

## OPERATING or OPERATOR AGREEMENT

This OPERATING AGREEMENT made effective as of October 4, 2019 (the "Agreement"), by and between:

**Theramed Health Corporation ("TMED")**, a British Columbia (Canada) corporation, with a mailing address of 11280 Twigg Pl #168, Richmond, BC V6V 0A6 Canada

AND

**Belt Energy and Biomass LLC ("BEBL", or the "Operator")**, a Nevada Domestic Limited-Liability Company (86) company with a registration number of E0329692018-1, with a registered agent office at 500 N. Rainbow Blvd. Ste. 300 A, Las Vegas, NV, 89107;

AND

**Western Agri Supply Solutions Corp. ("WASSC")**, a British Columbia (Canada) corporation, with an office at 5728 East Boulevard, Vancouver, BC V6M 4M4 that is a wholly-owned subsidiary of TMED;

AND

**Western Agricultural Supply LLC ("WASL")**, a Nevada Domestic Limited-Liability Company (86) company with a registration number of E0101622019-1, with a registered agent office at 500 N. Rainbow Blvd. Ste. 300 A, Las Vegas, NV, 89107, USA that is a to be a wholly-owned subsidiary of TMED held in trust by James K. Hoechsmann;

(each a "Party", and collectively the "Parties")

### WHEREAS:

- A. BEBL and WASSC previously entered into a joint venture agreement dated made on March 6, 2019 attached hereto as Schedule "A" (the "JV") and the Parties (BEBL and WASSC) desire to mutually terminate that agreement and enter into this agreement retroactively to replace the JV in order to rectify the original intent and wishes of the Parties herein with respect of the business and operations conducted through WASL in Nevada (USA);
- B. The Parties acknowledge that WASSC and WASL (held in trust by James K. Hoechsmann) are wholly-owned and to be operated as subsidiaries of TMED; and
- C. The Parties wish to enter into this agreement to exploit and develop the business opportunities related to certain industrial hemp license and matters in the State of Nevada between BEBL and WASL related to the same as stated in this Agreement.

**NOW, THEREFORE**, in consideration of the promises contained herein and for other good and valuable consideration, receipt of which is hereby acknowledged, the Parties mutually agree as follows:

### Retroactive JV Termination and Replacement

1. BEBL and WASSC each agree that the JV between them is hereby mutually and retroactively terminated and replaced in whole by this Agreement effective retroactively as of March 6, 2019.
2. The Parties mutually agree to replace the original agreement JV Agreement with this Operator Agreement.
3. BEBL and WASSC mutually agreed that exclusive of Assets (as described further herein) and cash or cash equivalents held in trust by BEBL for WASSC that neither of them is liable to the other party for the payment of any monies or the



performance of any action or the omission of any act with respect of any matter in said agreement, and each hereby releases the other Party and each of their respective directors, officers, shareholders, employees, and agents/consultants completely with respect of any claim or demand of any and all sorts arising as a result of the JV which any of said Parties may have or currently have or may have in the future.

#### Operator (BEBL) Fees

4. The following Operator fees shall be paid to BEBL and/or its principal James K. Hoechsmann for all services performed under this Agreement:
  - a. monthly consulting fee of \$7,500.00 USD;
  - b. a royalty of 5% on net sales after any royalties required to be paid to collaborators, vendors or creditors; and
  - c. any other compensation or performance bonuses to be determined by Chris Brown after consulting with Sydney Au.

*(collectively 4(a) to (c); the "Operator Fees")*

#### The License, its business and operations

5. BEBL acknowledges and represents that it has a license issued by the State of Nevada to grow, produce, process, and commercialize industrial hemp and products from industrial hemp (the "License").
6. BEBL shall immediately after entering into this agreement add WASL to the License such that WASL would be able to fully use the benefits of the License as if it was the original holder of the License. WASL shall have full right to exploit the License.
7. BEBL and WASL shall maintain the License and conduct the business pursuant to the License in a commercially reasonable manner.
8. 100% of all net sales derived from the License shall be deposited to and be for the benefit of WASL. Net sales are described as gross sales less, Operator Fees, and any point of sale transaction costs incurred.

