

**AMENDED AND RESTATED  
LOAN AGREEMENT AND LOI AMENDMENT AGREEMENT**

**THIS AMENDED AND RESTATED LOAN AGREEMENT AND LOI AMENDMENT AGREEMENT** (as may be further amended, restated, amended and restated, replaced, supplemented or otherwise modified from time to time, this “**Agreement**”) is dated and effective as of September 17, 2019.

**AMONG:**

**CRYPTOLOGIC CORP.**, a corporation existing under the laws of the province of Ontario and having an address at 5 Hazelton Avenue, Suite 300, Toronto, Ontario, M5R 2E1 and an email address of [REDACTED]

(the “**Lender**”)

**AND:**

**MARICANN INC.**, a corporation existing under the laws of the province of Ontario and having an address at 2381 Bristol Circle, Suite 102, Door D, Oakville, Ontario, Canada L6H 5S9 and an email address of [REDACTED]

(the “**Borrower**” and together with the Guarantors (as defined below), the “**Obligors**” and each an “**Obligor**”)

**AND:**

**WAYLAND GROUP CORP.**, a corporation existing under the laws of the province of Ontario and having an address at 2381 Bristol Circle, Suite 102, Door D, Oakville, Ontario, Canada L6H 5S9 and an email address of [REDACTED]

(“**Wayland**”)

**AND:**

**NANOLEAF TECHNOLOGIES INC.**, a corporation existing under the laws of the province of Ontario and having an address at 2381 Bristol Circle, Suite 102, Door D, Oakville, Ontario, Canada L6H 5S9 and an email address of [REDACTED]

(“**NanoLeaf**” and together with Wayland, the “**Guarantors**” and each a “**Guarantor**”)

**RECITALS:**

- A. Pursuant to a non-binding letter of intent dated August 2, 2019 (as may be amended, restated, amended and restated, supplemented, replaced or otherwise modified from time to time, the “**LOI**”), the Lender and Wayland intend to enter into a transaction (the “**Transaction**”) pursuant to which the Lender shall acquire 100% of the assets and assume certain assumed liabilities (including these Loans), both tangible and intangible,

of Wayland and its subsidiaries used in connection with the operations of its licensed cannabis production facilities in Canada (the “**Business**”).

- B. Pursuant to the terms and conditions of a Loan Agreement and LOI Amendment Agreement effective as of August 9, 2019 (the “**Existing Loan Agreement and LOI Amendment**”), *inter alia*, the Lender advanced to the Borrower the sum of five million dollars (\$5,000,000) as a bridge loan prior to the entering into of the Transaction and amended certain specified terms contained in the LOI.
- C. The Borrower and the other Obligors have requested that the Lender amend and restate the Existing Loan Agreement and LOI Amendment to provide for, among other things, certain further amendments to the LOI and a series of additional term loans of \$1,000,000 (the “**Loans**”, and each of them a “**Loan**”) up to an aggregate principal amount, including the existing \$5,000,000 loan, of \$25,000,000.

**NOW THEREFORE** the parties agree as follows:

**1. Loan Facilities**

The Lender shall, on the terms and conditions of this Agreement, make a series of revolving term loans available to the Borrower in an aggregate principal amount not to exceed twenty five million dollars (\$25,000,000) (collectively, the “**Loans**”). The first Loan was advanced to the Borrower on August 9, 2019 in the amount of \$5,000,000. Any amount of any Loan that is repaid may be re-borrowed and each future advance of a Loan shall be in an amount not greater than \$1,000,000. The Borrower shall, subject to the terms of this Agreement (including, without limitation, Section 8.2(h)), use the proceeds of the Loans for capital projects in connection with the Langton Facility and the production facilities, buildings, fixtures and equipment used at, located on or used in connection with the Langton Facility and otherwise in the conduct of the Canadian business of the Obligors and their Affiliates in the ordinary course, including the satisfaction of existing liabilities of the Borrower or its Affiliates.

**2. Term**

Notwithstanding the date of advance, the term (the “**Term**”) of all Loans will expire on the earlier of: (a) the date that is one (1) year from the effective date of the Existing Loan Agreement and LOI Amendment, and (b) closing of the Transaction pursuant to the terms of the Definitive Agreement, provided that, if such date pursuant to (a) or (b) is not a Business Day, then the next Business Day. The principal amount of the Loans and all accrued and unpaid Interest, together with all other monies that the Borrower may owe to the Lender from time to time under the Credit Documents will become due and payable at the end of the Term, provided, for clarity, that if the Transaction closes prior to such time, the Loans will constitute an additional assumed liability under the Transaction. The Term may be extended, at the sole discretion of the Lender, upon the Lender providing the Borrower with written notice of such extension.

**3. Repayment**

- 3.1 At the end of the Term, the outstanding principal amount of the Loans and all Interest thereon, together with all other monies that the Borrower may owe to the

Lender from time to time under the Credit Documents (including, for certainty, the Non-Completion Fee) shall be due and payable by the Borrower to the Lender by 4:00 p.m. Eastern Time, except as extended in the manner described in Section 2 above. Any payments not received by 4:00 p.m. Eastern Time will be deemed to have been received on the next Business Day.

- 3.2 For value received, the Borrower promises to pay to, or to the order of, the Lender the Loans in lawful money of Canada in immediately available funds to the account that the Lender may designate in writing from time to time, together with Interest and other monies that the Borrower may owe to the Lender from time to time under the Credit Documents (including, for certainty, the Non-Completion Fee), all in accordance with this Agreement.
- 3.3 The Borrower may prepay the Loans at any time without bonus or penalty at any time without notice to the Lender, provided that at the time of prepayment the Borrower prepays the Loans in whole, including the entire outstanding principal amount and all Interest thereon and all other monies owing under this Agreement (including, for certainty, the Non-Completion Fee).
- 3.4 The Lender shall apply any amount paid in satisfaction of any indebtedness under this Agreement first against any accrued and unpaid Interest and second against the outstanding principal.

#### **4. Interest & Non-Completion Fee**

- 4.1 The Borrower shall pay Interest to the Lender on the principal amount of the Loans outstanding from time to time, both before and after maturity, demand, default, judgment or the delivery of an Alternative Transaction Notice (and without allowance or deduction for deemed re-investment or otherwise) and until the later of: (a) the expiry of the Term, and (b) the repayment of the Loans in full, including the entire outstanding principal amount and all Interest thereon. All Interest payable hereunder or in connection herewith shall be calculated weekly in arrears and payable at the end of the Term.
- 4.2 The Borrower shall pay the Lender interest on any overdue Interest at the same rate as applicable at such time, and calculated and payable in the same manner, as Interest.
- 4.3 Upon delivery of an Alternative Transaction Notice by Wayland to the Lender as provided in the LOI (or the date upon which such Alternative Transaction Notice should have been delivered in compliance with section 9 of the LOI) and without any further action required, whether prior to or following the commencement of any actions or proceedings under Bankruptcy and Insolvency Laws by or against Wayland, a non-completion fee (the “**Non-Completion Fee**”) shall be automatically due and payable by the Borrower to the Lender on the date that is the earlier of (a) the closing date of an Alternative Transaction (as such term is defined in the LOI), and (b) the last day of the Term, in an amount calculated as follows:

- (a) 2X the aggregate principal amount of Loans advanced by the Lender to the Borrower LESS
- (b) 1X the aggregate amount of any prepayment(s) of the Loans made on or prior to the date upon which the Non-Completion Fee is due and payable;

provided, however, that in no event will the Non-Completion Fee exceed an amount equal to 5% of the aggregate equity value of the Transaction had it been completed on the closing date of such Alternative Transaction (for greater certainty, such transaction value to be calculated on the basis of the issuance of 57.5 million common shares in the capital of the Lender at a price of \$4 per share).

