# **Consignment and Marketing Agreement**

This Consignment Agreement, dated as of September 11, 2019 (this "**Agreement**"), is entered into between Champignon Brands Inc., a British Columbia Corporation ("**Consignor**"), and Drip Coffee Social Ltd., a British Columbia Corporation (the "**Consignee**", and together with Consignor, the "**Parties**", and each, a "**Party**").

WHEREAS, Consignor is in the business of selling mushroom extract teas under the brand Vitality SuperTeas (the "Goods");

WHEREAS, Consignee wishes to receive and purchase certain quantities of Goods from Consignor from time to time on a consignment basis for the purpose of sale to third parties (the "Consigned Goods"); and

WHEREAS, Consignor is willing to deliver and sell the Consigned Goods under the terms and conditions set forth herein.

WHEREAS, Consignee is willing to assist in marketing the Consigned Goods at pop-up events under the terms and conditions set forth herein.

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

#### 1. Consignment of Goods.

- 1.1 <u>Consignment for Sale</u>. Consignor shall deliver to Consignee the Consigned Goods for the purpose of sale to the Consignee's customers (the "**Customers**"). Consignor shall deliver the Consigned Goods to Consignee's facility located at 210 Crestline Terrace, Nanaimo, BC V9T 0A8 (the "**Facility**"). All delivery and supply of Consigned Goods will be on a consignment basis, in accordance with the provisions hereof.
- 1.2 <u>Consignment Requests and Consignment Confirmations</u>. Following receipt of a consignment request submitted by Consignee from time to time pursuant to this Agreement, Consignor shall issue to Consignee a confirmation of consignment (each, a "**Consignment Confirmation**"), which shall set forth specific terms of the consignment, including the quantity and purchase price of the Consigned Goods.
- 1.3 Terms of Agreement Prevail Over Consignee's Consignment Request. The terms of this Agreement prevail over any terms or conditions of Consignee contained in any other documentation and expressly exclude any of Consignee's general terms and conditions contained in any consignment request, purchase order or other document issued by Consignee (each, a "Consignment Request"), regardless of whether or when Consignee has submitted its Consignment Request or such terms. Fulfilment of Consignee's Consignment Request does not constitute acceptance of any of Consignee's terms and conditions and does not serve to modify or amend any Consignment Confirmation or this Agreement. In the event of any conflict between the terms of this Agreement and the terms of any Consignment Request, the terms of this Agreement prevail. In the event of any conflict between the terms of this Agreement Confirmation, the terms of this Agreement prevail.

## 1.4 Inspection by Consignee.

- (a) Consignee shall receive all Consigned Goods delivered to the Facility and shall inspect same immediately upon such delivery. Consignee agrees to accept the bill of lading, express receipt or similar delivery document as conclusive evidence of quantity, condition and quality of the Consigned Goods, unless Consignee advises immediately in writing of any discrepancy with the quantity, condition or quality (the "Non-Conforming Goods") and issues a detailed notice on or before the second day after delivery regarding such discrepancy.
- (b) Any Non-Conforming Goods may be returned by Consignee to Consignor at Consignor cost, *provided that* Consignee notifies Consignor in writing at least 10 days before such return.

# 1.5 Storage of Consigned Goods at the Facility; Inspection by Consignor.

- (a) Consignee shall store all Consigned Goods in the Facility in such a manner as to protect them from damage or deterioration. Consignee shall store the Consigned Goods in areas of the Facility segregated from all other goods and property located at the Facility (the "Segregated Area") and shall clearly identify them as the property of Consignor by conspicuous sign, placard or label. Such identification and marking shall include marking one or more units of Consigned Goods in each lot thereof.
- (b) For the purposes of this Section 1.5, Consignee hereby represents and warrants that the Facility designated herein is appropriate for and conducive to the storage of goods such as the Consigned Goods and will permit the storage thereof free from hazards and damage of any nature whatsoever. If, for whatever reason, either Party believes or has reason to believe that the Facility is no longer appropriate for the proper storage of Goods, the Parties shall, by mutual agreement, locate another facility suitable for the storage of the Consigned Goods. It shall be the responsibility of Consignee, however, to maintain the Facility throughout the term of this Agreement in such manner so as to remain suitable for the storage of the Consigned Goods, including maintenance of the insurance coverage.
- (c) Consignor shall have the right to inspect the Facility during business hours upon 2 days prior notice.