#### Funding of Operations, Banking and Controls

9. The Parties acknowledge that TMED has advanced funds from time to time since July 2018 for facilities leasing, deposits, equipment and asset purchases, and such other payments either to BEBL or to its vendors and suppliers for the sole benefit and on behalf of WASL and to be held in trust for TMED. All payments made by TMED, exclusive of consulting fees to BEBL or its principal James K. Hoechsmann, are to be recorded in the accounts of and for the benefit of WASL. All monies paid for the purchase of equipment, biologicals, or other assets purchased (the "Assets") in WASL are mutually agreed by the Parties to be considered held in trust for the sole benefit of TMED.
10. BEBL and WASL shall jointly control the License (to the extent joint licensing is permissible), or in the alternative WASL shall apply for and hold its own license to produce and/or process hemp in the State of Nevada.
11. Until a bank account is established for the business opportunity all funds are loaned to BEBL on behalf of the business opportunity and BEBL shall maintain and operate its bank account and separate and itemized transactions related to the business undertaken by the Licensed parties.





12. Upon commencing commercial operations, a bank account shall be established under joint control of BEBL and WASL (including the requirement that the bank account shall have two authorized signatories for conducting any disbursement transactions with one signatory being appointed by BEBL and the other signatory by WASL, as they may be appointed by the respective Parties from time to time). All the financial transactions related to the License and the business related thereto shall be thereafter conducted only under such new account to be maintained and operated either directly by WASL or jointly by WASL and BEBL.
13. If permissible, each of WASL and BEBL shall open and operate their own independent bank accounts
14. Each of the Parties shall be responsible to maintain their own set of accounting records and financial reporting with BEBL providing monthly reports of assets held in trust for and all commercial banking and activities conducted on behalf of WASL within 15 calendar days after the end of each month.
15. At its sole discretion and authority, WASSC or WASL shall distribute any funds including the repatriation of funds to TMED, their parent company, in Canada.

#### Options

16. In the event that BEBL wishes to sell its assets and/or control of itself to any party, then TMED is hereby granted the first right of refusal and the 90-day option to negotiate in good faith the acquisition of such assets and/or control of BEBL at a fair market value that is independently verified via valuation or other mutually acceptable method. In the event of TMED exercising its first right of refusal option to acquire BEBL in furtherance of this section, then BEBL's name shall be removed from the License as soon as practicable subject to fulfilling any regulatory requirement with respect of such removal.
17. In the event that TMED does not exercise its first right of refusal with 90-days of written notice provided by BEBL to TMED of an offer by any outside party to acquire BEBL, then BEBL shall immediately cause the transfer all of Assets held in trust into the possession and control of, including full control and operation of any joint bank-account to WASL.
18. At its sole discretion, TMED may appoint any nominee or controlling party (including B. Chris Brown, President of TMED) as person to hold any of the Assets (tangible or intangible) or License in trust for TMED, including those through WASL held in trust by James K. Hoechsmann.

#### Equipment

19. All equipment leased or purchased, whether through BELT or otherwise shall be for the sole ultimate benefit of TMED including those assets held in trust by BELT or its principal James K. Hoechsmann on TMED's behalf for the duration of this Operator Agreement.
20. At its sole discretion, TMED shall rent or lease (capital or finance) any equipment whether directly or through WASSC or WASL as required to conduct operations under this Agreement.

#### Rental Agreement

21. BEBL shall be permitted to lease any unused and available portion of WASSC's approx. 25,000 sq. ft. Las Vegas, NV facility at standard sub-leasing rates (in accordance with the existing lease agreement) to conduct any business that is unrelated to and that does not interfere or impede any business conducted under this Agreement, as mutually agreed by

the Parties.

#### Other Investments

22. TMED has the first right of refusal to make any other investments into BEBL with respect of exploiting the License and the business related thereto for industrial hemp and products derived therefrom.

#### Covenants, Representations and Warranties

23. Each of the Parties represents and warrants that:

- a. it has all the requisite corporate (including board of directors, management, member and/or shareholder consents) required to enter into this agreement and to fulfill its obligations herein; and
- b. the entry into this agreement will not violate any other agreement, arrangement, or understanding, or any obligations or requirement with any government entity, or the organizational or constating documents of such Party.