- 4.4 For the purpose of the *Interest Act* (Canada), the yearly rate of interest applicable to amounts owing under this Agreement will be calculated on the basis of a 365 or 366 day year, as applicable. If any provision of this Agreement or any of the other Credit Documents would obligate an Obligor to make a payment to the Lender of an amount that constitutes “interest” (as defined in the *Criminal Code* (Canada) during any one-year period exceeds the maximum amount or rate of interest permitted to be paid by Applicable Law, then, notwithstanding the terms and conditions of the Credit Documents, that amount or rate of interest during such one-year period shall automatically be reduced with retroactive effect to the maximum amount of interest or rate of interest, as the case may be, permitted to be paid by Applicable Law and the Lender’s right to receive payment of such amount or rate of interest, as the case may be, shall be so automatically reduced with retroactive effect.
- 4.5 All interest (including, for certainty, Interest) will accrue daily for the actual number of days elapsed for the period from and including the date of advance of each Loan to and including the day preceding the relevant repayment date and will be calculated on the principal amount of the Loans outstanding at such time. In calculating interest (including, for certainty, Interest) or fees payable under this Agreement for any period, unless otherwise specifically stated, the first day of a period will be included and the last day of a period will be excluded.
- 4.6 By executing this Agreement, each Obligor confirms that it fully understands and is able to calculate the rate of interest applicable hereunder based on the methodology for calculating per annum rates provided for in this Agreement.

## 5. Security

- 5.1 As security for the payment, observance and performance of all present and future indebtedness, liabilities, and obligations under this Agreement, including repayment of the Loans, plus all interest thereon, the Borrower agrees to deliver and to cause the applicable Subsidiaries to deliver (as applicable) the following documents (collectively, the “**Security Documents**” and together with this Agreement, the “**Credit Documents**”) in a form and substance satisfactory to the Lender and the Lender’s solicitors, acting reasonably:

- (a) a general security agreement granted by each Obligor in favour of the Lender granting a security interest in all present and after-acquired personal property of each of the Borrower (including a pledge of all of its shares in the capital of the Guarantors), and the Guarantors (collectively, subject to the following exclusions, the “**Personal Property Collateral**”), but excluding:
    - i. all assets of such Obligor located outside of Canada or which do not otherwise relate to the Business; and
    - ii. any investment property such Obligor may hold issued by a company or other entity formed, incorporated or existing under the laws of a jurisdiction located outside of Canada.
  - (b) an unlimited guarantee by each Guarantor in favour of Lender, guaranteeing the due payment and performance to the Lender of all of the Borrower’s present and future obligations to the Lender under, in connection with, or relating to this Agreement and any other Credit Document;
  - (c) a mortgage granted by the Borrower in favour of the Lender in the amount of \$50 million (the “**Mortgage**”) in respect of the Owned Real Property (the “**Real Property Collateral**” and together with the Personal Property Collateral, the “**Collateral**”);
  - (d) a confirmation of guarantee and security from each Obligor in favour of the Lender; and
  - (e) such other guarantee, security, declarations, or other related documents, certificates, filings, registrations, instruments and recordations as the Lender may reasonably require from time to time.
- 5.2 Each Security Document is given as additional, concurrent and collateral security to the remainder of the Security Documents and will not operate to merge, novate or discharge the Borrower’s obligations hereunder or under any of the other Security Documents. The execution and delivery of each Security Document will not in any way suspend or affect the present or future rights and remedies of the Lender in respect of the Loans or the Security Documents. No action or judgment taken by the Lender in respect of any of the Security Documents or with respect to the Loans will affect the liability of the Borrower hereunder and nothing but the actual payment in full to the Lender of the Loans will discharge the Borrower or any of the Security Documents.
- 5.3 Each Obligor hereby covenants and agrees that it shall:
- (a) provide, and cause each of its subsidiaries to provide, as applicable, to the Lender the security required from time to time under section 5.1 in accordance with the provisions of that section, accompanied by supporting

resolutions, certificates, and opinions in form and substance satisfactory to the Lender and Lender's counsel, acting reasonably, and

- (b) do, execute, and deliver all such things, documents, security, agreements, and assurances that the Lender may from time to time request to ensure that the Lender holds at all times valid, enforceable, perfected, first priority Encumbrances (other than Permitted Encumbrances) from the Obligors meeting the requirements of under section 5.1.

## 6. **Priority**

- 6.1 Notwithstanding the relative order of incurrence or creation of such indebtedness, the Loans shall be subordinated in all respect to the Wayland Debentures and, notwithstanding the relative order of execution, registration, advance, delivery, attachment, possession, perfection or demand, all security interests of the Lender in the Collateral shall be postponed to the security interests of holders of the Wayland Debentures in the Collateral and each of the parties shall execute and deliver an intercreditor, subordination and postponement agreement with TSX Trust Company (as trustee under the Wayland Debentures) (the "**Subordination Agreement**").

## 7. **Covenants Regarding Deliverables**

- 7.1 To the extent not previously delivered to the Lender or the Lender's counsel, the Obligors each hereby covenant and agree that they shall, as promptly as reasonably practicable:
  - (a) deliver to the Lender each of the following, in form and substance satisfactory to the Lender, acting reasonably:
    - i. the Credit Documents duly executed and delivered by the Obligors;
    - ii. certified true copies of the organizational documents of each Obligor, the resolutions authorizing the execution, delivery, and performance of each Obligor's respective obligations under the Credit Documents and the transactions contemplated in this Agreement, certificates of incumbency of the directors and officers of the Obligors, and any other documents to be provided under the terms of this Agreement;
    - iii. a certificate of a senior officer of the Borrower certifying: (i) the non-existence of any Event of Default; and (ii) the non-occurrence of any Material Adverse Effect;
    - iv. certificates of status or good standing, as applicable, for each Obligor in the jurisdiction in which their chief executive office is located,
    - v. a duly executed copy of the Subordination Agreement; and
    - vi. a tax clearance certificate in respect of the Owned Real Property;

- (b) deliver or cause to be delivered to the Lender a title insurance policy in favour of the Lender, in form satisfactory to the Lender, extending title insurance in respect of the Owned Real Property in the amount of \$50 million and the Corporation covenants and agrees that such title insurance policy shall remain in place during such period as the Mortgage is registered on title to the Owned Real Property;
- (c) deliver or cause to be delivered to the Lender a copy of a certificate of insurance from an insurance broker in respect of the Corporation and each Obligor, dated as of or near the date of the closing, identifying insurers, types of insurance, insurance limits, policy terms, names of insureds, additional insureds or loss payees (including the designation of the Lender as loss payee and additional insured with respect to all property and liability insurance); and
- (d) deliver or cause to be delivered to the Lender certified copies of all Health Canada authorizations (including the Health Canada Licences) granted to each Obligor under the Cannabis Regulations to sell cannabis products directly to provincially authorized sellers, together with copies of all material correspondence exchanged between the applicable Obligor and governmental authorities relating thereto.

7.2 The Lender's obligation to make any advance of any Loan after the first advance of a Loan is subject to, and conditional upon, all of the following conditions precedent being satisfied by the Borrower in form and substance satisfactory to the Lender in its sole discretion, acting reasonably:

- (a) certificates of status or good standing, as applicable, for each Obligor in the jurisdiction in which their chief executive office is located,
- (b) a duly executed notice of request for advance of a Loan in the form set out in Schedule "A";
- (c) the Lender's receipt of a certificate of a senior officer of the Borrower, certifying that the representations and warranties in this Agreement continue to be true and correct as if made on and as of the date of the advance of such Loan;
- (d) the non-existence of any Event of Default;
- (e) the non-occurrence of any Material Adverse Effect, and receipt by the Lender of a certificate from a senior officer of the Borrower certifying that non-occurrence;
- (f) the Lender's receipt of all consents, approvals, authorizations, declarations, registrations, filings, notices, waivers, opinions, Budgets, financial statements, financial or information or other actions or deliverables as may be required by the Lender, in its sole discretion, in

each case in form and substance satisfactory to the Lender, including, without limitation, in connection with the Business, the execution and delivery by the Obligors of each of the Credit Documents, the consummation of the transactions contemplated by the Credit Documents, the granting of the Security, any advance of any Loan or in relation to any other loan, debenture, guarantee, financing or security document to which an Obligor may be party to from time to time; and

- (g) the fulfillment of all other terms of this Agreement upon which the Borrower may obtain an Advance.

7.3 The conditions set forth in section 7.1 and section 7.2 are inserted for the Lender's sole benefit and may be waived by the Lender, in whole or in part (with or without terms or conditions) in respect of any Loan without prejudicing the Lender's right at any time to assert those conditions in respect of any subsequent Loan.

