained during the arbitration process, including the resolution of the dispute, disclosing such information only to persons who reasonably need to know of it for purposes related to the arbitration or other resolution of the dispute.



g. <u>Enforceability of Award</u>. The final decision or award of the arbitrator in any arbitration pursuant to this Section shall be enforceable and may be entered at either Party's request as a judgment in any court of competent jurisdiction.

3. Miscellaneous.

- a. Acknowledgement by Optionee. Nothing in this Agreement shall be deemed or construed as a representation or warranty by the Grantors or the Company that Optionee is or will become entitled to exercise the Option and acquire the Shares under applicable law, or that the transactions contemplated by this Agreement will not cause a violation of applicable law or result in an adverse action by a the WSLCB, or any other governmental authority, and Optionee shall indemnify and hold harmless Grantors and the Company and its shareholders, officers, directors, employees, representatives and affiliates from any costs, damages, losses, expenses or liabilities incurred in connection with any such adverse action.
- b. <u>Expenses</u>. Each party will pay for their own expenses (including all legal counsel and other professional service fees) to complete the transactions contemplated hereby, provided that Optionee is responsible for all fees associated with the process for obtaining the WSLCB's approval of the transfer of any ownership interest in the Company to Optionee.
- c. <u>Binding Effect</u>. All of the terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their successors, heirs, and assigns.
- d. <u>Amendments</u>. This Agreement may not be amended or modified except by a writing signed by the Parties to be bound thereby, or signed by their respective attorneys as authorized.
- e. <u>Entire Agreement</u>. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, representations, negotiations, proposals or discussions between the Parties with respect to the subject matter hereof. This Agreement may be altered or amended only in writing executed by the parties.
- f. <u>Counterparts</u>. This Agreement may be executed in several counterparts by one or more of the Parties named herein and all such counterparts once so executed shall together be deemed to constitute one final agreement, as if one document had been signed by all Parties hereto; and each such counterpart, upon execution and delivery, shall be deemed a complete original, binding the Parties to this Agreement. Delivery by facsimile or other digital or electronic transmission of a signature shall be as effective as a manually executed counterpart of this Agreement.
- g. <u>Free Will; Legal Counsel</u>. The Parties hereby represent and warrant that they have entered into this Agreement of their own free will and in accordance with their own judgment and upon opportunity to consult with their own independent legal counsel and they state that they have not been induced to enter into this Agreement by any statement, act or representation of any kind or character on the part of anyone except as expressly set forth in this Agreement.



Further, the Parties negotiated and mutually drafted the terms of this Agreement, and consulted with independent attorneys of their choosing, and therefore waive any presumption against the drafter in the interpretation of the terms of this Agreement.

- h. <u>Confidentiality</u>. The Parties agree that this Agreement and the terms thereof are confidential and may not be disclosed without written consent.
- i. <u>Severability</u>. In the event that any term, clause, or provision of this Agreement shall be construed to be or judged invalid, void, or unenforceable, such term, clause, or provision shall be construed as severed from this Agreement and the remaining terms, clauses, and provisions shall remain in effect, except in the case where the unenforceability substantially deprives one of the parties of the benefit of the transaction.
- j. <u>Waiver</u>. The waiver by either Party of a breach or default of any provision of this Agreement or any right hereunder shall not constitute a waiver by such Party of any succeeding breach of the same or other provision; nor shall any delay or omission on the part of either Party to exercise or avail itself of any right, power, or privilege operate as a waiver of any such right, power, or privilege by such Party. No waiver shall be binding unless expressed as such in a document executed by the party making the waiver.
- k. <u>Effect of Captions</u>. The captions of sections and subsections of this Agreement have been inserted solely for convenience and reference, and shall not control or affect the meaning or construction of any of the provisions of this Agreement.
- l. <u>Adoption of Recitals</u>. The parties hereto adopt the recitals as being true and correct, and they are incorporated herein as material parts of this agreement.
- m. <u>Notices</u>. All notices, requests, demands, or other communications which are required or may be given pursuant to the terms of this Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of delivery if personally delivered by hand or (b) upon the third day after such notice is (i) deposited in the United States mail, if mailed by registered or certified mail, postage prepaid, return receipt requested, or (ii) sent by a nationally recognized overnight express courier. Electronic mail shall constitute notice if the same is actually delivered.
- n. <u>Neutral Interpretation</u>. This Agreement constitutes the product of negotiations between the parties hereto and any enforcement hereof shall be interpreted in a neutral manner and not more strongly for or against any party based upon the source of the draftsmanship hereof.

[signature page to follow]



[Signature Page to Option Agreement]

AGREED AND ACCEPTED on the date first above written.

CHANGE A PERSON	GRA	NT	'OR	S:	
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Address / email for notice:

191 Isaacson Dr. Kelso, WA 98626

svensoncameron@yahoo.com

Address / email for notice: 2941 Ammons Dr. Longview, WA 98632

COMPANY:

COWLITZ COUNTY CANNABIS CULTIVATION, INC.

By:

Comorion Surrow Cameron Svenson, President

Address / email for notice:

108 W. Main Kelso, WA 98626_

OPTIONEE:

GREEN STAR BIOSCIENCES INC.

By:

Ralph Olson, President

Address / email for notice: 1250, 639 – 5th Ave, SW Calgary, Alberta T2P 0M9

E-mail: ralpholson2000@gmail.com