24. BEBL further represents and warrants that:

- c. the License is in good standing with the government agency(ies) in charge of issuing/grating, monitoring, and maintaining the License;
- d. the entry into this agreement will not violate the terms of the grant/issuance of the License;
- e. unless expressly stated in this agreement, the License is free and clear of all encumbrances, including but not limited to any lien, right of first refusal, options, mortgage, collateral, or any rights in the favor of any third party; and
- f. it has the requisite insurance to be able to maintain the License as required by any government authority in light of the obligations in this agreement.

25. The Parties covenant that they shall perform their obligations and exercise their rights under this agreement in compliance with applicable laws.

26. BEBL and WASL each further covenant that:

- g. They shall hold and conduct business pursuant to the License in compliance with applicable laws.

#### Non-Compete

27. All Parties to this Agreement shall be free to conduct such other business involving industrial hemp and products derived therefrom at their sole discretion with the strict condition that any such business shall not impair or otherwise interfere with any business conducted under this Agreement.

#### Non-Circumvention

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28. Each Party shall not, directly or indirectly, except in collaboration with or with the express written consent of all other Parties:
- h. enter into any transaction with any party similar to, in competition with, or which otherwise could have the effect of preventing the receiving of the full benefit of the transactions set forth in this agreement;
  - i. solicit any other party to enter into any such transaction mentioned in subparagraph (a) above; or
  - j. induce, solicit, procure, or otherwise encourage any of its representatives or any third party or respond to any solicitation from any of the same to enter into any such transaction mentioned in subparagraph (a) above.

#### Right to Collateralize

29. The Parties acknowledge that each of TMED and WASSC have the right to collateralize or otherwise use as security their interests in this agreement in favor of any other party(ies) without the consent of any of the other Parties to this agreement.
30. The Parties acknowledge and agree that TMED has collateralized a \$350,000 CAD convertible debenture on the assets used for the business opportunity.

#### Confidentiality

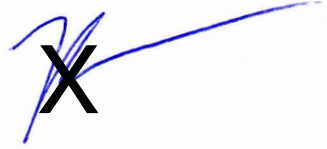
31. The Parties recognize and acknowledge that by reason of the entry into this agreement and undertaking the transactions contemplated herein, they each may have access to confidential information of the other Parties including without limitation, information and knowledge pertaining to products of services offered, inventions, innovations, designs, ideas, plans, trade secrets, proprietary information, advertising, distribution and sales methods and systems, and relationships between another Party and its affiliates and customers, clients, suppliers and others who have business dealings with the such party and its affiliates (collectively, "Confidential Information" of the relevant Party). The Parties acknowledge that such Confidential Information is a valuable and unique asset of the Party to whom the Confidential Information relates to and covenant that they will not, either during or after the term of this agreement, disclose any such Confidential Information to any person for any reason whatsoever or use such Confidential Information without the prior written authorization of the relevant Party, unless (i) such information is in the public domain through no fault of the disclosing Party(ies), (ii) if disclosure may be required by law, and (iii) it is made to their accounting, business and legal advisors with respect to the transactions contemplated in this agreement on a need to know basis and subject to similar confidentiality provisions as state herein. Upon request, the Parties will return all tangible materials containing Confidential Information of the other Party(ies) to such Party(ies) and/or destroy/delete the same.

#### Term

32. The Term of this Agreement shall be for a period of 5 years and automatically renew for an additional 5 year period and additional periods thereafter, as applicable, unless otherwise terminated by written notice of any Party at least 30 calendar days prior to the expiry of the first or renewed terms.

#### Time of Essence

33. Time is of the essence of this agreement.



#### Governing Law: Arbitration.

34. This agreement will be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of British Columbia, Canada. Any controversy arising out of or relating to this Agreement shall be resolved by arbitration in the city of Vancouver in the Province of British Columbia.

#### Involvement: Further Assurances

35. The parties hereto represent and warrant that they are not a party to any agreement or contract pursuant to which there is any restriction or limitation upon entering into this agreement.
36. Each Party hereto will execute and deliver all such other further instruments and documents as may be necessary to carry out the purposes of this agreement.