## **8. Covenants**

8.1 Each Obligor hereby covenants and agrees that, in the case of (a), (c) and (e) it shall and, in the case of (b) and (d), it shall in respect of circumstances or events arising after the date of this Agreement:

- (a) duly and punctually pay to the Lender, the principal of the Loans, accrued interest thereon and all other moneys payable as provided for in the Credit Documents;
- (b) provide the Lender with all such information and documents as the Lender may reasonably require in respect of the Obligors and their businesses to the extent related to the Business;
- (c) do all acts required to maintain its existence;
- (d) give the Lender prompt written notice of
  - i. any Event of Default immediately on the occurrence of such an event;
  - ii. any actions, suits or proceedings of which it becomes aware which are pending against or, to the best of its information, knowledge and belief, affecting it or any of its undertaking, property and assets at law, in equity or before any arbitrator or before or by any Governmental Authority that would be reasonably expected to cause a Material Adverse Effect;
  - iii. all correspondence received by an Obligor or their subsidiaries, from Health Canada in respect of any of the Material Licences, the subject, form or substance of which has had or would reasonably be expected to have a Material Adverse Effect;



- iv. the occurrence of any event of which it becomes aware which has had or would reasonably be expected to have a Material Adverse Effect;
  - v. any change to the name or registered or chief executive office of an Obligor;
  - vi. any changes in the identity of any Responsible Persons, together with satisfactory evidence of security clearances for such Responsible Persons under the Cannabis Act or the Cannabis Regulations; and any rejection notice for new or renewal security clearance applications for each Responsible Person;
  - vii. the results of any facility audit by any Governmental Authority to the extent such results are negative; and (ii) any warning document, letter or notice from any Governmental Authority, that would have a negative impact on any Material Licence, together with the applicable Obligor's action plan with respect thereto;
  - viii. any renewal of a Material Licence (a copy of which shall also be provided to the Lender); and
  - ix. any notice of default by any Obligor received pursuant to any of the Indenture Documents (as such term is defined in the Indenture); and
- (e) comply with the additional positive covenants listed in Schedule "C" hereto.

8.2 Each Obligor hereby covenants and agrees that it shall not, without the prior written consent of the Lender in its sole and absolute discretion (except as provided for below) or except as contemplated, permitted or required pursuant to the definitive agreement entered into between the Obligors and the Lender (or an Affiliate of the Lender) in connection with the Transaction (the "**Definitive Agreement**"):

- (a) make loans to or investments in, or guarantee any of the obligations of any person or corporation other than those in existence on the date hereof;
- (b) alter any of its constating documents or its corporate organization;
- (c) dispose of all or substantially all of the Collateral or amalgamate, consolidate, or merge with any other corporation, other than in connection with any sale, transfer or disposition of any Obligors' international assets permitted by or pursuant to the Definitive Agreement;
- (d) create, assume or have outstanding, any mortgage, charge, pledge, assignment, lien or other encumbrance, on any of the Collateral other than those in existence on the date hereof or required pursuant to the Indenture or the Wayland Debentures;

- (e) liquidate, wind up, or dissolve itself, or permit any liquidation, winding-up, or dissolution;
- (f) do any act which could reasonably be expected to adversely affect the ranking or validity of the security interests created, granted or intended to be created or granted to the Lender pursuant to the Security Documents;
- (g) exercise any right of set-off in connection with amounts that may be owed by any Obligor from time to time against any amount that the Obligors may owe to the Lender under the Credit Documents;
- (h) make any Distributions without the prior written consent of the Lender, acting reasonably. For the avoidance of doubt, the Borrower hereby acknowledges and agrees that it shall not make any Distribution of the proceeds of the Loans without the prior written consent of the Lender, acting reasonably; and
- (i) do any of the things or acts as set out in Schedule "C" hereto as negative covenants.

8.3 The covenants set forth in sections 9.1 and 9.2 shall remain in effect and apply so long as the Obligors owe any debt or obligations to the Lender under the Credit Documents.

## 9. Default

- 9.1 Upon the occurrence of an Event of Default (as defined below) the Lender may, in its discretion and in addition to any other rights and powers held by the Lender:
- (a) declare the whole or any part of the Loans to be in default and immediately due and payable and in such case, the Loans and all other amounts owing under this Agreement will immediately become due and payable without presentment, demand, protest, Notice or any action of any kind, all of which are expressly waived by the Borrower;
  - (b) demand payment of the Loans, and all other amounts owing under this Agreement, from the Borrower; and
  - (c) exercise any or all of its remedies under the Credit Documents.
- 9.2 No remedy herein conferred on the Lender is intended to be exclusive and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise.
- 9.3 For the purposes of this Agreement, an "**Event of Default**" means any one of the following in respect of circumstances or events arising after August 8, 2019, being the date that the Lender advanced the first Loan to the Borrower:

- (a) the failure of any Obligor to pay any amount of principal of any Loan, or the failure of any Loan to pay interest, fees, or other obligations when due and payable;
- (b) any default or breach by any Obligor of the material covenants, under any of the Credit Documents or any of the representations or warranties made by any Obligor in this Agreement, any other Credit Document, or in any certificate or other document at any time delivered thereunder to the Lender was incorrect or misleading in any material respect;
- (c) the occurrence of an “Event of Default” (as such term is defined in or pursuant to the Indenture) in respect of which notice has been provided to Wayland by the trustee pursuant to the Indenture that has not been cured or waived in accordance with the Indenture;
- (d) following the entering into of the Definitive Agreement, the termination of such agreement by the Lender in accordance with its terms and as a result of a breach of a material provision of the Definitive Agreement by an Obligor or any Affiliate of an Obligor that is a party thereto;
- (e) the loss of or a default under any Material License, including but not limited to any license issued to any Obligor pursuant to the Cannabis Regulations;
- (f) the Cannabis Act or the applicable Cannabis Laws in Canada are repealed and not replaced with similar or replacement legislation permitting Cannabis-Related Activities;
- (g) the occurrence of a Material Adverse Effect;
- (h) the denial by any Obligor of its obligations under any Credit Document or the claim by any Obligor that any of the Credit Documents are invalid or have been withdrawn in whole or in part;
- (i) the enactment of any legislation or the entering or obtaining of any decree or order of a court, statutory board, or commission that renders any of the Credit Documents or any material provision of any of them unenforceable, unlawful, or otherwise changed, if any Obligor does not, within 10 days of receipt of notice of the Credit Document or material provision becoming unenforceable, unlawful, or otherwise changed, replace the Credit Document with a new agreement that is in form and substance satisfactory to the Lender at its discretion or amend the Credit Document to the Lender’s satisfaction at its discretion;
- (j) the entering or obtaining of a decree or order of a court of competent jurisdiction adjudging any Obligor as bankrupt or insolvent or approving, as properly filed, a petition seeking the winding-up of any Obligor under any Bankruptcy and Insolvency Law or issuing sequestration or process of

execution against any substantial part of its Property or ordering the winding up or liquidation of its affairs;

- (k) the insolvency of any Obligor, or the making by any Obligor of an assignment in bankruptcy, any other assignment for the benefit of creditors, any proposal under any Bankruptcy and Insolvency Law, is adjudged bankrupt, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator, or other Person with similar powers of itself or of all or any substantial part of its Property, files a petition, or otherwise commences any proceeding seeking any reorganization, arrangement, composition, or readjustment under any Bankruptcy and Insolvency Law affecting creditors' rights or consents to or acquiesces in the filing of such a petition;
- (l) the filing or instituting of any proceeding or against any Obligor seeking to have an order for relief entered against that Obligor as debtor or to adjudicate it bankrupt or insolvent, seeking liquidation, winding-up, reorganization, arrangement, adjustment, or composition under any Bankruptcy and Insolvency Law, or seeking appointment of a receiver, trustee, custodian, or other similar official for that Obligor or for any substantial part of its Property unless the same is being contested actively and diligently in good faith by appropriate and timely proceedings and is dismissed, vacated, or permanently stayed within 30 days of institution;
- (m) the taking of possession by an Encumbrancer, by appointment of a receiver, receiver and manager, or otherwise, of any material portion of the Property of any Obligor;
- (n) the entering or obtaining of a final judgment or decree for the payment of money due against any Obligor in an amount in excess of \$1,000,000 if that judgment or decree is not vacated, discharged or stayed pending appeal within the applicable appeal period; and
- (o) the loss of any security intended to be created pursuant to any of the Security Documents by the over any Obligor or its status as a valid and perfected security interest, if the applicable Obligor fails to remedy this default within the earlier of three (3) Business Days from the date:
  - i. that Obligor becomes aware of the default, using reasonable due diligence, and
  - ii. the Lender delivers written notice of the default to the Borrower.

