

SHARE PURCHASE AGREEMENT

AMONG

ERIC HANCOX, VASSIL STAYKOV and SANDRA WILLIAMS

as Sellers

- and -

GREENRIDEZ 2.0 ACQUISITIONS CORP.

as Buyer

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION	2
1.1 Definitions.....	2
1.2 Certain Rules of Interpretation.....	7
1.3 Governing Law	8
1.4 Entire Agreement	8
1.5 Schedules and Exhibits	8
1.6 Sellers’ Knowledge.....	8
1.7 Ordinary Course of Business	9
ARTICLE 2 PURCHASE AND SALE AND REPAYMENT OF SHAREHOLDER LOAN	9
2.1 Agreement of Purchase and Sale	9
2.2 Purchase Price.....	9
2.3 Payment of Purchase Price.....	9
2.4 Repayment of Shareholder Loan	9
ARTICLE 3 REPRESENTATIONS AND WARRANTIES REGARDING THE SELLERS	9
3.1 Capacity and Authority to Enter Agreement	10
3.2 Binding Obligation.....	10
3.3 Residence of Seller	10
3.4 Regulatory Approvals	10
3.5 Consents.....	10
3.6 Absence of Conflict	10
3.7 Title to Purchased Shares.....	10
3.8 Disclosure	10

ARTICLE 4 REPRESENTATIONS AND WARRANTIES REGARDING THE CORPORATION	11
4.1 Authorization	11
4.2 Absence of Conflict	11
4.3 Regulatory Approvals	11
4.4 Consents	12
4.5 Subsidiaries/Affiliates and Investments.....	12
4.6 Authorized and Issued Capital	12
4.7 Convertible Securities	12
4.8 Shareholder Agreements.....	12
4.9 Partnerships and Joint Ventures.....	13
4.10 Corporate Records	13
4.11 Books and Records	13
4.12 Financial Statements	13
4.13 Tax Matters	13
4.14 Absence of Changes.....	15
4.15 Absence of Undisclosed Liabilities	15
4.16 Absence of Unusual Transactions.....	15
4.17 Title to and Condition of Assets	16
4.18 Real Property	16
4.19 Equipment Leases	18
4.20 Intellectual Property	18
4.21 Environmental and Other Matters.....	18
4.22 Material Contracts.....	19
4.23 Bank Accounts and Powers of Attorney.....	19
4.24 Compliance with Laws, Permits	19

4.25	Employment and Benefits.....	20
4.26	Insurance Policies	22
4.27	Litigation.....	22
4.28	Disclosure	22
4.29	Corporation Disclosure Schedule	22
ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE BUYER.....		23
5.1	Corporate Existence of Buyer.....	23
5.2	Capacity to Enter Agreement.....	23
5.3	Binding Obligation.....	23
5.4	Absence of Conflict	23
5.5	Litigation.....	24
5.6	Regulatory Approvals	24
5.7	Investment Canada Act.....	24
5.8	Disclosure	24
ARTICLE 6 COVENANTS		24
6.1	Cannabis Act and Health Canada	24
6.2	Tax Returns.....	24
ARTICLE 7 CLOSING.....		25
7.1	Closing	25
7.2	Conditions to the Obligation of the Buyer.....	26
7.3	Conditions to the Obligations of the Sellers	27
ARTICLE 8 SURVIVAL AND INDEMNIFICATION.....		27
8.1	Survival of Covenants and Representations and Warranties	27
8.2	Survival of Covenants.....	28
8.3	Indemnification by the Sellers	28

8.4	Indemnification by the Buyer	29
8.5	Notice of Claim.....	29
8.6	Extension.....	29
8.7	Procedure for Direct Claims	30
8.8	Procedure for Third Party Claims	30
8.9	No Delay	32
8.10	Subrogation.....	32
8.11	Third Party Indemnification.....	32
8.12	Limitations on Liability	33
8.13	Exclusive Remedy	33
8.14	Adjustment Treatment	33
	ARTICLE 9 GENERAL.....	33
9.1	Time of Essence	33
9.2	Notices	33
9.3	Severability	35
9.4	Attornment	35
9.5	Amendment and Waiver	35
9.6	Further Assurances.....	35
9.7	Assignment and Enurement	36
9.8	Counterparts and Electronic Delivery.....	36
9.9	No Broker.....	36
9.10	Public Notice.....	36
9.11	Payment and Currency	36
9.12	No <i>Contra Proferentem</i>	36
9.13	Independent Legal Advice	37

SHARE PURCHASE AGREEMENT

THIS SHARE PURCHASE AGREEMENT is dated December 23, 2021.

AMONG:

ERIC HANCOX, an individual residing in the Province of Ontario

(“**Hancox**”)

- and -

VASSIL STAYKOV, an individual residing in the Province of Ontario

(“**Staykov**”)

- and -

SANDRA WILLIAMS, an individual residing in the Province of Ontario

(“**Williams**”)

(Hancox, Staykov and Williams are hereinafter each a “**Seller**” and collectively the “**Sellers**”)

- and -

GREENRIDEZ 2.0 ACQUISITIONS CORP., a corporation incorporated under the laws of the Province of British Columbia

(the “**Buyer**”)

WHEREAS:

- A. The Sellers are the registered and beneficial holders of six million (6,000,000) common shares in the capital of Richmond Pharma Inc. (the “**Corporation**”), being 60% of the issued and outstanding shares in the capital of the Corporation.
- B. The remaining common shares in the Corporation are held by Herman Holdings Limited (“**HHL**”), an affiliate of the Buyer.
- C. The Sellers and HHL are parties to the Shareholders Agreement (as hereafter defined) and the Sellers hereby consent to the Buyer and the Sellers entering into this Agreement and to the Corporation and the Subsidiary (as hereafter defined) taking all actions and steps as are reasonably required for the Parties to effect the transactions contemplated by this Agreement.

D. The Sellers wish to sell to the Buyer, and the Buyer wishes to purchase from the Sellers, all of the Purchased Shares (as hereinafter defined), on the terms and conditions contained herein.

THEREFORE, for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, the following terms have the following meanings:

“**Act**” means the *Business Corporations Act* (Ontario) as amended from time to time.

“**Affiliate**” means, in relation to a Person that is not an individual, any other Person which, directly or indirectly, controls, is controlled by or is under common control with such Person.

“**Agreement**” means this Share Purchase Agreement, including all Schedules and Exhibits, as it may be confirmed, amended, modified, supplemented or restated by written agreement between the Parties.

“**Books and Records**” means all books, ledgers, files, lists, reports, plans, logs, correspondence, operating records, Tax Returns and other data and information, including all data and information stored on computer-related or other electronic media, maintained in connection with the Business, the Corporation and the Subsidiary.

“**Business**” means the business carried on by the Corporation or the Subsidiary.

“**Business Day**” means any day excluding a Saturday, Sunday or statutory holiday in the Province of Ontario, and also excluding any day on which the principal chartered banks located in the City of Toronto are not open for business during normal banking hours.

“**Buyer**” is defined in the recitals of the Parties above.

“**Cannabis Act**” means the *Cannabis Act*, S.C. 2018, c. 16, as amended from time to time and includes the regulations made thereunder and any replacements to the foregoing.

“**Cash Payment**” is defined in Section 2.3.

“**Closing**” means the completion of the sale to, and purchase by, the Buyer of the Purchased Shares pursuant to this Agreement.

“**Closing Date**” means the date hereof, or any other date that the Parties have agreed in writing is the date upon which the Closing should take place.

“**Closing Date Loan**” is defined in Section 2.4;

“**Closing Time**” means 10:00 a.m. on the Closing Date at which the Closing takes place.

“**Communication**” means any notice, demand, request, consent, approval or other communication which is required or permitted by this Agreement to be given or made by a Party.

“**Confidential Information**” means information, whether in written or electronic form, or committed to memory, relating to the Sellers, the Corporation or the Subsidiary.

“**Contract**” means any agreement, understanding, undertaking, commitment, licence, or lease, whether written or oral.

“**Corporation**” is defined in the recitals of the Parties above.

“**Corporation Disclosure Schedule**” is defined in Article 4.

“**Direct Claim**” is defined in Section 8.8.

“**Employee Plans**” is defined in Section 4.25.3.

“**Employees**” means all personnel and independent contractors employed, engaged or retained by the Corporation or the Subsidiary in connection with the Business, including any that are on medical or long-term disability leave, or other statutory or authorized leave of absence.

“**Encumbrance**” means any security interest, mortgage, charge, pledge, hypothec, lien, encumbrance, restriction, option, adverse claim, right of others or other encumbrance of any kind.

“**Environment**” means all components of the earth, including air (and all layers of the atmosphere), land (and all surface and subsurface soil, underground spaces and cavities, sediment and all land submerged under water) and water (and all surface and underground water), organic and inorganic matter and living organisms. For greater certainty, the interacting natural systems that include components referred to above are included in the definition of “Environment”.

“**Environmental Laws**” means all applicable Laws relating to public health and safety, pollution or the protection of the Environment, including civil responsibility for acts or omissions with respect to the Environment, and all Authorizations issued or required to be issued pursuant to such Laws.

“**Equipment Leases**” means master leases, leases, equipment schedules, contracts, repair commitments and the like, with respect to any equipment leased under operating or capital leases by the Corporation or the Subsidiary entered into in the ordinary course.

“**Facility**” means the Subsidiary’s cannabis cultivation and processing facility located at the Real Property.