#### 2. Marketing of Goods.

- 2.1 <u>Consignee Services</u>. Marketer shall use commercially reasonable efforts to provide the following marketing services to Client in accordance with the terms of this Agreement (the "Marketing Services").
  - (a) <u>Social Media Exposure</u>. Exposure of the Goods on the Consignee's Social media channels (instagram/facebook: @dripcoffeesocial / drip coffee | social);

- (b) <u>Event Exposure.</u> Feature the Goods at various pop-up events, workshops, in the Vancouver Island Area;
- (c) Addition of Good to the Consignee's Menu. 2 special drinks added to menu using Vitality Brand teas each using the brain, nourish, recharge and utilizing the benefits;
- (d) <u>Brand Ambassador.</u> Consignee shall appoint a brand ambassador, at each of its locations, within 30 days of entering "agreement" to communicate to consumers about the Goods.
- (e) <u>Design of Product Placement.</u> Assist with product display branding at the Consignee's locations.

#### 2.2 Consideration Warrants.

- (a) Subject to Section 2.2(c), in consideration of the Marketing Services, the Consignor shall issue 400,000 share purchase warrants ("Consideration Warrants") exercisable at a price of \$0.15 per share for a period of two years from the date of issue. The Warrants shall vest on completion of the following milestones:
  - (i) 100,000 shall vest following Consignee providing the services in 2.1(c) for a period of at least one month;
  - (ii) 75,000 shall vest upon gross revenues from the sale of the Goods exceeding \$25,000.
  - (iii) 75,000 shall vest upon gross revenues from the sale of the Goods exceeding \$50,000.
  - (iv) 150,000 shall vest upon gross revenues from the sale of the Goods exceeding \$100,000.
- (b) In the event that this Agreement is terminated, all unvested Warrants shall be terminated upon termination of the Agreement;
- (c) The Consignor must be satisfied with that the issuance of the Consideration Warrants qualifies for the necessary exemptions under application securities laws;
- (d) The Consideration Warrants shall not be transferred in whole or in part without the consent of the Company, which shall not reasonably be withheld;
- (e) The certificates representing the Consideration Warrants and the Common Shares issuable upon exercise of the Consideration Warrants will bear legends setting out resale restrictions under applicable securities legislation.

(f) Consignee shall be granted 10 boxes per month to be used to promote the Goods in British Columbia as they see fit.

#### 3. Title and Risk of Loss.

3.1 <u>Title Retained by Consignor</u>. Consignor shall retain title to the Consigned Goods unless and until they are purchased by Consignee at the time of sale to a Customer. When Consignee sells the Consigned Goods to a Customer, title to the Consigned Goods shall pass from Consignor to Consignee and immediately thereafter from Consignee to the Customer.

# 3.2 <u>Risk of Loss Passes Upon Delivery.</u>

- (a) Consignor assumes the risk of loss, theft or damage to the Consigned Goods until the Consigned Goods are delivered at the Facility. Consignor promises to replace or repair any Consigned Goods that are lost, stolen or damaged before they are delivered at the Facility.
- (b) Notwithstanding Section 3.1, Consignee assumes the risk of loss, theft or damage to the Consigned Goods upon delivery of the Consigned Goods at the Facility. Consignee shall pay Consignor the replacement cost of any Consigned Goods that are lost, stolen or damaged after such Consigned Goods are delivered at the Facility.
- 4. <u>True Consignment</u>. This Agreement is intended to be a true consignment agreement and the consignment created hereunder is intended to be a true consignment, where title to the Consigned Goods remains with Consignor until purchased by a Customer on terms acceptable to Consignor.
- 5. <u>Price</u>. Consignee shall purchase the Consigned Goods from Consignor at the prices set forth in Consignor's price list in effect at the time that Consignor issues the related Consignment Confirmation less \$0.60 (\$7.35/box of 20 tea bags).

## 6. Payment.

- 6.1 <u>Monthly Sales Reports</u>. Consignee shall prepare a monthly Consigned Goods sales report (each, a "**Sales Report**"), and shall send such Sales Report to Consignor. Sales Reports shall set forth a list of all Consigned Goods sold to Customers during the immediately preceding week.
- 6.2 <u>Invoice</u>. On receipt of a Sales Report from Consignee, Consignor shall prepare an invoice (each, an "**Invoice**") for all of the Consigned Goods appearing on such Sales Report and shall send such Invoice to Consignee.
- 6.3 <u>Payment Terms</u>. No later than sixty (60) days after the date of each Invoice, Consignee shall pay to Consignor the amount appearing on the Invoice by wire transfer of immediately available funds to an account designated by Consignor.