**10. Representations and Warranties**

10.1 Each Obligor hereby represents and warrants to the Lender that the following, together with the representations and warranties contained in Schedule "D" hereto, acknowledging that the Lender is relying on such representations and warranties:

- (a) it is a corporation existing under the laws of the jurisdiction of its incorporation;
- (b) it has full power, capacity, authority and legal right to borrow in the manner and on the terms and conditions set out in this Agreement;
- (c) it has full power, capacity, authority and legal right to execute and deliver the Credit Documents to which it is a party and to do all such acts and things as are required to be done, observed and performed in accordance with the terms of the Credit Documents to which it is a party;
- (d) all corporate acts and proceedings necessary to authorize the execution, delivery and performance of the Credit Documents to which it is a party have been duly taken by it and the Credit Documents to which it is a party have been or will be duly executed and delivered by it and constitute or will constitute valid and legally binding agreements of such Obligor, enforceable against such Obligor in accordance with the terms thereof;
- (e) the execution and delivery of this Agreement and the performance of or compliance with the terms of this Agreement will not result in a breach or constitute a default under, or require any consent under the terms or conditions of:
  - i. its constating or organizational documents, or any unanimous shareholders agreement; or
  - ii. any law, statute, rule, or regulation to which it is subject,
  - iii. any judgment, order, or decree of any court, agency, tribunal, arbitrator, or other authority to which it is subject, or
  - iv. any agreement or instrument to which it is a party or by which it is bound;
- (f) no proceedings have been taken or authorized by it or, to its knowledge, by any other Person relating to the bankruptcy, insolvency, liquidation, dissolution, or winding up;
- (g) it is not required to obtain any action, approval, authorization, consent, or order of, or make any filing, registration, qualification, or recording with, any Governmental Authority or any other Person in connection with the

execution or delivery of, or the performance of its obligations under this Agreement that has not been obtained as of the date hereof;

- (h) as of the date of this Agreement, the Lead Holder (as defined in the Indenture) has confirmed to TSX Trust Company, in its capacity as trustee under the Indenture, that the draft of the Subordination Agreement dated August 9, 2019 is acceptable; and
- (i) upon execution by TSX Trust Company of the Subordination Agreement, each of the Loans advanced pursuant to this Agreement shall constitute “Subordinated Debt” (as defined in the Indenture).

## 11. No Assignment

Neither the Lender nor any of the Obligor may assign their rights under this Agreement in whole or in part to any Person.

## 12. LOI Amendment

- 12.1 The parties hereby acknowledge and agree that the first paragraph of section 9 (*Exclusivity*) of the LOI shall, as of the date hereof, be deleted entirely and replaced as follows:

“Wayland agrees to deal exclusively and in good faith with the Purchaser in regards to the proposed Transaction until the later of (i) the last day of the Term (as such term is defined in or pursuant to section 2 of the amended and restated loan agreement dated September 17, 2019 and made between, *inter alios*, Maricann Inc., as borrower, and the Purchaser, as lender (as amended, restated, amended and restated, replaced, supplemented or otherwise modified from time to time, the “**Loan Agreement**”)), or (ii) the date upon which the outstanding principal amount of the Loans, all Interest thereon together with all other monies that Wayland may owe to the Purchaser from time to time under the Credit Documents is repaid in full (each of the foregoing capitalized terms not otherwise defined herein shall have the meaning ascribed to it in the Loan Agreement) (the “**Exclusivity Period**”), provided that, if such date pursuant to (i) or (ii) is not a Business Day, then the next Business Day; and provided further that, for any period between December 16, 2019 and the last day of the Exclusivity Period, if the condition in clause (ii) above has not yet been satisfied and Wayland intends to commence discussions or enter into negotiations for a binding definitive agreement with a party other than the Purchaser with respect to any kind of financing or re-capitalization transaction or series of transactions, whether by way of equity, debt, convertible debt or otherwise; merger, amalgamation, acquisition, arrangement, share exchange, take-over bid, tender offer, consolidation or other business combination or corporate reorganization transaction; any kind of transaction in respect of the Purchased Assets or the Business (including, without limitation, any sale, lease, sale and leaseback, or any other form of disposition), or; a transaction analogous to any of the foregoing, in each case, whether prior to or following the commencement of any actions or proceedings under Bankruptcy

and Insolvency Laws (as such term is defined in the Loan Agreement) by or against Wayland, provided that the foregoing shall exclude any sale or transaction related to assets that are not the Purchased Assets or in respect of the Business (any such transaction being a “**Alternative Transaction**”) then (A) Wayland shall provide the Purchaser with prior written notice of such intention (such notice being an “**Alternative Transaction Notice**”), and (B) Wayland shall not enter into a binding definitive agreement with respect to an Alternative Transaction (such binding definitive agreement being an “**Alternative Definitive Agreement**”) unless the condition in clause (ii) above has been satisfied or unless, (I) the Purchaser has provided its prior written consent to such Alternative Transaction, which consent may not be unreasonably withheld, conditioned or delayed; and (II) as a condition precedent to the closing of the Alternative Transaction under any such Alternative Definitive Agreement, all principal and Interest owing under the Loan Agreement, together with all other monies that Wayland may owe to the Purchaser from time to time under the Credit Documents (including the payment of the Non-Completion Fee) (as each such capitalized term is defined in the Loan Agreement) shall be paid in full to the Purchaser prior to such closing. Upon the delivery of such Alternative Transaction Notice, the obligations of Wayland to deal exclusively with the Purchaser in regards to the proposed Transaction shall cease immediately and provided further, for clarity, that the Exclusivity Period shall terminate upon the entering into of a Alternative Definitive Agreement.”

- 12.2 Except as further amended by this Section 12, the LOI continues in full force and effect and all parties hereto hereby confirm and ratify all the provisions thereof. Any reference to the “LOI” contained in all present or future documents relating to this matter shall be deemed to refer to the LOI, as amended hereby.
- 12.3 For certainty, the parties acknowledge and agree that paragraphs 4, 8 and 9 through 15 (inclusive) (as each may be amended, restated, replaced, supplemented or otherwise modified from time to time) of the LOI constitute valid and legally binding agreements as between the parties, enforceable against the parties in accordance with the terms thereof.

### **13. Certain Rules of Interpretation**

In this Agreement:

- (a) **Consent** – Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.
- (b) **Currency** – Unless otherwise specified, all references to money amounts are to lawful currency of Canada.
- (c) **Definitions** – Capitalized words and terms used but not otherwise defined herein hereto shall have the meanings attributed to them in Schedule “B”.

- (d) **Governing Law & Jurisdiction** – This Agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario. The parties irrevocably attorn to the jurisdiction of the courts of Ontario, which will have non-exclusive jurisdiction over any matter arising out of this Agreement. The Obligors hereby irrevocably waive, to the fullest extent they may effectively do so, the defence of an inconvenient forum to the maintenance of any action or proceeding.
- (e) **Headings** – Headings of sections are inserted for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- (f) **Including** – Where the word “including” or “includes” is used in this Agreement, it means “including (or includes) without limitation”.
- (g) **No Strict Construction** – The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any party.
- (h) **Number and Gender** – Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.
- (i) **Severability** – If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited or unenforceable, such provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other parties or circumstances.
- (j) **Statutory references** – A reference to a statute includes all regulations and rules made pursuant to such statute and, unless otherwise specified, the provisions of any statute, regulation or rule which amends, supplements or supersedes any such statute, regulation or rule.
- (k) **Time** – Time is of the essence in the performance of the parties’ respective obligations.
- (l) **Time Periods** – Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.
- (m) **Knowledge** – Where any representation, warranty, or other statement in this agreement, or in any other document delivered under this agreement, is expressed by a party to be “to its knowledge,” or is otherwise expressed to be limited in



scope to facts or matters known to the party or of which the party is aware, it means the current, actual knowledge of directors and officers of that party following reasonable investigation of the relevant matter (including inquiries of other individuals reasonably likely to have knowledge of facts related to that statement).