“**Financial Statements**” means the consolidated balance sheet and profit and loss statement of the Corporation for the financial years ended December 31, 2018 and December 31, 2019.

“**Fundamental Representations**” is defined in Section 8.1(i).

“**Governing Documents**” means, with respect to any Person, (i) if a corporation or company, the certificate and articles of incorporation and the by-laws; (ii) if a partnership, the partnership agreement and any declaration or statement of partnership required to be filed with any Governmental Entity in order to form the partnership or, in the case of a limited partnership,

maintain the limited liability of any partners; (iii) if a limited liability company, the articles of organization and operating agreement; (iv) if a trust, the deed or declaration of trust creating the trust; (v) if another type of Person, any other charter or similar document adopted or filed with any Governmental Entity in connection with the creation, formation or organization of the Person; (vi) all shareholders' or equityholders' agreements, voting agreements, voting trust agreements, joint venture agreements, registration rights agreements or other agreements or documents relating to the organization, management or operation of such Person or relating to the rights, duties and obligations of the shareholders or other equityholders of such Person; and (vii) any amendment or supplement to any of the foregoing.

“Governmental Entity” means (i) any governmental or public department, central bank, court, commission, board, bureau, agency, commissioner, minister, governor-in-council, cabinet, tribunal or instrumentality whether international, multinational, national, federal, provincial, state, municipal, local or other, (ii) any subdivision or authority of any of the above, (iii) any securities regulatory authority or stock exchange and (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

“Guarantee” means the guarantee in the form attached as Exhibit 1, to be provided by each of the Corporation and the Subsidiary on Closing in favour of the Sellers as security for the obligations of the Buyer under the VTB Promissory Notes.

“Indemnified Party” means the Party(ies) or other indemnified Person(s) entitled to make a claim for indemnification under any provision of Article 8.

“Indemnifying Party” means the Party(ies) providing indemnification under any provision of Article 9.

“Indemnity Claim” is defined in Section 8.8.

“Indemnity Notice” is defined in Section 8.8.

“Insurance Policies” means the insurance policies maintained by each of the Corporation and the Subsidiary with respect to the Business.

“Intellectual Property” means all trade-marks and trade-mark applications, trade names, certification marks, patents and patent applications, copyrights, domain names, industrial designs, trade secrets, know-how, formulae, processes, inventions, technical expertise, research data and other similar property, owned by or licensed to the Corporation or the Subsidiary, including all associated registrations and applications for registration, and all associated rights, including moral rights.

“ITA” means the *Income Tax Act* (Canada).

“Knowledge of the Sellers” is defined in Section 1.6.

“Laws” means (i) all constitutions, treaties, laws, statutes, codes, ordinances, principles of common law, notices, orders, decrees, rules, regulations and municipal by-laws, whether domestic, foreign or international, (ii) all judgments, orders, writs, injunctions, decisions, rulings, decrees, directions, sanctions and awards of any Governmental Entity, and (iii) all policies, practices and guidelines of any Governmental Entity which, although not actually having the force of law, are

considered by such Governmental Entity as requiring compliance as if having the force of law or which establish the interpretative position of the law by such Governmental Entity, in each case binding on or affecting the Person referred to in the context in which such word is used.

“**License**” means License No. LIC-VOYM10PAZE-2019 for the Processing, Cultivation and Sale for Medical Purposes at the site located on the Real Property issued by Health Canada under the Cannabis Act to the Subsidiary with an effective date of September 27, 2019.

“**Loan Payment**” is defined in Section 2.3.

“**Loss**” means any actual loss, liability, damage, cost, expense, charge, fine, penalty or assessment including the reasonable costs and expenses of any action, suit, proceeding, demand, assessment, judgment, settlement or compromise and all interest, fines, penalties and all reasonable professional fees and disbursements, provided that it is reasonably foreseeable. For greater certainty, “**Loss**” shall exclude any consequential, punitive, incidental or exemplary damages, unless they must be paid pursuant to a Third Party Claim.

“**Material Adverse Effect**” means, individually or in the aggregate, a change, event, effect or occurrence that, taken as a whole, is materially adverse to the Business, results of operations, assets, properties, liabilities (contingent or otherwise) or financial condition of the Corporation and Subsidiary; provided however that any change, event, effect or occurrence attributable to or resulting from (i) economic, business or financial events, conditions or trends generally, (ii) financial market conditions, including interest rates or changes therein, (iii) changes in conditions affecting the engineering industry, which changes do not disproportionately affect the Business, (iv) changes in applicable Law after the date hereof affecting the Business, which changes do not disproportionately affect the Business, (v) changes in GAAP or regulatory principles applicable to the Corporation or the Subsidiary which changes do not disproportionately affect the Business, (vi) the announcement or pendency of the transactions contemplated by this Agreement, (vii) the failure of the Corporation or the Subsidiary to meet any internal or public projections, forecasts or estimates of performance, revenue or earnings; or (viii) any action (or the effects of any action) taken (or omitted to be taken) upon the request or instruction of, or with the consent of, the Buyer or actions that are taken (or omitted to be taken), consistent with the terms hereof that are necessary to consummate the transactions contemplated in this Agreement, do not constitute Material Adverse Effects and are not to be taken into account in determining whether a Material Adverse Effect has occurred.

“**Material Contract**” means a Contract that:

- (i) involves or may result in the payment of money or money’s worth by or to the Corporation or the Subsidiary in an amount in excess of \$25,000;
- (ii) has an unexpired term of more than one year (including renewals);
- (iii) cannot be terminated by the Corporation or the Subsidiary without penalty upon less than 90 days’ notice; or
- (iv) the termination of which, or under which the loss of rights, would constitute a Material Adverse Effect.

“**Parties**” means the Sellers and the Buyer, together, and “**Party**” means any one of them.

“Permitted Encumbrances” means (a) Encumbrances for Taxes, assessments or governmental charges or levies which relate to obligations not yet due or delinquent, (b) easements, servitudes, encroachments and other minor imperfections of title which do not, individually or in the aggregate, detract from the value of, or impair the use or marketability of, any real property, (c) undetermined or inchoate Encumbrances arising under statutory provisions which have not at the time been filed or registered in accordance with applicable Laws or of which written notice has not been given in accordance with applicable Encumbrances, (d) the Encumbrances listed in Schedule 4.17 of the Corporation Disclosure Schedule, and (e) the VTB Charge.

“Permits” means the authorizations, registrations, permits, certificates of approval, approvals, grants, licences, quotas, consents, commitments, rights or privileges (other than those relating to the Intellectual Property) issued or granted by any Governmental Entity to the Corporation or the Subsidiary.

“Person” will be broadly interpreted and includes:

- (i) a natural person, whether acting in his or her own capacity, or in his or her capacity as executor, administrator, estate trustee, trustee or personal or legal representative, and the heirs, executors, administrators, estate trustees, trustees or other personal or legal representatives of a natural person;
- (ii) a corporation or a company of any kind, a partnership of any kind, a sole proprietorship, a trust, a joint venture, an association, an unincorporated association, an unincorporated syndicate, an unincorporated organization or any other association, organization or entity of any kind; and
- (iii) a Governmental Entity.

“Sellers’ Pro Rata Percentage” means, with respect to Hancox, 19.5%; with respect to Staykov, 21%; and with respect to Williams, 19.5%.

“Purchase Price” is defined in Section 2.2.

“Purchased Shares” means the shares to be purchased on the Closing Date by the Buyer from the Sellers listed in Schedule 2.1.

“Real Property” means the lands owned by the Subsidiary and legally described as PT LOT 23 CON 2 RICHMOND PART 2 29R10369; TOWN OF GREATER NAPANEE and municipally known as 100 Circuit Rider Drive, Napanee, Ontario, K7R 3L2.

“Representatives” means, with regard to any specified Person, such Person’s directors, officers, employees, partners, members, Affiliates, financial advisors, attorneys, accountants, consultants, agents and representatives.

“Required Consents” is defined in Section 4.4.

“Securities” has the meaning given to that term in the *Securities Act* (Ontario).

“Sellers” and **“Seller”** are defined in the recital of the Parties above.

“Shareholders Agreement” means the unanimous shareholders agreement dated May 23, 2018 by and among all shareholders of the Corporation, as amended, to be terminated pursuant to Section 6.2.

“Subsidiary” means the 2515585 Ontario Inc., a corporation incorporated under the laws of the Province of Ontario.

“Tax” means all taxes, duties, fees, premiums, assessments, imposts, levies, rates, withholdings, dues, government contributions and other charges of any kind whatsoever, whether direct or indirect, together with all interest, penalties, fines, additions to tax or other additional amounts, imposed by any Governmental Entity.

“Tax Law” means any Law that imposes Taxes or that deals with the administration or enforcement of liabilities for Taxes.

“Tax Return” means any return, report, declaration, designation, election, undertaking, waiver, notice, filing, information return, statement, form, certificate or any other document or materials relating to Taxes, including any related or supporting information with respect to any of those documents or materials listed above in this definition, filed or to be filed with any Governmental Entity in connection with the determination, assessment, collection or administration of Taxes.

“Third Party Claim” is defined in Section 8.8.

“VTB Charge” means the first-ranking collateral charge security over the Real Property in the form attached hereto as Exhibit 2 in favour of the Sellers given by the Subsidiary in the aggregate total amount of \$1,910,400 and which is collateral security for the Corporation’s Guarantee of Buyer’s obligations under the VTB Promissory Notes.