6.4 <u>Credit Risk on Sale to Customers</u>. Consignee is responsible for all credit risks regarding, and for collecting payment for, all Consigned Goods sold by Consignee to each Customer, whether or not Consignee receives full payment from the Customer. The inability of Consignee to collect the purchase price from any Customer for any Consigned Goods sold by Consignee to such Customer shall not affect Consignee's obligation to pay Consignor for any Consigned Goods sold to a Customer.

## 7. Consignee's Responsibilities.

### 7.1 Consignee shall:

- (a) clearly and conspicuously label the Consigned Goods as property of Consignor;
- (b) segregate all Consigned Goods from other goods; and
- (c) secure and protect the Consigned Goods stored in the Facility from loss or damage using the same degree of care that Consignor uses to protect its own products and stock, but in no event less than a commercially reasonable degree of care.
- Records. Consignee shall keep a true and correct record of all Consigned Goods in its possession and shall give representatives of Consignor an accurate inventory count within 24 hours of request. Consignee shall permit such representatives to request inventory of the Consigned Goods in possession during business hours.
- 8. Return of the Consigned Goods. The Consigned Goods shall at all times be subject to the direction and control of Consignor, and on Consignor's demand for the return of any Consigned Goods delivered under this Agreement and not therefore purchased by Consignee, Consignee shall promptly return such goods in accordance with Consignor's reasonable instructions. In addition, Consignee may, with the prior written consent of Consignor, return any Consigned Goods that are not sold to Customers. Consignor shall bear the risk of loss and the expense of returning any Consigned Goods.
- 9. <u>No Authority to Act for Consignor.</u> Consignee shall conduct all of its business relating to the processing of the Consigned Goods in Consignee's name and at Consignee's cost and expense, and nothing herein shall authorize or empower Consignee to assume or create any obligation or responsibility whatsoever, express or implied, on behalf or in the name of Consignor, or to bind Consignor in any manner, or to make any representation, warranty, or commitment on behalf of Consignor, this Agreement being limited solely to the consignment of the Goods herein specified.

#### 10. Term; Termination.

10.1 <u>Term.</u> Unless earlier terminated under Section 10.2, this Agreement shall have an initial term of six months commencing on August 1, 2019 and shall automatically renew for successive six month periods, unless either Party has given the other Party written notice of

its intention not to renew this Agreement at least fifteen (15) days before the end of the initial or any subsequent renewal period.

- 10.2 <u>Termination</u>. Consignor may (i) terminate this Agreement upon written notice to Consignee or (ii) delay or cancel any shipment under this Agreement:
  - (a) if Consignee breaches any provision of this Agreement (including its payment obligations under Section 6) and such breach is not cured by Consignee within 10 days after Consignee's receipt of written notice of such breach; or
  - (b) if Consignee fails to pay its debts generally as they become due or otherwise acknowledges its insolvency.
  - (c) Cosignee resumes the right to terminate the contract in writing within its first 30 days of being signed.
- 10.3 <u>Effect of Termination</u>. In the event of any such termination under Section 10.2 or on the expiration of this Agreement under Section 10.1:
  - (a) all unsold Consigned Goods shall be returned by Consignee at its own cost to Consignor during the 10 day period immediately following the effective date of such termination;
  - (b) any Consigned Goods not returned to Consignor within such 10 day period after the effective date of such termination shall be deemed to have been sold to Consignee and shall be subject to the payment requirement set forth in Section 6 (except that payment shall be due on or before the fifth day after such 10 day period); and

#### 11. Representations and Warranties.

- 11.1 <u>Consignee's Representations and Warranties</u>. Consignee represents and warrants to Consignor that:
  - (a) it is a corporation duly incorporated and validly existing in the jurisdiction of its incorporation;
  - (b) it is duly licensed or registered to carry on business in every jurisdiction in which such license or registration is required for purposes of this Agreement, except where the failure to be so licensed or registered, in the aggregate, would not reasonably be expected to adversely affect its ability to perform its obligations under this Agreement;
  - (c) it has the right, power and capacity to enter into this Agreement, to grant the rights and licenses granted under this Agreement and to perform its obligations under this Agreement;