- (n) **Amendment and Restatement** - Except as otherwise stated in this Section 13(n), as of the date hereof, the terms, conditions, agreements, covenants, representations and warranties set forth in the Existing Loan Agreement and LOI Amendment are hereby amended and restated in their entirety, and as so amended and restated, replaced and superseded, by the terms, conditions, agreements, covenants, representations and warranties set forth in this Agreement. The amendment and restatement contained herein shall not, in and of itself, in any manner, be construed to constitute payment of, or impair, limit, cancel or extinguish, or constitute a novation in respect of, the obligations and liabilities of the Lender, the Borrower or any of the Obligors evidenced by or arising under the Existing Loan Agreement and LOI Amendment.

#### **14. Entire Agreement**

This Agreement together with the Credit Document and the agreements, instruments and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions and agreements between the Parties in connection with the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement, the Credit Documents or any document, instrument or agreement required to be delivered pursuant to this Agreement.

**15. Non-Waiver**

No waiver of any condition or other provisions, in whole or in part, shall constitute a waiver of any other condition or provision (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. No waiver under a Credit Document will be deemed to extend to a subsequent occurrence, whether or not that occurrence is the same or similar to the original occurrence that was waived nor will it affect the exercise of any other rights or remedies under this note. Any failure or delay in exercising any right or remedy will not constitute, or be deemed to constitute, a waiver of that right or remedy. No single or partial exercise of any right or remedy will preclude any other or further exercise of any right or remedy. Each Obligor hereby waives presentment for payment, demand, protest, Notice of any kind, and statutory days of grace in connection with this Agreement. Each Obligor agrees that it is not necessary for the Lender to first bring legal action in order to enforce payment of any indebtedness owing pursuant to the Credit Documents.

**16. Costs and Expenses**

Except as otherwise provided in this Agreement, each Party shall pay all costs and expenses (including the fees and disbursements of legal counsel and other advisers) it incurs in connection with the negotiation, preparation and execution of this Agreement and the Credit Documents and the registration or filing of the Security Documents. The Borrower shall pay all costs (including legal fees) that it and the Lender, or its agents on its behalf, incur in connection with the continued perfection, registration or filing, and the enforcement of the Lender's interest under the Credit Documents, which will be paid immediately upon demand and form part of the indebtedness owing under this Agreement.

**17. Enurement**

This Agreement and each other Credit Document enures to the benefit of and is binding upon the Parties and their respective successors (including any successor by reason of amalgamation of any Party) and permitted assigns.

**18. Amendment**

No amendment, waiver or modification of any Credit Document in whole or in part will be enforceable against the Lender unless it is in writing expressed to be a modification of such Credit Document.

**19. Further Assurances**

The Borrower hereby covenants and agrees to, at its own expense and at the Lender's request, execute such further and other documents and instruments and to do such further and other things as may be required by the Lender to implement and carry out the intent of this Agreement.

**20. Notice**

All notices, demands and payments required or permitted to be given under this Agreement shall be in writing and may be delivered personally, sent by email or may be forwarded by first class prepaid registered mail to the addresses or email addresses set forth on the first page of this

Agreement or at such other address or addresses or email addresses as may from time to time be notified in writing to the other party.

Any notice delivered or sent by email shall be deemed to have been given and received at the time of delivery during customary business hours, or otherwise at 9:00 am Eastern Time on the following business day. Any notice mailed as set out above shall be deemed to have been given and received on the expiration of 48 hours after it is posted, provided that if there shall be between the time of mailing and the actual receipt of the notice a mail strike, slowdown or other labour dispute which might affect the delivery of such notice by mail, then such notice shall only be effective if actually delivered.

The parties irrevocably consent to the service of any and all process in any action or proceeding by the delivery of such process to any Obligor at the Borrower's address under this section 19.

**21. Severability**

Should any part of this Agreement be declared or held invalid for any reason, such invalidity shall not affect the validity of the remainder which shall continue in force and effect and be construed as if this Agreement had been executed without the invalid portion and it is hereby declared the intention of the parties hereto that this Agreement would have been executed without reference to any portion which may, for any reason, be hereafter declared or held invalid.

**22. Termination**

Upon indefeasible and irrevocable receipt by the Lender from the Borrower or any other Obligor on behalf of the Borrower of the outstanding principal amount of the Loans and all Interest thereon, together with all other monies that the Borrower may owe to the Lender from time to time under the Credit Documents (including, for certainty, the Non-Completion Fee), this Agreement shall immediately terminate, and the Lender shall provide the Borrower with all necessary documents, registrations and discharge statements as may be required to discharge any registration or interest in connection with the Credit Documents.

**23. Counterparts**

This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Agreement as to the parties hereto and may be used in lieu of the original Agreement for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

*[Signature Page Follows]*

**IN WITNESS OF WHICH**, the parties have executed this Agreement.

**CRYPTOLOGIC CORP.**

By: “John Kennedy FitzGerald”  
Name: John Kennedy FitzGerald  
Title: President

By: \_\_\_\_\_  
Name:  
Title:

**WAYLAND GROUP CORP.**

By: "Matthew McLeod"  
Name: Matthew McLeod  
Title: Chief Executive Officer

By: \_\_\_\_\_  
Name:  
Title:

**MARICANN INC.**

By: "Scott Langille"  
Name: Scott Langille  
Title: Director

By: \_\_\_\_\_  
Name:  
Title:

**NANOLEAF TECHNOLOGIES INC.**

By: "Matthew McLeod"

Name: Matthew McLeod

Title: Chief Executive Officer

By: \_\_\_\_\_

Name:

Title:

**Schedule "A"**

**Form of Notice of Request for Advance of a Loan**

**TO:** CRYPTOLOGIC CORP. (the "Lender")

**DATE:** \_\_\_\_\_, 20\_\_\_\_.

- 
1. This Notice of Request for Advance is delivered to you under section 7.2(b) of the Amended and Restated Loan Agreement and LOI Amendment dated as of September 17, 2019 between, *inter alios*, Maricann Inc. (the "**Borrower**") and the Lender, as it may be amended, supplemented, restated, replaced, or otherwise modified from time to time (the "**Loan Agreement**").
  2. Capitalized terms used in this request and not otherwise defined have the meanings given to them in the Loan Agreement.
  3. The Borrower hereby requests an advance of a Loan as follows:  
Date of advance: \_\_\_\_\_, 20\_\_\_\_.  
Amount in \$: \_\_\_\_\_.
  4. All of the Borrower's and each other Obligor's representations and warranties in the Loan Agreement (other than those that by their terms are made only as of a specific date) are true and correct as at the date of this request as though made on and as of the date of this request.
  5. All of the Borrower's and each other Obligor's covenants contained in the Loan Agreement, together with all of the conditions precedent to the Loan hereby requested and all other terms contained in the Loan Agreement to be complied with by the Obligors that have not been properly waived in writing by or on behalf of the Lender, have been fully complied with.
  6. No Event of Default has occurred and is continuing nor will any such event occur as a result of the aforementioned advances.
  7. The Borrower hereby authorizes and directs the Lender to advance the Loan requested hereby by wire transfer or direct deposit to the account set out on Exhibit A hereto (*Wire Instructions*).

Dated as of the date first written above.

**MARICANN INC.**

By: \_\_\_\_\_  
Name:  
Title:

**Exhibit A**  
**WIRE DETAILS**

See attached.



## Schedule “B”

### Definitions

“**Affiliate**” of any Person means, at the time the determination is being made, any other Person Controlling, Controlled by, or under common Control with, that Person, whether directly or indirectly.

“**Alternative Transaction Notice**” has the meaning given to such term in the LOI.

“**Applicable Law**” means, in respect of any Person, property, asset, undertaking, transaction, event or other matter, as applicable, all laws, rules, statutes, regulations and all official directives, rules, guidelines, orders, policies and other requirements of law of any Governmental Authority (collectively the “**Law**”) relating or applicable to such Person, property, transaction, event or other matter and shall include any interpretation of the Law or any part of the Law by any Person have jurisdiction over it or charged with its administration or interpretation;

“**Approved Jurisdiction**” means an Approved Medical Cannabis Jurisdiction or an Approved Non-Medical Cannabis Jurisdiction.