“VTB Promissory Notes” means the vendor take-back promissory notes to be issued to each Seller on Closing in the form of promissory note attached as Exhibit 3, which notes shall total an aggregate amount of \$1,910,400, and be secured by a guarantee provided by the Corporation and a first ranking charge on the Real Property issued by the Subsidiary.

“Williams Shareholder Loan” means the aggregate shareholder loan advanced by Williams to the Corporation equal to \$225,000.

1.2 Certain Rules of Interpretation

1.2.1 In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the words “including” or “includes” in this Agreement is to be construed as meaning “including, without limitation” or “includes, without limitation”, respectively.

1.2.2 The division of this Agreement into Articles and Sections, the insertion of headings and the inclusion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of this Agreement.

1.2.3 Wherever in this Agreement reference is made to a calculation to be made in accordance with GAAP, the reference is to Canadian generally accepted accounting principles applicable to private enterprises under Part II of the CPA Canada Handbook of the Chartered Professional Accountants of Canada, as amended at any time, applicable as

at the date on which the calculation is made or required to be made in accordance with GAAP.

1.2.4 References in this Agreement to an Article, Section, Schedule or Exhibit are to be construed as references to an Article, Section, Schedule or Exhibit of or to this Agreement unless otherwise specified.

1.2.5 Unless otherwise specified, any reference in this Agreement to any statute includes all regulations and subordinate legislation made under or in connection with that statute at any time, and is to be construed as a reference to that statute as amended, modified, restated, supplemented, extended, re-enacted, replaced or superseded at any time.

1.3 Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in that Province.

1.4 Entire Agreement

This Agreement, and any other agreements and documents to be delivered under this Agreement, constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, and there are no representations, warranties or other agreements between the Parties, express or implied, in connection with the subject matter of this Agreement except as specifically set out in this Agreement, or in any other agreements and documents delivered under this Agreement. No Party has been induced to enter into this Agreement in reliance on, and there will be no liability assessed, either in tort or contract, with respect to, any warranty, representation, opinion, advice or assertion of fact, except to the extent it has been reduced to writing and included as a term in this Agreement, or in any other agreements and documents delivered under this Agreement.

1.5 Schedules and Exhibits

The following is a list of Schedules and Exhibits:

Schedule

Subject Matter

2.1

Purchased Shares

Exhibits

1

Form of Guarantee

2

Form of VTB Collateral Charge Provisions

3

Form of VTB Promissory Note

1.6 Sellers' Knowledge

For the purposes of any reference in this Agreement to "Knowledge of the Sellers", shall mean the actual knowledge of each of the Sellers and the knowledge that any of them would have based on

inquiries of management employees of the Corporation who are reasonably likely to have actual knowledge of the matters referred to therein.

1.7 Ordinary Course of Business

Any reference in this Agreement to the “ordinary course of Business” will mean the ordinary and normal course of the Business, consistent with the practice of the most recently completed fiscal year of the Corporation.

ARTICLE 2 PURCHASE AND SALE AND REPAYMENT OF SHAREHOLDER LOAN

2.1 Agreement of Purchase and Sale

Subject to the terms and conditions of this Agreement, on the Closing Date, the Sellers will sell, and the Buyer will purchase, the Purchased Shares, in the number and in the amounts as more particularly described in Schedule 2.1.

2.2 Purchase Price

The aggregate purchase price payable by the Buyer to the Sellers for the Purchased Shares will be \$1,985,400 (the “**Purchase Price**”).

2.3 Payment of Purchase Price

At Closing, the Buyer will pay and satisfy the Purchase Price on the Closing Date by: (a) paying \$75,000 wire transfer, certified cheque or bank draft to the direction of the Sellers, such amount to be allocated between the Sellers as set forth in Schedule 2.1 (the “**Cash Payment**”); and (b) issuing to each Seller, a VTB Promissory Note in the amounts contemplated in Schedule 2.1 (which VTB Promissory Notes will aggregate \$1,910,400 in total).

2.4 Repayment of Shareholder Loan

At Closing, the Buyer will loan the Corporation \$225,000 (the “**Closing Date Loan**”), the proceeds of which the Corporation will direct to be paid directly to Williams in cash by wire transfer, certified cheque or bank draft to repay Williams for the aggregate amount of the Williams Shareholder Loan (the “**Loan Payment**”). Williams agrees that, upon delivery of the Loan Payment by the Buyer to Williams, Williams shall fully release the Corporation in respect of the Williams Shareholder Loan and acknowledges the full repayment thereof by the Corporation.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES REGARDING THE SELLERS

Each Seller (severally and not jointly and severally) represents and warrants, each in respect of and on behalf of himself or herself only and not with respect to any other Seller, to the Buyer as follows, and acknowledges that the Buyer is relying upon these representations and warranties in connection with the purchase of the Purchased Shares, and that this reliance is a right that has been bargained for, and forms part of the consideration in the transactions contemplated by this Agreement.

3.1 Capacity and Authority to Enter Agreement

Such Seller has all necessary capacity to enter into and perform his or her obligations under this Agreement.

3.2 Binding Obligation

This Agreement has been executed and delivered by such Seller and constitutes a valid and binding obligation of such Seller, enforceable against such Seller in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that equitable remedies, including specific performance, are discretionary and may not be ordered in respect of certain defaults.

3.3 Residence of Seller

Such Seller is not a non-resident of Canada for purposes of the ITA.

3.4 Regulatory Approvals

Other than the Required Consents, no authorization, approval, order, consent of, or filing with, any Governmental Entity is required on the part of such Seller in connection with the execution, delivery and performance of this Agreement or any other documents and agreements to be delivered under this Agreement.

3.5 Consents

There is no requirement to obtain any consent, approval or waiver of a party under any Contract to which such Seller is a party in order to complete the transactions contemplated by this Agreement.

3.6 Absence of Conflict

None of the execution and delivery of this Agreement, the performance of such Seller's obligations under this Agreement, or the completion of the transactions contemplated by this Agreement, will result in or constitute a breach of any term or provision of, or constitute a default under any agreement or other commitment to which any of the Sellers is a party or by which the Purchased Shares are bound.

3.7 Title to Purchased Shares

Such Seller is the legal and beneficial owner of the number of Purchased Shares set out opposite such Seller's name in Schedule 2.1 and has good title to them, free and clear of any Encumbrance, other than under the Shareholders Agreement. All of the Purchased Shares owned by such Seller have been validly issued as fully paid and non-assessable shares of the Corporation and are free of restrictions on transfer other than restrictions on transfer under the Corporation's articles of incorporation and the Shareholders Agreement.

3.8 Disclosure

No representation or warranty or other statement made by such Seller in this Article 3 contains any untrue statement or omits to state a material fact necessary to make it, in light of the circumstances in which it was made, not misleading.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES REGARDING THE CORPORATION

Each of the Sellers, jointly and severally, represents and warrants to the Buyer as follows and acknowledges that the Buyer is relying upon these representations and warranties in connection with the purchase of the Purchased Shares, and that this reliance is a right that has been bargained for, and forms part of the consideration in the transactions contemplated by this Agreement. Each exception to the following representations and warranties that is set out in the disclosure schedules (the “**Corporation Disclosure Schedule**”) is identified by reference to one or more specific individual Sections of this Agreement.

4.1 Authorization

Each of the Corporation and the Subsidiary is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, has all requisite corporate power and authority to carry on its business as then conducted, and is duly qualified to transact business and is in good standing in each jurisdiction in which it carries on business. All corporate action has been taken that is required to be taken by the Corporation’s or the Subsidiary’s board of directors in order to authorize the consummation of the transactions contemplated by this Agreement.

4.2 Absence of Conflict

None of the execution and delivery of this Agreement, the performance of the Sellers’ obligations under this Agreement, or the completion of the transactions contemplated by this Agreement will:

- (i) result in or constitute a breach of any term or provision of, or constitute a default under, the Corporation’s or the Subsidiary’s articles or by-laws or any agreement or other commitment to which the Corporation or the Subsidiary is a party or by which any of their respective shares are bound, other than in respect of the License if not terminated prior to Closing;
- (ii) constitute an event which would permit any party to any Contract with the Corporation or a Subsidiary to terminate or sue for damages with respect to that Contract or to accelerate the maturity of any indebtedness or other obligation of the Corporation or the Subsidiary under that Contract, subject to obtaining the Required Consents;
- (iii) result in the creation or imposition of any Encumbrance on the Purchased Shares or any of the assets of the Corporation or the Subsidiary;
- (iv) contravene any applicable Law; or
- (v) contravene any judgment, order, writ, injunction or decree of any Governmental Entity.

4.3 Regulatory Approvals

Except as disclosed in Schedule 4.3 of the Corporation Disclosure Schedule, no authorization, approval, order, consent of, or filing with, any Governmental Entity is required on the part of the Corporation or the Subsidiary in connection with the execution, delivery and performance of this Agreement or any other documents and agreements to be delivered under this Agreement, other than any such authorization, approval, order, consent or filing that, if not obtained, would result in a Material Adverse Effect. For certainty, the Sellers acknowledge that they shall be responsible for all filings and submissions required in order to terminate the License in compliance with the Cannabis Act if not terminated prior to Closing.

4.4 Consents

Other than the consents and notices set out in Schedule 4.4 (“**Required Consents**”) of the Corporation Disclosure Schedule, there is no requirement to obtain any consent, approval or waiver of a party under any Contract to which the Corporation is a party in order to complete the transactions contemplated by this Agreement, other than any such consent, approval or waiver that, if not obtained, would result in a Material Adverse Effect.