- (d) the execution of this Agreement by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary corporate action of the Consignee;
- (e) when executed and delivered by both Parties, this Agreement will constitute a legal, valid and binding obligation of Consignee, enforceable against Consignee in accordance with its terms;
- (f) it is in compliance with all applicable laws relating to this Agreement, the Consigned Goods and the operation of its business;
- (g) it is not insolvent and is paying all of its debts as they become due;
- (h) all financial information that it has provided to Consignor is true and accurate and fairly represents Consignee's financial condition; and
- (i) the names and addresses of all creditors of Consignee holding a security interest under the PPSA in the inventory or accounts of Consignee as of the date hereof are completely and accurately listed on Exhibit A, attached hereto.
- 11.2 <u>Limited Product Warranty</u>. Subject to the provisions of Section 11.3, Section 11.4 and Section 12.2 and only for a period of 60 days from the date of sale by Consignee of the Consigned Goods to a Customer (the "Warranty Period"), Consignor makes certain limited warranties regarding the Consigned Goods ("Limited Warranties"), solely to and for the benefit of Customers, which will either be:
  - (a) included in a written warranty statement with the Consigned Good; or
  - (b) Consignor's standard limited warranty in force when the Consigned Good is delivered by Consignee to a Customer, as set out in the written warranty statement on Consignor's website: vitalitysuperteas.com.

For avoidance of doubt, no warranty is extended to Consignee under this Agreement. Consignee shall not provide any warranty regarding any Consigned Goods other than the Limited Warranties described in this Section 11.2.

- 11.3 <u>Warranty Limitations</u>. The Limited Warranties do not apply where the Consigned Goods have been:
  - (a) subjected to abuse, misuse, neglect, negligence, accident, improper testing, improper installation, improper storage, improper handling, abnormal physical stress, abnormal environmental conditions or use contrary to any instructions issued by Consignor;
  - (b) reconstructed, repaired or altered by anyone other than Consignor or its authorized representative; or

- (c) used with any third party products that has not been previously approved in writing by Consignor.
- 11.4 <u>Extent of Liability</u>. During the Warranty Period, regarding any Consigned Goods that do not conform to the Limited Warranties in Section 11.2 (including, for the avoidance of doubt, any Non-Conforming Goods accepted by the Consignee) (the "**Defective Goods**"):
  - (a) notwithstanding anything in this Agreement to the contrary, Consignor's liability under any Limited Warranty is discharged, in Consignor's sole discretion and at its expense, by:
    - (i) repairing or replacing such Defective Goods; or
    - (ii) crediting or refunding the Price of such Defective Goods, less any applicable discounts, rebates or credits.

# 12. Exclusivity of Sale

- 12.1 Exclusivity of Sale on Vancouver Island
  - (a) No other Consignee shall be appointed on the region of Vancouver Island, British Columbia.

All claims for breach of a Limited Warranty must be received by Consignor no later than 30 days after expiration of the Warranty Period.

SECTION 11.2, AND SECTION 11.4 SET FORTH CONSIGNEE'S SOLE REMEDY AND CONSIGNOR'S ENTIRE LIABILITY FOR ANY BREACH OF ANY WARRANTY RELATING TO THE CONSIGNED GOODS.

Except as explicitly authorized in this Agreement or in a separate written agreement with Consignor, Consignee shall not service, repair, modify, alter, replace, reverse engineer or otherwise change the Consigned Goods sold to Customers.

Conditions and Warranties Disclaimer; Non-Reliance. EXCEPT FOR THE LIMITED EXPRESS WARRANTIES DESCRIBED IN SECTION 11.2, (A) NEITHER CONSIGNOR NOR ANY PERSON ON CONSIGNOR'S BEHALF HAS MADE OR MAKES ANY EXPRESS OR IMPLIED REPRESENTATION, CONDITION OR WARRANTY WHATSOEVER, INCLUDING ANY CONDITIONS OR WARRANTIES OF (I) MERCHANTABILITY; OR (II) FITNESS FOR A PARTICULAR PURPOSE; OR (III) NON-INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY, WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED, AND (B) CONSIGNEE ACKNOWLEDGES THAT IT HAS NOT RELIED ON ANY REPRESENTATION, CONDITION OR WARRANTY MADE BY CONSIGNOR, OR ANY OTHER PERSON ON CONSIGNOR'S BEHALF, EXCEPT AS SPECIFICALLY DESCRIBED IN SECTION 11.2.