“**Approved Medical Cannabis Jurisdiction**” means a Medical Cannabis Jurisdiction which is approved in writing by the Lender in its sole and absolute discretion. The Lender may in its discretion from time to time (i) upon receipt of a written request by the Borrower, designate any jurisdiction an Approved Medical Cannabis Jurisdiction; and (ii) revoke the designation of any jurisdiction as an Approved Medical Cannabis Jurisdiction by written notice to the Borrower if such jurisdiction is no longer a Medical Cannabis Jurisdiction. Each jurisdiction in which the Obligors or any of their Affiliates currently carry on the Business is an Approved Medical Cannabis Jurisdiction and the United States (including, for greater certainty, no State of the United States or the District of Columbia) is NOT an Approved Medical Cannabis Jurisdiction as at the date of this Agreement.

“**Approved Non-Medical Cannabis Jurisdiction**” means a Non-Medical Cannabis Jurisdiction which is approved in writing by the Lender in its sole and absolute discretion. The Lender may in its sole and absolute discretion from time to time (i) upon receipt of a written request by the Borrower, designate any jurisdiction an Approved Non-Medical Cannabis Jurisdiction; and (ii) revoke the designation of any jurisdiction as an Approved Non-Medical Cannabis Jurisdiction by written notice to the Borrower if such jurisdiction is no longer a Non-Medical Cannabis Jurisdiction. Canada is an Approved Non-Medical Cannabis Jurisdiction and the United States (including, for greater certainty, no State of the United States or the District of Columbia) is NOT an Approved Non-Medical Cannabis Jurisdiction as at the date of this Agreement.

“**Bankruptcy and Insolvency Laws**” means the *Companies’ Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada), the United States Bankruptcy Code or the *Winding-Up and Restructuring Act* (Canada) or any other liquidation, bankruptcy, receivership, reorganization, arrangement, rearrangement, moratorium, insolvency, or analogous laws or similar laws affecting creditors’ rights generally, applicable bankruptcy, receivership, insolvency, moratorium, reorganization, arrangement, rearrangement, or other analogous proceeding or law in Canada (including, without limitation, the *Canada Business Corporations*

*Act* (Canada) and the *Business Corporations Act* (Ontario) in respect of any of the foregoing) or the United States (as applicable), or any state, province or territory thereof or any other applicable jurisdictions, in effect from time to time.

“**Budget**” means the detailed budgets relating to the Business as prepared by the Borrower and approved by the Lender from time to time, each such budget including detailed schedules of cash receipts, cash disbursements, and proposed capital expenditures for the period.

“**Business**” has the meaning given to such term in Recital A.

“**Business Day**” means a day other than a Saturday, a Sunday, or any other day on which the principal chartered banks located in Toronto, Ontario are not open for business.

“**Cannabis**” means:

- (a) any plant or seed, whether live or dead, from any species or subspecies of genus *Cannabis*, including *Cannabis sativa*, *Cannabis indica* and *Cannabis ruderalis*, marijuana and industrial hemp and any part, whether live or dead, of the plant or seed thereof, including any stalk, branch, root, leaf, flower, or trichome,
- (b) any material obtained, extracted, isolated, or purified from the plant or seed or the parts contemplated by clause (a) of this definition, including any oil, cannabinoid, terpene, genetic material or any combination thereof,
- (c) any organism engineered to biosynthetically produce the material contemplated by clause (b) of this definition, including any micro-organism engineered for such purpose,
- (d) any biologically or chemically synthesized version of the material contemplated by clause (b) of this definition or any analog thereof, including any product made by any organism contemplated by clause (c) of this definition, and
- (e) any other meaning ascribed to the term “cannabis” under applicable Law, including the Cannabis Act or the *Controlled Drugs and Substances Act* (Canada).

“**Cannabis Act**” means An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts, S.C. 2018, c. 16, as amended or replaced from time to time.

“**Cannabis Laws**” means Applicable Laws with respect to Cannabis-Related Activities (other than laws of general application), including without limitation the Cannabis Act and the Cannabis Regulations.

“**Cannabis Regulations**” means Cannabis Regulations under the Cannabis Act and any other statute with respect to Cannabis-Related Activities, each as amended from time to time.

“**Cannabis-Related Activities**” means any activities, including advertising or promotional activities, relating to or in connection with the importation, exportation, cultivation, production, purchase, distribution or sale of Cannabis or Cannabis-related products, whether such activities are for medical, scientific, recreational or any other purpose.

“**Collateral**” has the meaning given to such term in section 5.1(c).

“**Common Shares**” means the common shares in the capital of the Borrower, as such common shares are constituted on the date of execution and delivery of this Agreement; provided that in the event of a change or a subdivision, revision, reduction, combination or consolidation thereof, any reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance or liquidation, dissolution or winding-up, or such successive changes, subdivisions, redivisions, reductions, combinations or consolidations, reclassifications, capital reorganizations, consolidations, amalgamations, arrangements, mergers, sales or conveyances or liquidations, dissolutions or windings-up, then, subject to adjustments, if any, having been made, “**Common Shares**” shall, as the context may require, mean the shares or other securities or property resulting from such change, subdivision, redivision, reduction, combination or consolidation, reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance or liquidation, dissolution or winding-up.

“**Control**” means the direct or indirect power to direct or significantly influence the management and policies, business, or affairs of a Person whether through the ownership of voting equity interests, by contract, or otherwise and for a corporation, has the meaning given to that term in the *Business Corporations Act* (Ontario), and the terms “**Controlled**”, “**Controlling**” and “**under common Control with**” have comparable meanings.

“**Credit Document**” has the meaning given to such term in section 5.1.

“**Debt**” has the meaning given to such term in the Indenture.

“**Definitive Agreement**” has the meaning given to such term in section 8.2.

“**Distribution**” means, for any Person, any payment, directly or indirectly, by that Person of any kind, whether in cash, cash equivalents or otherwise, including (without limitation) payments: (i) of any dividends on any equity units or shares of its capital, (ii) on account of, or for the purpose of setting apart any property for a sinking or other analogous fund for, the purchase, redemption, retirement, or other acquisition of any shares of its capital or any warrants, options, or rights to acquire any such shares, (iii) of any other distribution in respect of any shares of its capital, (iv) of any principal of or interest or premium on, or of any amount in respect of a sinking or analogous fund or defeasance fund for, any shareholder loan or other debt to a non-arm’s length party, subordinated debt or other indebtedness or liability of that Person ranking, at Law or by contract, in right of payment subordinate to any liability of that Person under the Credit Documents or otherwise, or (v) of any director, officer, management, consulting, or similar fee or any bonus or comparable payment, or by way of gift or other gratuity, to any Affiliate of that Person or to any director or officer of that Person or Affiliate of that Person, or to any Person not dealing at arm’s length with that Person or Affiliate, director or officer.

“**Encumbrance**” means any mortgage, debenture, pledge, hypothec, lien, charge, encumbrance, assignment by way of security, hypothecation or security interest granted or permitted by a Person or arising by operation of Law, in respect of any of that Person’s Property, or any consignment or capital lease of Property by that Person as consignee or lessee or any other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability, or obligation, and “**Encumbrances**,” “**Encumbrancer**,” “**Encumber**,” and “**Encumbered**” have comparable meanings.

“**Event of Default**” has the meaning given to such term in section 9.3.

“**Governmental Authority**” means (a) the government of Canada or any other nation, or any geographical or political unit or subdivision of either of them (whether federal, provincial, state, municipal, local, or otherwise), and (b) any body, agency, tribunal, arbitrator, court, authority, or other entity that exercises executive, legislative, judicial, taxing, regulatory, or administrative powers or functions of, or pertaining to, government.

“**Health Canada Licences**” means, any licence issued by Health Canada to any of the Obligors in respect of their respective Cannabis-Related Activities.