4.5 Subsidiaries/Affiliates and Investments

Other than the Subsidiary, the Corporation has no subsidiaries or Affiliates and does not own or hold, directly or indirectly, any Securities of, or have any other interest in, any Person, and neither the Corporation nor the Subsidiary has entered into any agreement to acquire any such interest. Neither the Corporation nor the Subsidiary has any obligation or requirement to provide funds to, or make any investment in, any business or Person by way of loan, capital contribution or otherwise.

4.6 Authorized and Issued Capital

The authorized capital of the Corporation consists of an unlimited number of common shares, of which 10,000,000 common shares are issued and outstanding as fully paid and non-assessable shares of the Corporation. Other than the common shares held by the Corporation, there are no Securities issued and outstanding in the capital of the Subsidiary.

4.7 Convertible Securities

Other than as set forth in the Shareholders’ Agreement and other than rights granted by HHL in respect of Securities held by HHL, no Person has any written or oral agreement or option or any right or privilege (whether by law, pre-emptive, contractual or otherwise) capable of becoming an agreement or option, including Securities, warrants or convertible obligations of any nature, for:

- (i) the purchase, subscription, allotment or issuance of any Securities of the Corporation or the Subsidiary; or
- (ii) the purchase of any of the undertaking, property or assets of the Corporation or the Subsidiary other than in the ordinary course of the Business.

4.8 Shareholder Agreements

Other than the Shareholders Agreement, in respect of the Sellers, there are no shareholders’ agreements, pooling agreements, voting trusts, proxies or other similar agreements, arrangements

or understandings with respect to the ownership or voting of any of the Securities of the Corporation or the Subsidiary.

4.9 Partnerships and Joint Ventures

Neither the Corporation nor the Subsidiary is, nor has been at any time prior to the date hereof, a partner or participant in any partnership, joint venture, profit-sharing arrangement, franchise or other association of any kind and none of the Corporation nor the Subsidiary is, and has not been at any time prior to the date hereof, party to any agreement under which the Corporation or the Subsidiary agrees, or has agreed at any time prior to the date hereof, to carry on any part of the Business or other activity in such manner or by which the Corporation or the Subsidiary agrees, or agreed, to share any revenue or profit with any other Person.

4.10 Corporate Records

The corporate records and minute books of each of the Corporation and the Subsidiary, all of which have been made available to the Buyer, are complete and accurate in all material respects and contain minutes of all meetings of, and all written resolutions passed by, the directors and shareholders, held or passed since incorporation. All those meetings were held, all those resolutions were passed, and the share certificate books, registers of shareholders, registers of transfers and registers of directors are complete and accurate in all material respects.

4.11 Books and Records

The Books and Records fairly and correctly set out and disclose, in all material respects, the financial position of the Corporation and the Subsidiary, and all material financial transactions of each of the Corporation and the Subsidiary are stated in reasonable detail and are fairly reflected in the Books and Records.

4.12 Financial Statements

Copies of the Financial Statements have been provided to the Buyer. The Financial Statements have been prepared in accordance with GAAP, are in accordance with the Books and Records, and present fairly and accurately in all material respects:

- (i) the assets, liabilities (whether accrued, absolute, contingent or otherwise) and the financial condition of the Corporation and the Subsidiary as at the respective dates of the Financial Statements; and
- (ii) the sales, earnings and results of the operations of the Corporation and the Subsidiary during the periods covered by the Financial Statements.

4.13 Tax Matters

4.13.1 Other than as disclosed in Schedule 4.13 of the Corporation Disclosure Schedule, each of the Corporation and the Subsidiary has filed on a timely basis all Tax Returns required to be filed. All such Tax Returns are correct, complete and accurate in all material respects.

- 4.13.2 All Taxes due from or payable by the Corporation or the Subsidiary, including installments or other payments on account of Taxes for the current year, have been paid to the appropriate Governmental Entity.
- 4.13.3 There are no actions, investigations, audits, objections, appeals, suits or other proceedings or claims in progress, pending or, to the Knowledge of the Sellers, threatened by or against the Corporation or the Subsidiary in respect of any Taxes, and in particular there are no currently outstanding assessments or written enquiries which have been issued or raised by any Governmental Entity relating to any such Taxes. No claim has ever been made by a Governmental Entity of any jurisdiction where the Corporation or the Subsidiary does not file Tax Returns that the Corporation is, or may be, subject to taxation by that jurisdiction. There are no Encumbrances, other than Permitted Encumbrances, pending on or with respect to any of the assets of the Corporation or the Subsidiary that arose in connection with any failure (or alleged failure) to pay any Tax.
- 4.13.4 Neither the Corporation nor the Subsidiary has waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to any Tax payment, assessment, deficiency or collection.
- 4.13.5 Each of the Corporation and the Subsidiary has withheld, collected and paid to the proper Governmental Entity all Taxes required to have been withheld, collected and paid by it, including in connection with (i) amounts paid, credited or owing to any Employee, independent or dependent contractor, creditor, shareholder, non-resident of Canada or other Person, and (ii) goods and services received from or provided to any Person.
- 4.13.6 Other than as disclosed in Schedule 4.13 of the Corporation Disclosure Schedule, each of the Corporation and the Subsidiary has duly and timely collected all amounts on account of any sales or transfer Taxes, including goods and services and provincial, territorial or state or foreign sales Taxes, required by law to be collected by it and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by law to be remitted by it.
- 4.13.7 Neither the Corporation nor the Subsidiary is a party to any Tax allocation, indemnification or sharing arrangement.
- 4.13.8 Each of the Corporation and the Subsidiary is a Canadian-controlled private corporation as defined in the ITA, and neither the Corporation nor the Subsidiary has filed or been a party to any election pursuant to s. 85 of the ITA or the corresponding provisions of any provincial statute.
- 4.13.9 Neither the Corporation nor the Subsidiary has made an “excessive eligible dividend election” as defined in subsection 89(1) of the ITA in respect of any dividend paid, or deemed by any provision of the ITA to have been paid on any class of shares of its capital.
- 4.13.10 Neither the Corporation nor the Subsidiary has made a capital dividend election under subsection 83(2) of the ITA in an amount which exceeds the amount in its capital dividend account at the time of such election.

- 4.13.11 Neither the Corporation nor the Subsidiary will be liable for the Taxes of any other Person arising from an assessment made in connection with section 160 of the ITA.
- 4.13.12 None of sections 78, 80, 80.01, 80.02, 80.03 or 80.04 of the ITA, or any equivalent provision of the Tax Law of any province or any other jurisdiction, has applied or will apply to the Corporation or the Subsidiary at any time up to and including the Closing Date.
- 4.13.13 Neither the Corporation nor the Subsidiary has claimed any reserve or deduction or made any election under the Tax Act, or under any equivalent provision of the taxation legislation of any other jurisdiction, that could require an amount to be included in its income, for any Tax period ending after the Closing Date.
- 4.13.14 Adequate provision was made by the Corporation in the Financial Statements for all Taxes for the period covered by the Financial Statements.

4.14 Absence of Changes

Except as disclosed in Schedule 4.14 of the Corporation Disclosure Schedule, since December 31, 2020, there has not been:

- (i) any change in the financial condition, operations, results of operations, or business of the Corporation or the Subsidiary, nor has there been any occurrence or circumstances which with the passage of time might reasonably be expected to have a Material Adverse Effect; or
- (ii) any Loss, labour trouble, or other event, development or condition of any character (whether or not covered by insurance) suffered by the Corporation or the Subsidiary which has had, or may reasonably be expected to have, a Material Adverse Effect.

4.15 Absence of Undisclosed Liabilities

To the Knowledge of the Sellers, except for liabilities that are (i) reflected, accrued or reserved against in the Financial Statements, (ii) disclosed in Schedule 4.15 of the Corporation Disclosure Schedule, (iii) incurred in connection with the transactions contemplated by this Agreement, or (iv) incurred in the ordinary course of Business since December 31, 2020 (none of which are materially adverse to the Business), neither the Corporation nor the Subsidiary is subject to and does not have any existing liabilities or obligations, direct or indirect, absolute or contingent under any contract or agreement to which the Corporation or the Subsidiary is party.

4.16 Absence of Unusual Transactions

Except as disclosed in the Financial Statements or in Schedule 4.16 of the Corporation Disclosure Schedule, since December 31, 2020, neither the Corporation nor the Subsidiary has:

- (i) given any guarantee of any debt, liability or obligation of any Person;
- (ii) subjected any of its assets, or permitted any of its assets to be subjected, to any Encumbrance, other than Permitted Encumbrances;

- (iii) other than in respect of the License if terminated prior to Closing, acquired, sold, leased or otherwise disposed of or transferred any assets other than in the ordinary course of the Business;
- (iv) made or committed to any capital expenditures in excess of \$25,000;
- (v) declared or paid any dividend or otherwise made any distribution or other payment of any kind or nature to any of its shareholders or any other Person, or taken any corporate proceedings for that purpose, except as disclosed in its Books and Records which have been provided to the Buyer;
- (vi) redeemed, purchased or otherwise retired any of its shares or otherwise reduced its stated capital;
- (vii) entered into or become bound by any Contract in excess of \$50,000;
- (viii) modified, amended or terminated any Contract (except for Contracts which expire by the passage of time) resulting in a Material Adverse Effect;
- (ix) waived or released any right or rights which it has or had, or a debt or debts owed to it resulting, collectively or individually, in a Material Adverse Effect;
- (x) made any change in excess of \$15,000 in any compensation arrangement or agreement with any Employee, officer, director or shareholder of the Corporation or the Subsidiary;
- (xi) made any change in any method of accounting practice; or
- (xii) agreed or offered to do any of the things described in this Section 4.16.