## 13. Limitation of Liability.

- 13.1 No Liability for Consequential or Indirect Damages. EXCEPT FOR OBLIGATIONS TO MAKE PAYMENT UNDER THIS AGREEMENT, IN NO EVENT IS EITHER PARTY OR THEIR REPRESENTATIVES LIABLE FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR AGGRAVATED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF (A) WHETHER THE DAMAGES WERE FORESEEABLE, (B) WHETHER OR NOT CONSIGNOR WAS ADVISED OF THE POSSIBILITY OF THE DAMAGES AND (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) ON WHICH THE CLAIM IS BASED, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.
- Maximum Liability for Damages. EXCEPT FOR OBLIGATIONS TO MAKE PAYMENT UNDER THIS AGREEMENT, IN NO EVENT SHALL EITHER PARTY'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED 150% OF THE TOTAL AMOUNT PAID OR PAYABLE TO CONSIGNOR UNDER THIS AGREEMENT IN THE 3 YEAR PERIOD PRECEDING THE EVENT GIVING RISE TO THE CLAIM OR \$100,000, WHICHEVER IS LESS. THE FOREGOING LIMITATIONS APPLY EVEN IF THE NON-BREACHING PARTY'S REMEDIES UNDER THIS AGREEMENT FAIL OF THEIR ESSENTIAL PURPOSE.

#### 14. Miscellaneous.

14.1 <u>Further Assurances</u>. Upon a Party's reasonable request, the other Party shall, at its sole cost and expense, execute and deliver all such further documents and instruments, and take all such further acts, as reasonably necessary to give full effect to this Agreement.

#### 14.2 Entire Agreement.

- (a) Subject to Section 1.3, this Agreement, including all related exhibits, together with any applicable Consignment Confirmation, constitutes the sole and entire agreement of the Parties regarding the subject matter contained herein and therein, and supersedes all prior and contemporaneous understandings, agreements, representations, conditions and warranties, both written and oral, regarding such subject matter.
- (b) Without limiting anything contained in Section 14.2(a), each Party acknowledges that except for the representations and warranties contained in Section 1.5(b) and Section 11.1, neither Party has relied on any other express or implied representation, condition or warranty, either written or oral, on behalf of the other Party, including any representation, condition or warranty arising from statute or otherwise in law.

- 14.3 Survival; Contractual Limitations Period. Subject to the limitations and other provisions of this Agreement: (a) the representations, conditions and warranties of the Parties contained herein shall survive the expiration or earlier termination of this Agreement for a period of 12 months after such expiration or termination; and (b) any other provision that, in order to give proper effect to its intent, should survive such expiration or termination, shall survive the expiration or earlier termination of this Agreement for the period specified therein, or if nothing is specified for a period of 12 months after such expiration or termination. All other provisions of this Agreement shall not survive the expiration or earlier termination of this Agreement. Notwithstanding any right under any applicable statute of limitations to bring a claim, no Action based on or arising in any way out of this Agreement may be brought by either Party after the expiration of the applicable survival or other period set forth in this Section 14.3, and the Parties waive the right to file any such Action after the expiration of the applicable survival or other period; provided however that the foregoing waiver and limitation does not apply to the collection of any amounts due to Consignor under this Agreement.
- 14.4 <u>Notices</u>. All notices, requests, consents, claims, demands, waivers and other communications under this Agreement (each, a "**Notice**") must be in writing and addressed to the other Party at its address set forth below (or to such other address that the receiving Party may designate from time to time in accordance with this Section 14.4). All Notices must be delivered by personal delivery, nationally recognized overnight courier or certified or registered mail (in each case, return receipt requested, postage prepaid). Notice given by facsimile or e-mail (with confirmation of transmission) Except as otherwise provided in this Agreement, a Notice is effective only (a) on receipt by the receiving Party, and (b) if the notifying Party has complied with the requirements of this Section 14.4.

Notice to Consignor: c/o Northwest Law Group 704-595 Howe Street, Vancouver BC

Facsimile: 604 687-6650

Email: contact@stockslaw.com

Attention: Gareth Birdsall c/o Northwest Law Group

Notice to Consignee: 210 Crestline Terrace, Nanaimo, BC V9T 0A8

Facsimile: (250) 668-2784

Email: dripcoffeenanaimo@gmail.com

Attention: Jason Fortin

- Interpretation. For purposes of this Agreement: (a) the words "include", 14.5 "includes" and "including" are deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; (c) the words "herein", "hereof," "hereby", "hereto" and "hereunder" refer to this Agreement as a whole; (d) words denoting the singular have a comparable meaning when used in the plural, and vice-versa; and (e) words denoting any gender include all genders. Unless the context otherwise requires, references in this Agreement: (x) to sections, exhibits, schedules, attachments and appendices mean the sections of, and exhibits, schedules, attachments and appendices attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. The Parties drafted this Agreement without regard to any presumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any instrument to be drafted. The exhibits, schedules, attachments and appendices referred to herein are an integral part of this Agreement to the same extent as if they were set forth verbatim herein. Unless otherwise stated in this Agreement, all dollar amounts referred to in this Agreement are stated in Canadian currency.
- 14.6 <u>Headings</u>. The headings in this Agreement are for reference only and do not affect the interpretation of this Agreement.
- 14.7 <u>Severability</u>. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.
- 14.8 <u>Amendment and Modification</u>. No amendment to or modification of this Agreement is effective unless it is in writing.