“**Interest**” means (a) prior to the delivery of an Alternative Transaction Notice(if any), interest at the rate of 13% per annum, and (b) following the delivery of an Alternative Transaction Notice(if any) (or the date upon which such Alternative Transaction Notice should have been delivered in compliance with section 9 of the LOI) until the repayment of the Loans in full, including the entire outstanding principal amount and all Interest thereon, interest at the rate of 25% per annum.

“**Langton Facility**” means the facility located at 138 and 150 8th Concession Road, Langton, Ontario.

“**Loan**” and “**Loans**” has the meaning given to such term in section 1.

“**LOI**” has the meaning given to such term in Recital A.

“**Material Adverse Effect**” means a material adverse effect (or series of adverse effects, none of which is material in and of itself but which, cumulatively, results in a material adverse effect) on the business, property (including the Owned Real Property), assets (including intangible assets), liabilities, capitalization, ownership, financial condition, or results of operations of the Obligors, taken as a whole in respect of the Business; provided that a “Material Adverse Effect” does not include any effect or change arising from: (a) this Agreement, the Definitive Agreement or the completion of the transactions contemplated, permitted or required by this Agreement or the Definitive Agreement, other than any such effect that specifically relates to or disproportionately affects in an adverse manner the Business; or (b) any refusal by the Lender to timely advance any Loan to the Borrower based upon the agreed-upon Budget.

“**Material Licence**” means those licences and authorizations necessary for the conduct of Cannabis-Related Activities by any Obligor in respect of the Business (including, without limitation each of the Health Canada Licences) and any other licence, franchise, permit, or approval issued by any Governmental Authority to an Obligor in respect of the Business that is, at any time on or after the date of this Agreement, in the reasonable opinion of the Lender, necessary or material to the business and operations of an Obligor (or the breach, default, or revocation of which would result in a Material Adverse Effect).

“**Medical Cannabis Jurisdiction**” means any country in which it is legal in all political subdivisions therein (including for greater certainty on a federal, state and municipal basis) to undertake Medical Cannabis-Related Activities.

**“Medical Cannabis-Related Activities”** means any activities, including advertising or promotional activities, relating to or in connection with the importation, exportation, cultivation, production, purchase, distribution or sale of Cannabis or Cannabis-related products solely for medical purposes.

**“Mortgage”** has the meaning given to such term in section 5.1(c).

**“Non-Medical Cannabis-Related Activities”** means Cannabis-Related Activities other than Medical Cannabis-Related Activities.

**“Non-Medical Cannabis Jurisdiction”** means any country in which it is legal in all political subdivisions therein (including for greater certainty on a federal, state and municipal basis) to undertake Non-Medical Cannabis-Related Activities.

**“Notice”** means any notice, request, direction, or other document that a party can or must make or give under this Agreement.

**“Owned Real Property”** means the premises municipally known as 138 8th Concession Road, Langton, Ontario owned by Maricann Inc. and legally described as Part of Lot 2, Concession 7, North Walsingham designed as Instrument No NR306706 save and except for Part 1 on Reference Plan 37R-10232, now in Norfolk County, being all of PIN 50127-0217 (LT).

**“Permitted Debt”** means (i) Debt arising pursuant to the Credit Documents; and (ii) Debt constituting “Permitted Debt” (as such term is defined in the Indenture).

**“Permitted Encumbrance”** means (i) Encumbrances arising pursuant to the Credit Documents; and (ii) Encumbrances constituting “Permitted Liens” (as such term is defined in the Indenture).

**“Person”** includes any individual, corporation, company, body corporate, partnership, Governmental Authority, joint venture, association, trust, unincorporated organization, estate or any other entity.

**“Personal Property Collateral”** has the meaning given to such term in section 5.1(a).

**“Property”** means, for any Person, all or any portion of that Person’s undertaking, property, and assets, both real and personal (including any share in the capital of a corporation and any ownership interest in any other Person).

**“Real Property Collateral”** has the meaning given to such term in section 5.1(c).

**“Responsible Person”** means (i) an officer or director of any Obligor or (ii) any other Person required to hold a security clearance pursuant to the Cannabis Act or the Cannabis Regulations.

**“Security Document”** has the meaning given to such term in section 5.1.

**“Subordination Agreement”** has the meaning given to such term in section 6.1.

**“Term”** has the meaning given to such term in section 2.

**“Transaction”** has the meaning given to such term in Recital A.

“**Wayland Debentures**” means collectively, the Series A Debentures and the Series B Debentures (as such terms are defined in the Indenture) of the Borrower issued and certified pursuant to that certain Secured Trust Indenture dated October 27, 2017 between the Borrower and TSX Trust Company (the “**Indenture**”), or deemed to be issued and certified pursuant to the Indenture, designated as “9.0% Secured Convertible Debentures” and described therein, and for the time being outstanding, whether in definitive, uncertificated or interim form.

## Schedule “C”

### Additional Covenants

#### Positive Covenants

Each Obligor shall hereby covenants and agrees that it shall at all times, except as permitted or required by or pursuant to the Definitive Agreement:

1. carry on and conduct its activities, and cause its subsidiaries to carry on and conduct their businesses, in a business-like manner and in accordance with good business practices, Applicable Laws;
2. take all commercially reasonable action to maintain all rights, privileges, and franchises necessary or desirable in the normal conduct of its business and comply with all Material Licences, constating documents, and Applicable Laws;
3. engage in Medical Cannabis-Related Activities only in Approved Medical Cannabis Jurisdictions, and in accordance with all Applicable Laws therein;
4. engage in Non-Medical Cannabis-Related Activities only in Approved Non-Medical Cannabis Jurisdictions, and in accordance with all Applicable Laws therein;
5. ensure that all activities relating to the cultivation, productions, processing, distribution or sale of Cannabis and Cannabis-related products occur solely in facilities licenced by Governmental Authorities in Approved Jurisdictions;
6. keep or cause to be kept proper books of record and account in accordance with generally accepted accounting principles and shall make such books and records available for inspection by the Lender (or any representative thereof) upon reasonable notice during normal business hours;
7. duly and punctually perform and carry out all covenants, agreements and ask for things to be done by it as provided for in this Agreement and each of the Credit Documents;
8. if an Obligor shall fail to perform any of its covenants contained in this Agreement, the Lender may notify such Obligor of such failure or may itself perform any of the covenants capable of being performed by it, but shall be under no obligation to do so or to notify the Borrower. All sums so expended or advanced by the Lender shall be repayable by the Borrower. No such performance, expenditure or advance by the Lender shall be deemed to relieve the Borrower of any default hereunder;
9. with respect to Wayland, will use commercially reasonable efforts to maintain the listing of the common shares in the capital of Wayland on the CSE or such other recognized stock exchange in Canada, and to maintain Wayland’s status as a “reporting issuer” not in default of the requirements of applicable securities legislation (provided that the Lender expressly acknowledges that Wayland is subject to a cease trade order issued by the Ontario Securities Commission dated May 6, 2019 and that Wayland has not filed its audited annual financial statements for the year ended December 31, 2018 or its interim financial statements for the quarter ended March 31, 2019 nor the management’s

discussion and analysis and other ancillary filings required to be made in connection with such financial statements);

10. shall maintain, and shall cause each of their subsidiaries to maintain, property and liability insurance to insure their respective businesses and operations against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses;
11. will conduct its business in a manner that will not materially and adversely affect its business, operations, prospects or financial condition or that of its subsidiaries or its ability to perform any of its obligations under the Credit Documents to which it is a party;
12. will, from time to time, pay or cause to be paid all taxes, lawfully levied, assessed or imposed upon or in respect of its property, assets or undertaking (including, the Owned Real Property) or any part thereof or upon its income and profits as and when the same become due and payable and to withhold and remit any amounts required to be withheld by it from payments due to others and remit the same to any Governmental Authority and it will exhibit or cause to be exhibited to the Lender, when requested, the receipts and vouchers establishing such payment; provided, however, that it shall have the right to contest in good faith and diligently by legal proceedings any such taxes, and during such contest, may delay or defer payment or discharge thereof if such delay, deferment or discharge is reasonable and provided it has taken appropriate reserves on its book in accordance with IFRS;
13. will observe and comply, in all material respects, with all Applicable Laws including environmental laws;
14. subject to the terms of the Security Documents, if any part of its property, assets or undertaking is damaged or destroyed, if reconstruction, restoration or repair is required pursuant to the terms of any of the Security Documents, and if reconstruction, restoration or repair of the damaged or destroyed property, assets or undertaking is necessary in order that such damage or destruction does not adversely affect the performance by it or its subsidiaries of their respective obligations under the Security Documents or its ability or the ability of any of its subsidiaries to comply with its obligations under this Agreement, it shall initiate the reconstruction, restoration or repair of the damaged or destroyed property as soon as practicable;
15. will defend the title of its property, assets and undertaking against any material claims and demands of all persons other than the Lender and the trustee of the Wayland Debentures;
16. upon reasonable prior notice and during normal business hours and no more than once in any calendar year, it shall, at any reasonable time or times, grant free and full access to and, subject to reasonable health, safety and environmental concerns, permit the Lender (and its advisors) to visit every site, facility or property of the Obligors and to review all books of account, data and records;