4.17 Title to and Condition of Assets

Except as disclosed in Schedule 4.17 of the Corporation Disclosure Schedule, to the Knowledge of the Sellers, each of the Corporation and the Subsidiary owns, possesses and has good and marketable title to all of its property and assets, including all property and assets reflected in the most recent balance sheet included in the Financial Statements, free and clear of all Encumbrances, other than Permitted Encumbrances. Except as disclosed in Schedule 4.17 of the Corporation Disclosure Schedule, to the Knowledge of the Sellers, all facilities, machinery, equipment, fixtures, vehicles and other tangible personal property owned, leased or used by the Corporation or the Subsidiary are in good operating condition and repair, ordinary wear and tear excepted.

4.18 Real Property

4.18.1 The Subsidiary is the sole legal and beneficial owner of the Real Property and has good, valid and marketable title to the Real Property, free and clear of all Encumbrances except for Permitted Encumbrances.

4.18.2 Except as disclosed in Schedule 4.18 of the Corporation Disclosure Schedule and the Subsidiary's ownership of the Real Property, neither the Corporation nor the Subsidiary owns, leases, occupies or has any interest in any other real property or real estate.

- 4.18.3 Except as disclosed in Schedule 4.18 of the Corporation Disclosure Schedule, the Real Property is not subject to any lease, sublease, license or other agreement granting to any other Person any right to the use, occupancy or enjoyment of such Real Property or any part thereof, and there are no existing or outstanding options, rights of first offer or rights of first refusal to purchase or lease the Real Property or any portion thereof or interest therein.
- 4.18.4 To the Knowledge of the Sellers, all buildings, structures, fixtures and appurtenances comprising part of the Real Property are in good physical condition, are structurally sound.
- 4.18.5 To the Knowledge of the Sellers, all buildings, improvements and structures located on or forming part of the Real Property are wholly within the boundaries of the Real Property and no written notice has been received by the Corporation, the Subsidiary or any of the Sellers advising that any of the location, existence, use, operations or maintenance by the Corporation or the Subsidiary of the Real Property breaches the provisions of any restrictive covenant, easement, servitude, right-of-way or other Encumbrance registered against or otherwise affecting the Real Property, other than Permitted Encumbrances.
- 4.18.6 To the Knowledge of the Sellers, the current use of the Real Property complies with all applicable Laws, and no notice has been received by the Corporation, the Subsidiary or any of the Sellers advising that any portion of the Real Property is not in compliance with any applicable Laws.
- 4.18.7 The Real Property and the past and current uses made of the Real Property comply with all applicable Laws or constitute legal non-conforming uses, and no notice has been received by the Corporation, the Subsidiary or any of the Sellers advising that any portion of the Real Property is not in compliance with any applicable Laws;
- 4.18.8 No alteration, repair, improvement or other work has been ordered, directed or requested in writing to be done or performed to or in respect of the Real Property, or to any of the plumbing, heating, ventilating, air-conditioning, sprinkler, elevators, water, drainage, mechanical or electrical systems, fixtures or works thereof or contained therein, by any Governmental Entity, which alteration, repair, improvement or other work has not been completed to the satisfaction of such Governmental Entity, and no written notification has been received by the Corporation, the Subsidiary or any of the Sellers of any such outstanding work being ordered, directed or requested, other than those that have been complied with.
- 4.18.9 Except as disclosed in Schedule 4.18 of the Corporation Disclosure Schedule, all accounts for work and services performed and materials supplied, placed or furnished on or in respect of the Real Property has been fully paid and satisfied, and no third party is entitled to claim an Encumbrance or priority against the Real Property, or any part thereof, other than current accounts in respect of which the payment due date has not yet passed.
- 4.18.10 All public utilities required for the normal operation of the Business connect into the Real Property and are sufficient for the operation of the Business for its current use, and there is nothing owing in respect of the Real Property to any municipal corporation or

to any other corporation or commission owning or operating a public utility for water, gas, electrical power or energy, steam or hot water, or for the use thereof, other than current accounts in respect of which the payment due date has not yet passed.

4.18.11 To the Knowledge of the Sellers, the roof, mechanical, electrical, heating, ventilation, air conditioning, plumbing, drainage, sprinkler, elevating equipment and other systems used for the operation of the Facility are in good condition, repair and, where applicable, working order, having regard to the use and age thereof.

4.18.12 The Real Property has full and free legally enforceable access to and from publicly dedicated streets, roads or highways, and egress and ingress thereto and therefrom is permitted and available, whether directly or by private easement or servitude, which access is sufficient for purposes of the normal operation of the Business.

4.19 Equipment Leases

Schedule 4.19 of the Corporation Disclosure Schedule lists all Equipment Leases. All such Equipment Leases are in good standing and are not in default. Copies of such Equipment Leases have been provided to the Buyer.

4.20 Intellectual Property

4.20.1 The Corporation or Subsidiary own or possesses sufficient legal rights to all Intellectual Property necessary for or used in the Business. To the Knowledge of the Sellers, all of the Corporation's and Subsidiary's owned Intellectual Property which has been registered or applied for has been properly maintained in accordance with all applicable Laws and has not been used or enforced, or failed to be used or enforced, in a manner that would result in the abandonment, cancellation or unenforceability of any rights in such Intellectual Property.

4.20.2 To the Knowledge of the Sellers, the operation of the Business does not infringe upon the Intellectual Property rights of any Person. To the Knowledge of the Sellers, neither the Corporation nor the Subsidiary has received written notification of any asserted or threatened claim alleging that the conduct of the Business, including the use of the Intellectual Property owned by, licensed to or used by the Corporation, infringes upon any of the Intellectual Property rights of any Person. To the Knowledge of the Sellers, there are no valid grounds for any such bona fide claims alleging infringement of any Intellectual Property rights of the Corporation.

4.20.3 To the Knowledge of the Sellers, no Person is currently infringing any of the Intellectual Property owned by, licensed to or used by the Corporation or the Subsidiary.

4.21 Environmental and Other Matters

To the Knowledge of the Sellers, there is no basis on which the Corporation or the Subsidiary would receive any, notices, orders or directions relating to environmental matters requiring, or notifying the Corporation or the Subsidiary that it is or may be responsible for, any containment, clean-up, remediation or corrective action or any work, repairs, construction or capital expenditures to be made under Environmental Laws with respect to the Real Property or otherwise on the stated understanding that neither the Corporation or the Subsidiary has ever done any testing

or investigation as to the environmental condition of the Real Property. Neither the Corporation nor the Subsidiary has received any oral or written notice of any non-compliance with any Environmental Laws, and neither the Corporation nor the Subsidiary has ever been the subject of any civil proceedings in respect of, nor has it been convicted of any offence for non-compliance with any Environmental Laws or been fined or otherwise sentenced or settled such prosecution short of conviction.

4.22 Material Contracts

Schedule 4.22 of the Corporation Disclosure Schedule lists all Material Contracts to which the Corporation or the Subsidiary is a party or bound. Copies of all such Material Contracts have been provided to the Buyer. Except as disclosed in Schedule 4.22 of the Corporation Disclosure Schedule, neither the Corporation nor the Subsidiary is in default or breach of any Material Contract, and there exists no state of facts which, after notice or lapse of time or both, would constitute a default or breach, to the extent that any such default or breach would have or could reasonably be expected to have a Material Adverse Effect. To the Knowledge of the Sellers, no counterparty to any Material Contract is in default of any of its obligations under any Material Contract, the Corporation or Subsidiary, as applicable, is entitled to all benefits under each Material Contract, and neither the Corporation nor the Subsidiary has received any notice of termination of any Material Contract.

4.23 Bank Accounts and Powers of Attorney

Schedule 4.23 of the Corporation Disclosure Schedule lists:

- (i) the name of each bank or other depository in which the Corporation or the Subsidiary maintains any bank account, trust account or safety deposit box and the names of all individuals authorized to draw on them or who have access to them; and
- (ii) the name of each Person holding a general or special power of attorney from the Corporation or the Subsidiary and a summary of its terms.

4.24 Compliance with Laws, Permits

4.24.1 To the Knowledge of the Sellers, each of the Corporation and the Subsidiary is conducting, and has at all times in the past conducted, the Business in material compliance with all Laws applicable to it and its assets, except in instances where a failure to comply would not reasonably be expected to result in a Material Adverse Effect;

4.24.2 Neither the Corporation nor the Subsidiary, directly or indirectly, has any business operations, of any kind, in jurisdictions where cannabis is not legal including, without limitation, the United States;

4.24.3 Neither the Corporation, the Subsidiary nor, to the Knowledge of the Sellers, any Representative has cultivated, produced or imported or has any current intention to cultivate, produce or import any cannabis or cannabinoid product for commercial purposes or has otherwise engaged, or has any current intention to otherwise engage, in any direct or indirect dealings or transactions in or to the United States, its territories

and possessions, any state of the United States or any other federal, provincial, state, municipal, local or foreign jurisdiction where such activity is illegal;

- 4.24.4 The Corporation has instituted and maintained policies and procedures reasonably designed to ensure that the Corporation does not carry on any activities in, or distribute any products to, any jurisdiction where such activities or products are not fully in compliance with all applicable Laws; and
- 4.24.5 Copies of all Permits have been provided to the Buyer. Other than as disclosed in Schedule 4.24, the Permits are the only authorizations, registrations, permits, approvals, grants, licences, quotas, consents, commitments, rights or privileges required to enable the Corporation and the Subsidiary to carry on the Business and to enable it to own, lease and operate its assets. All Permits are valid, subsisting, in full force and effect and unamended, and neither the Corporation nor the Subsidiary is in default or breach of any Permit; no proceeding is pending or, to the Knowledge of the Sellers, threatened to revoke or limit any Permit, and the completion of the transactions contemplated by this Agreement will not result in the revocation of any Permit or the breach of any term, provision, condition or limitation affecting the ongoing validity of any Permit.