#### Notices

37. Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery, (by registered mail) or by electronic means of communication addressed to the recipient as follows:

To TMED: Syd Au @ [svdau945@gmail.com](mailto:svdau945@gmail.com)

To WASL: James K. Hoechsmann @ [jkhmann@hotmail.com](mailto:jkhmann@hotmail.com)

To WASSC: B. Chris Brown @ [chris@isolatedconsultants.com](mailto:chris@isolatedconsultants.com)

To BEBL: James K. Hoechsmann @ [jkhmann@hotmail.com](mailto:jkhmann@hotmail.com)

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, (if given by registered mail, on the third business day following the deposit thereof in the mail and), if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the business day during which such normal business hours next occur if not given during such hours on any day. (If the party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication may not be mailed but must be given by personal delivery or by electronic communication.)

#### Independent Legal Advice.

38. The Parties acknowledge that they have been advised to seek independent legal advice with respect to this agreement and that they have either decided to seek such independent legal advice or have decided to not seek such advice on their own volition. The BEBL and WASL acknowledge that legal counsel(s) for TMED and WASSC only represent such parties and not either of BEBL or WASL.

#### Severability

39. If any provision of this agreement or the application of such provision to any party or person or circumstance shall be held illegal, invalid, or unenforceable by a court or arbitrator of competent jurisdiction, then the remainder of this agreement, or the application of such provision to a party or person or circumstance other than those as to which it is held illegal, invalid, or unenforceable shall not be affected thereby. Each provision of this agreement is intended to be





severable, and if any provision is illegal, invalid or unenforceable in any jurisdiction, this will not affect the legality, validity or enforceability of such provision in any other jurisdiction or the validity of the remainder of the agreement.

#### Counterparts and Delivery

40. This agreement may be signed in counterparts by manual or electronic signature, and this agreement or a counterpart may be delivered by e-mail. Each such signed counterpart, if any, will constitute an original document and such counterparts, taken together, will constitute one and the same fully executed instrument.

#### Disclosure/Public Announcements

41. The Parties acknowledge and agree that TMED, being a public company, shall be allowed to make such public announcements as required by any securities regulatory authorities (including any stock exchange) without the need to obtain the consent of any other Party to this agreement, which includes the disclosure and/or posting of this agreement in any publicly accessed disclosure system.

#### Assignment

42. A party hereto may not assign this Agreement or any rights or obligations hereunder, without the consent of the other parties hereto.

#### Waiver of Breach

43. Waiver by any party of a breach of any provision of this Agreement by any other shall not operate or be construed as a waiver of any subsequent breach by such party.

#### Entire Agreement

44. This agreement contains the whole agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions between the Parties, and there are no representations, warranties, covenants, conditions or other terms, written or oral, with respect of the matters herein other than expressly contained in this agreement.

#### Benefit and Binding Nature of the Agreement

45. This agreement enures to the benefit of and is binding upon the Parties and their respective administrators, successors, and permitted assigns.

#### Amendments and Waiver

46. No modification or amendment to this agreement will be valid or binding unless set forth in writing and duly executed by all of the Parties and no waiver of any breach of any term or provision of this agreement will be effective or binding unless made in writing and signed by the Party purporting to give the same, and unless otherwise provided, will be limited to the specific breach waived.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this agreement as of the day and year first above written.



<b>Theramed Health Corporation</b> Per: <u>XXXXXXXXXXXX</u> Name of signatory: C.K. Cheung Title of signatory: CEO	<b>Belt Energy and Biomass LLC</b> Per: <u>[Signature]</u> Name of signatory: James K. Hoechsmann Title of signatory: Managing Member
<b>Western Agri Supply Solutions Corp.</b> Per: <u>[Signature]</u> Name of signatory: B. Chris Brown Title of signatory: President	<b>WESTERN AGRICULTURAL SUPPLY LLC</b> Per: <u>[Signature]</u> Name of signatory: James K. Hoechsmann Title of signatory: Managing Member

Theramed Health Corporation

Per

[Signature]

Name of signatory: Ron Ozols

Title of signatory :Director