17. each Security Agreement and the Mortgage will constitute valid and, upon registration in the appropriate registry, perfected first charges on the property, assets and undertaking of each Obligor, subject to Section 6 hereof;
18. except with the prior written consent of the Lender or as permitted or required by the Definitive Agreement, it will not, and will ensure that no subsidiary enters into any scheme or arrangement for any reconstruction or reorganization involving any of the Obligors or their subsidiaries or for any consolidation, amalgamation, merger, arrangement or similar transaction involving the Obligors, or any of their subsidiaries, and any other Person;
19. in the event that (i) any class of its securities shall become registered pursuant to Section 12 of the U.S. Securities Exchange Act or such Obligor shall incur a reporting obligation pursuant to Section 15(d) of the U.S. Securities Exchange Act, or (ii) any such registration or reporting obligation shall be terminated by such Obligor in accordance with the U.S. Securities Exchange Act, such Obligor shall promptly deliver to the Lender an Officers' Certificate notifying the Lender of such registration or termination and such other information as the Lender may require at the time. The Obligors acknowledge that the Lender is relying upon the foregoing representation and covenants.

### **Negative Covenants**

No Obligor shall, without the prior written consent of the Lender in its sole and absolute discretion, unless otherwise permitted or required by or pursuant to the Definitive Agreement:

1. and shall not permit any subsidiary, whether existing as at the date hereof or formed or acquired after the date hereof, to incur Debt other than Permitted Debt;
2. acquire any material assets;
3. have a class of securities registered pursuant to Section 12 of the *U.S. Securities Exchange Act* or have a reporting obligation pursuant to Section 15(d) of the *U.S. Securities Exchange Act*;
4. purchase, buy back, redeem, retire, repurchase, cancel or otherwise acquire for cash any security of the Borrower (including, without limitation options, warrants, conversion or exchange privileges and similar rights in respect of shares), provided that the Borrower may redeem some or all of the Wayland Debentures with the prior consent of the Lender, acting reasonably;
5. make any change to its constating documents that would reasonably be expected to have a Material Adverse Effect, including changes in their respective names without providing the Lender with at least 30 days prior written notice;
6. transfer or issue, or permit the transfer or issuance of, any of its securities to any Person that is not an Obligor or a subsidiary of an Obligor or allow any one thereof to cease to be a direct or indirect, as applicable, subsidiary of such Obligor, provided that all such securities transferred or issued to an Obligor or a subsidiary shall be

immediately pledged in accordance with the Security Documents in favour of the Lender, subject to Section 7;

7. enter into any transaction with any non-arm's length parties other than on commercially reasonable terms;
8. guarantee the obligations of any other Person, directly or indirectly, other than Permitted Debt;
9. create, incur, assume or permit any security interest or Encumbrances upon any of the Collateral, other than Permitted Encumbrances;
10. enter into or become party or subject to any dissolution, winding up, reorganization, arrangement or similar transaction or proceedings;
11. engage in the conduct of any business other than its business as existing on the date of this Agreement;
12. engage or participate in any Medical Cannabis-Related Activities, contract or carry on business with a Person, or make or hold an investment in any Person which engages or participates in any Medical Cannabis-Related Activities, in any jurisdiction other than an Approved Medical Cannabis Jurisdiction,
13. engage or participate in any Non-Medical Cannabis-Related Activities, contract or carry on business with a Person, or make or hold an Investment in any Person which engages or participates in any Non-Medical Cannabis-Related Activities, in any jurisdiction other than an Approved Non-Medical Cannabis Jurisdiction,
14. own assets or carry on business in any jurisdiction which is not an Approved Jurisdiction,
15. enter any commercial arrangements with Persons engaging in Cannabis-Related Activities that violate Applicable Laws, including for greater certainty, any licensing agreements,
16. make payments, including royalties, to any Person engaged in Cannabis-Related Activities that violate Applicable Laws,
17. generate revenue or receive funds from any Person engaged in Cannabis-Related Activities that violate Applicable Laws, or
18. have an Affiliate in any jurisdiction which is not an Approved Jurisdiction.

## Schedule “D”

### Additional Representations and Warranties

#### Compliance with Applicable Law

1. None of the Obligor has violated or failed to comply with any Applicable Law applicable to its business, except where such violations or failures to comply could not reasonably be expected to have a Material Adverse Effect.
2. None of the Obligor has violated or failed to comply in any material respect with any Cannabis Laws applicable to it, its property or its business. Specifically, but without limitation, no Obligor (i) conducts or at any time has conducted any Cannabis-Related Activities, or (ii) has made or held an investment in any Person who conducts or at any time has conducted any Cannabis-Related Activities, in each case other than in an Approved Jurisdiction and where such Cannabis-Related Activities in such Approved Jurisdiction would not violate or result in a material breach of any applicable Cannabis Laws at the time in question.
3. None of the Obligor has any commercial arrangements with Persons engaging in Cannabis-Related Activities that violate Applicable Laws, including for greater certainty, any licensing agreements. None of the Obligor make payments, including royalties, to any Person engaged in Cannabis-Related Activities that violate Applicable Laws. None of the Obligor generate revenue or receive funds from any Person engaged in Cannabis-Related Activities that violate Applicable Laws.
4. None of the Obligor has received any notice to the effect that, or has otherwise been advised that, it is not in compliance with any Applicable Law and none of the Obligor knows of any currently existing circumstances that are likely to result in the violation of any Applicable Law, the non-compliance or violation of which could reasonably be expected to have a Material Adverse Effect.
5. None of the Obligor nor any joint venture in which any of the Obligor is a joint venture partner:
  - a. own assets or carry on business in any jurisdiction which is not an Approved Jurisdiction;
  - b. own assets or carry on any Medical Cannabis-Related Activities in any jurisdiction which is not an Approved Medical Cannabis Jurisdiction; or
  - c. carry on any Non-Medical Cannabis-Related Activities in any jurisdiction which is not an Approved Non-Medical Cannabis Jurisdiction.

#### Material Licences

6. No event has occurred and is continuing that would constitute a breach of any material provision of, or a default of any material provision under, any Material Licence.

7. No Obligor has violated in any material respect or failed to obtain any Material Licence necessary (i) for the ownership of any of its property or assets or the conduct of its business as currently conducted, or (ii) to make or hold any investment in any Person who conducts Cannabis-Related Activities. All Material Licences:
  - a. have been duly obtained, taken, given or made;
  - b. are valid and in full force and effect, and
  - c. are free from conditions or requirements that have not been met or complied with where the failure to so satisfy may allow for the material modification or revocation thereof.
8. Each Obligor is in compliance in all material respects with all Material Licences held by, or in favour of, such Obligor. Specifically, but without limitation, no Obligor conducts or has conducted any Cannabis-Related Activities in a building or facility for which an applicable Material Licence was not in full force and effect at the time in question.
9. No Obligor has received any notice from any Governmental Authority regarding any actual or alleged violation of, or any failure on the part of the Obligor to comply with, any term or requirement of any Material Licence that has not been remedied. No Obligor has received any written notice from any Governmental Authority of any revocation or intention to revoke any interest of any Obligor in any of the Material Licences that has not been remedied. No Obligor knows of any reason why any Material Licence should be suspended, cancelled or revoked or of any factor that would in any way prejudice the continuance or renewal of any Material Licence. All taxes, assessments, maintenance fees and other amounts required to maintain the Material Licences have been paid in full.