4.25 Employment and Benefits

- 4.25.1 Schedule 4.25.1 of the Corporation Disclosure Schedule contains a true, accurate and complete list of the names of all individuals who are current Employees of the Corporation or the Subsidiary and sets forth each of their respective positions, start date, primary work location, full-time or part-time status, current annual salary or compensation, bonuses or incentive schemes eligibility, vacation entitlement, termination and severance entitlements, accrued but unused vacation and other paid time-off entitlements, whether they are active or on a leave of absence, including the reason for such leave of absence and their expected return date, and the Employee Plans in which they participate. Except as disclosed in Schedule 4.25 of the Corporation Disclosure Schedule, each of the Employees is subject to a written employment contract with the Corporation in the form of the Corporation's standard employment contract and other than such form of contract, neither the Corporation nor the Subsidiary has entered into any other written agreements with the Employees regarding their employment. Neither the Corporation nor the Subsidiary has made offers of employment to any Persons that remain outstanding.
- 4.25.2 Except as disclosed in Schedule 4.25 of the Corporation Disclosure Schedule, neither the Corporation nor the Subsidiary is delinquent in payments to any of its Employees for any wages, salaries, overtime pay, commissions, bonuses, vacation pay, public holiday pay, or other compensation for any service performed for it to the date hereof or amounts required to be reimbursed to such Employees. There are no outstanding claims, complaints, investigations, prosecutions, proceedings or orders against the Corporation, the Subsidiary or any current or former officer or director thereof under any applicable state, provincial and federal employment and labour legislation and law applicable to the Corporation or the Subsidiary including all employment standards, human rights, equal employment opportunity, disability accommodation, workers compensation, occupational health and safety, or pay equity laws and legislation. Each of the Corporation and the Subsidiary has withheld and paid to the appropriate Governmental Entity or is holding for payment not yet due to such Governmental

Authority all amounts required to be withheld from Employees and is not liable for any arrears of wages, Tax, penalties or other sums for failure to comply with any of the foregoing. All premiums, levies, assessments and penalties made against the Corporation or the Subsidiary pursuant to any laws applicable to workers' compensation have been paid, and neither the Corporation nor the Subsidiary has been assessed a fine, surcharge or penalty under any such legislation during the past four years. The Corporation's and the Subsidiary's accident cost experience with applicable workers compensation boards is such that there are no pending or possible assessments and there are no claims or potential claims which may adversely affect such entity's accident cost experience with applicable workers compensation boards. There are no outstanding inspections, orders, charges or judgments under occupational health and safety legislation, nor, to the Knowledge of the Sellers, any pending or threatened charges made under occupational health and safety legislation relating to the Corporation or the Subsidiary. There have been no fatal or critical incidents or accidents within the last three years which might lead to charges involving the Corporation or the Subsidiary under occupational health and safety legislation.

- 4.25.3 There are no employee benefit plans, programs, agreements and arrangements (whether oral or written, formal or informal, funded or unfunded), maintained for, available to or otherwise relating to any Employees or former employees of the Corporation or the Subsidiary, or to which the Corporation or the Subsidiary is a party, or bound by, or under which the Corporation or the Subsidiary has any liability or contingent liability, for the benefit of any of the Corporation's or the Subsidiary's current and former directors, officers, shareholders, consultants, independent contractors or Employees and their respective beneficiaries or dependents, including share ownership plan, deferred compensation, bonus, incentive or other compensation, share option, appreciation or purchase, phantom stock, stock option, stock purchase, stock appreciation, severance, termination, change of control, retention, "golden parachute, retirement, hospitalization or other medical benefit, life or other insurance, vision, dental, drug, extended health, sick leave, long-term and short-term disability, salary continuation, vacation, supplemental unemployment benefits, profit sharing, mortgage assistance, employee loan, tuition reimbursement, registered or unregistered pension or supplemental pension, retirement compensation, group registered retirement savings, deferred compensation, deferred profit sharing, employee profit sharing, savings, retirement or supplemental retirement plans, programs and agreements (including any defined benefit or defined contribution pension plan and any group registered retirement savings plan) (the "**Employee Plans**"). Neither the Corporation nor the Subsidiary has maintained or contributed to any similar plan, program, agreement or arrangements other than the Employee Plans. Neither the Corporation nor the Subsidiary has any obligations under any Employee Plan to provide benefits to any Person who is not an Employee or former employee of the Corporation or the Subsidiary or an eligible dependent or beneficiary of such Employee. No Employee Plan is a defined benefit pension plan.
- 4.25.4 Neither the Corporation nor the Subsidiary is bound by or subject to (and none of its assets or properties is bound by or subject to) any written or oral, express or implied, contract, commitment or arrangement with any trade union, council of trade unions, employee bargaining agency, or association or organization or that may qualify as a trade union, council of trade unions, employee bargaining agency or association or organization, contingent or otherwise. No trade union, council of trade unions,

employee bargaining agency, or association or organization that may qualify as a trade union, council of trade unions, employee bargaining agency or association has representation rights or bargaining rights with respect to the Employees, or to the Knowledge of the Sellers, has requested or sought to represent any of the Employees, representatives, contractors or agents of the Corporation or the Subsidiary and there are no organizational efforts currently being made, threatened by or on behalf of, any trade union, council of trade unions, employee bargaining agency, or association or organization that may qualify as a trade union, council of trade unions or employee bargaining agency or association with respect to any Employees, representatives, contractors or agents of the Corporation or the Subsidiary, and neither the Corporation nor the Subsidiary has experienced any such organizational efforts within the past five years. There is no work stoppage, slow down, strike lock out or other labor dispute involving the Corporation or the Subsidiary pending, or to the Knowledge of the Sellers, threatened and neither the Corporation nor the Subsidiary has experienced a work stoppage, slow down, strike lock out within the past five years.

4.26 Insurance Policies

To the Knowledge of the Sellers, the Buyer has taken over the Corporation's obligations under the Insurance Policies and all Insurance Policies are in full force and effect as of the date of this Agreement and neither the Corporation nor the Subsidiary:

- (i) is not in default, whether as to the payment of premiums or otherwise, under any material term or condition of any of the Insurance Policies; or
- (ii) has not failed to give notice or present any claim under any of the Insurance Policies in a due and timely fashion.

4.27 Litigation

4.27.1 Except as disclosed in Schedule 4.27 of the Corporation Disclosure Schedule: (i) there are no actions, suits, grievances or proceedings, whether judicial, arbitral or administrative, and whether or not purportedly on behalf of the Corporation or the Subsidiary, pending, commenced or, to the Knowledge of the Sellers, threatened, before any Governmental Entity, nor, (ii) to the Knowledge of the Sellers, is there any reasonable factual or legal basis therefor.

4.27.2 There is no outstanding judgment, decree, order, ruling or injunction involving the Corporation or relating in any way to the transactions contemplated by this Agreement.

4.28 Disclosure

To the knowledge of the Sellers, no representation or warranty or other statement made by the Sellers in Article 4 contains any untrue statement or omits to state a material fact necessary to make it, in light of the circumstances in which it was made, not misleading.

4.29 Corporation Disclosure Schedule

Nothing contained in any the Corporation Disclosure Schedule is intended to broaden the scope of any representation or warranty contained in this Agreement. The Corporation Disclosure Schedule

and the information and disclosures contained therein are intended only to qualify and limit the representations, warranties, covenants and agreements of the Sellers contained in this Agreement and shall not be deemed to expand in any way the scope or effect of any of such representations, warranties, covenants or agreements. The Corporation Disclosure Schedule is arranged in sections or subsections corresponding to those contained in this Agreement merely for convenience and ease of reference, and the disclosure of an item in one section or subsection of the Corporation Disclosure Schedule as disclosure relating to or, as an exception or qualification to, any particular representation, warranty or covenant will be deemed to be adequately disclosed as a disclosure, exception or qualification to all other representations, warranties and covenants to the extent, and only to the extent, that the relevance to such other covenants, representations or warranties, in each case, notwithstanding the presence or absence of an appropriate section of the Corporation Disclosure Schedule with respect to such other covenants, representations or warranties or an appropriate cross-reference thereto within the text of this Agreement or the Corporation Disclosure Schedule, is apparent on the face of the item. The information set forth within the Corporation Disclosure Schedule is disclosed solely for the purposes of this Agreement and no information set forth therein shall be deemed to be an admission by any Party hereto to any third party of any matter whatsoever, including any violation of law or breach of any agreement.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer represents and warrants to the Sellers as follows, and acknowledges that the Sellers are relying upon these representations and warranties in connection with the sale of the Purchased Shares:

5.1 Corporate Existence of Buyer

The Buyer is a corporation duly incorporated and validly existing under the laws of the Province of British Columbia. No proceedings have been taken or authorized by the Buyer in respect of the bankruptcy, insolvency, liquidation, dissolution or winding up of the Buyer.