# 14.9 Waiver.

- (a) No waiver under this Agreement is effective unless it is in writing.
- (b) Any waiver authorized on one occasion is effective only in that instance and only for the purpose stated, and does not operate as a waiver on any future occasion.
- (c) None of the following constitutes a waiver or estoppel of any right, remedy, power, privilege or condition arising from this Agreement:
  - (i) any failure or delay in exercising any right, remedy, power or privilege or in enforcing any condition under this Agreement; or
  - (ii) any act, omission or course of dealing between the Parties.

- 14.10 <u>Cumulative Remedies</u>. All rights and remedies provided in this Agreement are cumulative and not exclusive, and the exercise by either Party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently be available at law, in equity, by statute, in any other agreement between the Parties or otherwise. Notwithstanding the previous sentence, the Parties intend that Consignee's rights under Section 1.4, Section 11.2 and Section 11.4 are Consignee's exclusive remedies for the events specified therein.
- 14.11 <u>Assignment</u>. Consignee shall not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Consignor. Any purported assignment or delegation in violation of this Section 14.11 is null and void. No permitted assignment or delegation relieves Consignee of any of its obligations under this Agreement. Consignor may assign any of its rights or delegate any of its obligations to any affiliate or to any person acquiring all or substantially all of Consignor's assets without the consent of Consignee.
- 14.12 <u>Successors and Assigns</u>. This Agreement is binding on and enures to the benefit of the Parties to this Agreement and their respective permitted successors and permitted assigns.

## 14.13 No Third-Party Beneficiaries.

- (a) This Agreement benefits solely the Parties to this Agreement and their respective permitted successors and permitted assigns, and nothing in this Agreement, express or implied, confers on any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.
- 14.14 <u>Choice of Law.</u> All matters arising out of or relating to this Agreement are governed by and construed in accordance with the laws of British Columbia and the federal laws of Canada applicable therein.
- 14.15 <u>Language</u>. The parties have required that this Agreement and all documents and notices resulting from it be drawn up in English. Les parties aux présents ont exigés que la présente convention ainsi que tous les documents et avis qui s'y rattachent ou qui en découleront soient rédigés en anglais.
- 14.16 <u>Counterparts</u>. This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement, if the party sending the facsimile, email or other means of electronic transmission has received express confirmation that the recipient party received the Agreement (not merely an electronic facsimile confirmation or automatic e-mail reply).
- 14.17 <u>Force Majeure</u>. No Party shall be liable or responsible to the other Party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfiling or performing any term of this Agreement (except for any obligations to make

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payments to the other Party under this Agreement), when and to the extent the failure or delay is caused by or results from acts beyond the impacted Party's (the "Impacted Party") reasonable control, including the following *force majeure* events (each, a "Force Majeure Event"): (a) acts of God; (b) flood, fire, earthquake, tsunami or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) requirements of applicable law; (e) actions, embargoes or blockades in effect on or after the date of this Agreement; (f) action by any governmental authority; (g) national or regional emergency; (h) strikes, labour stoppages or slowdowns or other industrial disturbance; and (i) shortage of adequate power or transportation facilities.

14.18 No Public Announcements. Consignee shall not make any statement (whether oral or in writing) in any press release, external advertising, marketing or promotion materials regarding Consignor or its business unless: (a) it has received the express written consent of Consignor; or (b) it is required to do so by law or under the rules of any stock exchange to which it is subject. When Consignee determines that it is obligated by law or the rules of a stock exchange to make such a disclosure, it shall notify Consignor before such disclosure, and the Parties shall cooperate to cause a mutually agreeable release or announcement to be issued.

[SIGNATURE PAGE FOLLOWS]

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

Champignon Brands Inc.

Name: Gareth Birdsall

Title: Director

Drip Coffee Social Ltd.

By:

Name: Jason Fortin

Title: Director