5.2 Capacity to Enter Agreement

The Buyer has all necessary corporate power, authority and capacity to enter into and perform its obligations under this Agreement.

5.3 Binding Obligation

The execution and delivery of this Agreement and the completion of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate action on the part of the Buyer. This Agreement has been duly executed and delivered by the Buyer and constitutes a valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that equitable remedies, including specific performance, are discretionary and may not be ordered in respect of certain defaults.

5.4 Absence of Conflict

None of the execution and delivery of this Agreement, the performance of the Buyer's obligations under this Agreement, or the completion of the transactions contemplated by this Agreement, will

result in or constitute a breach of any term or provision of, or constitute a default under, the articles or by-laws of the Buyer or any agreement or other commitment to which the Buyer is a party.

5.5 Litigation

(i) There are no actions, suits, grievances or proceedings, whether judicial, arbitral or administrative, pending, commenced or, to the knowledge of the Buyer, threatened, against the Buyer before any Governmental Entity that could materially affect the Buyer's ability to pay the Purchase Price or honour its obligations under the VTB Promissory Notes, nor (ii) to the knowledge of the Buyer, is there any reasonable factual or legal basis therefor.

5.6 Regulatory Approvals

No authorization, approval, order, consent of, or filing with, any Governmental Entity is required on the part of the Buyer in connection with the execution, delivery and performance of this Agreement or any other documents and agreements to be delivered under this Agreement.

5.7 Investment Canada Act

The Buyer is a Canadian within the meaning of the *Investment Canada Act*.

5.8 Disclosure

No representation or warranty or other statement made by the Buyer in Article 5 contains any untrue statement or omits to state a material fact necessary to make it, in light of the circumstances in which it was made, not misleading.

ARTICLE 6 COVENANTS

6.1 Cannabis Act and Health Canada

6.1.1 Eric Hancox shall, within five (5) days of Closing, take all commercially reasonable steps necessary to surrender the License to Health Canada for cancellation in compliance with the Cannabis Act. If reasonably required by the Corporation, Eric Hancox agrees to remain an officer of the Corporation for the sole purpose of complying with this Section 6.1.1, at which time he will be removed or resign as an officer of the Corporation.

6.2 Tax Returns

6.2.1 The Buyer shall cause the Corporation to prepare and file on a timely basis all Tax Returns for the Corporation and Subsidiary which relate to any period ending prior to the Closing Date and which are required to be filed after the Closing Date and for which Tax Returns have not been filed as of that date. Such Tax Returns shall be prepared and filed on a basis consistent with applicable Laws and the past practices and procedures of the Corporation and will be subject to the approval of the Sellers, acting reasonably

and in a manner consistent with past practices of the Corporation, if such filing would result in any claim by the Buyer for indemnification hereunder.

- 6.2.2 The Buyer shall not, and shall not allow the Corporation or the Subsidiary to, amend, refile or otherwise modify or grant an extension of any statute of limitations with respect to any Tax Return for the Corporation or the Subsidiary for any taxation year ending on or before the Closing Date and shall not request an audit or assessment of any such Tax Return, in each case without prior written consent of the Sellers.
- 6.2.3 If it is determined that the Corporation has made an “excessive eligible dividend designation” (as defined in subsection 89(1) of the ITA) in respect of any period ending prior to the Closing Date, the Sellers hereby concur in the making of an election under subsection 185.1(2) of the ITA in respect of such dividend, and such election shall be made by the Corporation in the manner and within the time prescribed by subsections 185.1(2) and 185.1(3) of the ITA.
- 6.2.4 If it is determined that the Corporation has made an election under subsection 83(2) of the ITA in respect of the full amount of any dividend payable by it on shares of any class of its capital stock in respect of any period ending prior to the Closing Date, and the full amount of such dividend exceeded the amount of the “capital dividend account” (as defined in the ITA) of the Corporation immediately before the dividend became payable, the Sellers hereby concur in the making of an election under subsection 184(3) of the ITA in respect of such dividend.
- 6.2.5 After the Closing Date, the Sellers and Buyer shall cooperate fully in preparing for and defending any audits of the Corporation, or disputes with any Governmental Entity regarding any Tax Returns of the Corporation and make available to the other Party, and to any Governmental Entity as reasonably requested, a copy of all information, records, and documents relating to Taxes of the Corporation. Additionally, each of the Sellers and the Buyer shall:
- (a) assist the other Party in preparing any Tax Returns which such other Party is responsible for preparing and filing and, in connection therewith, provide the other Party with any necessary powers of attorney;
 - (b) furnish the other Party with copies of all correspondence received from any Governmental Entity in connection with any Tax audit or information request; and
 - (c) retain, or cause to be retained, for so long as any such taxable years or audits shall remain open for adjustments, any records or information which may be relevant to any such Tax Returns or audits, provided that such records and information are not required to be retained for a period in excess of seven (7) years from the close of the taxation year to which such information may be relevant.

ARTICLE 7 CLOSING

7.1 Closing

The Closing will take place electronically at the Closing Time . All required documents will be delivered by electronic transmission, except that the share certificates representing the Purchased Shares must be delivered in original form.

7.2 Conditions to the Obligation of the Buyer

The obligation of the Buyer to consummate the Closing is subject to the satisfaction on or before Closing of the following conditions:

- (i) all of the terms and conditions of this Agreement to be complied with or performed by the Sellers before the Closing will have been complied with or performed and a certificate of the Sellers, dated the Closing Date, to that effect will have been delivered to the Buyer, the certificate to be in form and substance reasonably satisfactory to the Buyer;
- (ii) no Material Adverse Effect shall have occurred in respect of the Corporation;
- (iii) the Sellers shall have delivered, or cause to be delivered, to the Buyer the following in form and substance reasonably satisfactory to the Buyer:
 - (a) original share certificates representing the Purchased Shares, duly endorsed for transfer to the Buyer;
 - (b) copies of resolutions of the directors of the Corporation authorizing the transfer of the Purchased Shares to the Buyer;
 - (c) certificate of status of the Corporation and the Subsidiary;
 - (d) executed, undated resignations of each director and officer of the Corporation and the Subsidiary;
 - (e) direction from the Corporation to the Buyer directing payment of the proceeds of the Closing Date Loan to Williams;
 - (f) acknowledgment and release from Williams to the Corporation in respect of repayment of the Williams Shareholder Loan;
 - (g) termination agreement in respect of the Shareholders Agreement, duly signed by the Sellers; and
 - (h) all other documentation and evidence reasonably requested by the Buyer in order to establish the due authorization and completion by each of the Sellers, the Corporation or the Subsidiary of the transactions contemplated by this Agreement, including the taking of all corporate proceedings by the boards of directors and shareholders of the Corporation required to effectively carry out their respective obligations under this Agreement.

7.2.2 In case any term or covenant of the Sellers or condition to be performed or complied with for the benefit of the Buyer at or prior to the Closing Date shall not have been performed or complied with at or prior to the Closing Date, the Buyer may, without

limiting any other right that the Buyer may have, waive compliance with any such term, covenant or condition in whole or in part on such terms as may be agreed upon.

7.3 Conditions to the Obligations of the Sellers

The obligation of the Sellers to consummate the Closing is subject to the satisfaction on or before Closing of the following conditions:

- (i) all of the terms and conditions of this Agreement to be complied with or performed by the Buyer before the Closing will have been complied with or performed and a certificate of the Sellers, dated the Closing Date, to that effect will have been delivered to the Sellers, the certificate to be in form and substance satisfactory to the Sellers;
- (ii) the Buyer will deliver, or cause to be delivered, to the Sellers the following in form and substance reasonably satisfactory to the Sellers:
 - (a) the Cash Payment and the Loan Payment;
 - (b) originally signed copies of the VTB Promissory Notes have been issued to the Sellers and evidence that a charge has been registered on the Real Property of the Corporation and the Subsidiary;
 - (c) evidence that the Subsidiary has (i) entered into the Guarantee; and (ii) granted a charge on the Real Property and the personal property, in each case to secure the obligations owing by the Buyer to the Sellers under the VTB Promissory Notes; and
 - (d) all documentation and other evidence reasonably requested by any Seller in order to establish the due authorization and completion by the Buyer of the transactions contemplated by this Agreement, including the taking of all corporate proceedings by the board of directors and the shareholders of the Buyer required to effectively carry out the obligations of the Buyer under this Agreement.

7.3.2 In case any term or covenant of the Buyer or condition to be performed or complied with for the benefit of the Sellers at or prior to the Closing Date shall not have been performed or complied with at or prior to the Closing Date, the Sellers may, without limiting any other right that the Sellers may have, waive compliance with any such term, covenant or condition in whole or in part on such terms as may be agreed upon.

ARTICLE 8 SURVIVAL AND INDEMNIFICATION

8.1 Survival of Covenants and Representations and Warranties

The representations and warranties of the Parties contained in this Agreement shall survive the Closing and, notwithstanding the Closing and notwithstanding any investigation or inquiries made by or on behalf of the other Party(ies), shall continue in full force and effect for the benefit of the other Parties for a period of two (2) years following the Closing Date, except that:

- (i) the representations and warranties contained in Sections 3.1, 3.2, 3.3, 3.6, 3.7, 4.1, 4.2, 4.6, 4.7, 4.8, 4.9, 4.17, 4.18.1, 4.18.2, 4.18.4, 5.1, 5.2, 5.3, 5.4 and 5.7 (collectively, the “**Fundamental Representations**”), shall survive indefinitely following the Closing;
- (ii) the representations and warranties contained in Section 4.13 shall survive the Closing and continue in full force and effect until the 60th day after the end of the period, if any, during which an assessment, reassessment or other form of recognized document assessing liability for Tax, interest or penalties under applicable Tax legislation in respect of any taxation year to which such representations and warranties extend could be issued under such Tax legislation; and
- (iii) any matters based on intentional misrepresentation, wilful misconduct or fraud shall survive the Closing and continue in full force and effect without limitation of time.

8.2 Survival of Covenants

The covenants of the Parties set out in this Agreement shall survive the Closing until fully performed (or for such lesser period as may be specified in writing) and, notwithstanding the Closing, shall continue in full force and effect for the benefit of the other Parties in accordance with the terms thereof.

8.3 Indemnification by the Sellers

Subject to the remaining provisions of this Article 8:

- (i) with respect to any covenant or obligation, or any representation or warranty in Article 3, solely relating to a Seller, each Seller agrees that if he, she or it fails to observe or perform such covenant or obligation to be performed by him, her or it under this Agreement, or breaches any such representation and warranty contained in this Agreement, such Seller will severally indemnify and hold harmless Buyer, its Affiliates and each of their respective directors, officers, employees, representatives and agents from and against the full amount of any Loss that each may suffer as a result of that failure. Each Seller will severally indemnify and hold harmless the Buyer and each director, officer or employee of the Buyer from and against the full amount of any Loss that each suffers as a result of a Third Party Claim solely relating to that Seller; provided that this indemnification shall not apply to the costs of defending any Third Party Claim if such Third Party Claim is ultimately found not to be meritorious, or is settled with no verdict on its merits being reached, unless such Third Party Claim relates to a matter in respect of which a Seller is in breach of a representation or warranty, or has failed to perform a covenant, under this Agreement; and
- (ii) each of the Sellers, jointly and severally, will indemnify and hold harmless the Buyer, its Affiliates and each of their respective directors, officers, employees, representatives and agents from and against the full amount of any Loss that each may suffer by reason of or in connection with, relating to, arising out of or resulting from:

- (a) any inaccuracy or breach of any representation or warranty relating to the Corporation or the Subsidiary contained in Article 4 of this Agreement; and
- (b) a Third Party Claim relating to the Corporation which constitutes a breach of any such representation or warranty; provided that this indemnification shall not apply to the costs of defending any Third Party Claim if such Third Party Claim is ultimately found not to be meritorious, or is settled with no verdict on its merits being reached, unless such Third Party Claim relates to a matter in respect of which the Seller is in breach of a representation or warranty, or has failed to perform a covenant or obligation, under this Agreement.

8.4 Indemnification by the Buyer

Subject to the remaining provisions of this Article 8, the Buyer agrees that if the Buyer fails to observe or perform any covenant or obligation contained in this Agreement or in any other agreement or document delivered pursuant to this Agreement to which it is a party, or breaches any representation and warranty contained in Article 5 of this Agreement, it will indemnify and hold harmless the Sellers from and against the full amount of any Loss that each may suffer as a result of that failure.

8.5 Notice of Claim

In the event that the Buyer on the one hand or any one or more of the Sellers on the other (the “**Indemnified Party**”) becomes aware of a Loss or potential Loss in respect of which the Buyer on the one hand or any one or more of the Sellers on the other (the “**Indemnifying Party**”) has agreed to indemnify it under this Agreement, the Indemnified Party will promptly give written notice (an “**Indemnity Notice**”) of its claim or potential claim for indemnification (an “**Indemnity Claim**”) to the Indemnifying Party. An Indemnity Notice must specify whether the Indemnity Claim arises as the result of a claim made against the Indemnified Party by a Person who is not a Party (a “**Third Party Claim**”) or as a result of a Loss that was suffered directly by the Indemnified Party (a “**Direct Claim**”), and must also specify with reasonable particularity (to the extent that the information is available):

- (i) the factual basis for the Indemnity Claim; and
- (ii) the amount of the Indemnity Claim, if known.

If, through the fault of the Indemnified Party, the Indemnifying Party does not receive an Indemnity Notice of an Indemnity Claim in time to effectively contest the determination of any liability capable of being contested, the Indemnifying Party will be entitled to set off against the amount claimed by the Indemnified Party the amount of any Loss incurred by the Indemnifying Party resulting from the Indemnified Party’s failure to give an Indemnity Notice on a timely basis.

8.6 Extension

The Parties hereby acknowledge that if notice regarding any matter contemplated in this Article 8 is duly given in accordance with the provisions of this Article 8 by any Party hereto, acting in good faith, to the others of them within the relevant time period specified in this Article 8, and if before

such matter has been fully dealt with pursuant to this Agreement, the relevant time period would expire, the time period in question shall be deemed to be extended (with respect to such matter only) until such matter has been fully dealt with pursuant to this Agreement.

8.7 Procedure for Direct Claims

Following receipt of an Indemnity Notice from the Indemnified Party of a Direct Claim, the Indemnifying Party will have 20 Business Days to make any investigations it considers necessary or desirable. For the purpose of those investigations, the Indemnified Party will make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Direct Claim, together with all other information that the Indemnifying Party may reasonably request. If both the Indemnified Party and the Indemnifying Party agree at or before the expiration of that 20-day period (or any mutually agreed upon extension) to the validity and amount of the Direct Claim, the Indemnifying Party will pay immediately to the Indemnified Party the full agreed upon amount of the Loss for which the Direct Claim is made, and no subsequent proceeding will be brought in any court of law concerning that Direct Claim.

8.8 Procedure for Third Party Claims

- 8.8.1 Despite any other provision of this Agreement, if the Indemnified Party is required by applicable Law to make a payment into court, into escrow, or to any third party, with respect to a Third Party Claim before the completion of related settlement negotiations or legal proceedings, the Indemnified Party may make the required payment and the Indemnifying Party will, promptly after demand by the Indemnified Party, reimburse the Indemnified Party for the required payment made. If the Indemnifying Party makes that reimbursement in full, and if the amount of any liability of the Indemnified Party under the Third Party Claim in respect of which the required payment was made, as finally determined, is less than the amount that was paid by the Indemnifying Party to the Indemnified Party, the Indemnified Party will, promptly after recovery of the surplus amount left over from the required payment, pay that surplus amount to the Indemnifying Party.
- 8.8.2 The Indemnified Party will promptly deliver to the Indemnifying Party copies of all correspondence, notices, assessments or other written Communication received by the Indemnified Party in respect of any Third Party Claim.
- 8.8.3 The Indemnified Party will not negotiate, settle, compromise or pay any Third Party Claim with respect to which it has asserted or proposes to assert an Indemnity Claim, without the prior written consent of the Indemnifying Party, which consent will not be unreasonably withheld.
- 8.8.4 The Indemnified Party will not cause or permit the termination of any right of appeal in respect of any Third Party Claim which is or might become the basis of an Indemnity Claim without giving the Indemnifying Party written notice of the contemplated or potential termination in time to grant the Indemnifying Party an opportunity to contest the Third Party Claim.
- 8.8.5 If the Indemnifying Party first acknowledges in writing its obligation to satisfy an Indemnity Claim to the extent of any binding determination or settlement in connection with a Third Party Claim (or enter into arrangements otherwise satisfactory to the

Indemnified Party), in any legal or administrative proceeding in connection with the matters forming the basis of a Third Party Claim, the following will apply:

- (a) The Indemnifying Party will have the right, by written notice delivered to the Indemnified Party within 10 Business Days of receipt by the Indemnifying Party of an Indemnity Notice, and subject to the right of any insurer or other Person to assume carriage and control of the negotiation, defence or settlement of a Third Party Claim, to assume carriage and control of the negotiation, defence or settlement of a Third Party Claim and the conduct of any related legal or administrative proceedings at the expense of the Indemnifying Party and by its own counsel.
- (b) If the Indemnifying Party elects to assume carriage and control, the Indemnified Party will have the right to participate at its own expense in the negotiation, defence or settlement of a Third Party Claim assisted by counsel of its own choosing.
- (c) Each of the Indemnified Party and the Indemnifying Party will make all commercially reasonable efforts to make available to the Party who has assumed carriage and control of the negotiation, defence or settlement of a Third Party Claim those Employees whose assistance or evidence is necessary to assist that Party in evaluating and defending that Third Party Claim and all documents, records and other materials in the possession or control of that Party required for use in the negotiation, defence or settlement of that Third Party Claim.
- (d) The Indemnifying Party will not settle a Third Party Claim or conduct any related legal or administrative proceeding in a manner which would, in the opinion of the Indemnified Party, acting reasonably, have a material adverse effect on the Indemnified Party except with the Indemnified Party's prior written consent which consent shall not be unreasonably withheld or delayed; provided however, if the Indemnifying Party concludes a settlement in respect of a Third Party Claim, conditional only on the Indemnified Party's approval, and if such settlement:
 - (A) consists solely of the payment of money damages;
 - (B) will not involve the breach of the rights of any other Person that could result in any other claims against the Indemnified Party or the Corporation,
 - (C) will not have any adverse effects on any other claims or possible claims that could be made against or by the Indemnified Party or the Corporation;
 - (D) will not involve any admission of liability or any breach of applicable Law by the Indemnified Party or by the Corporation; and
 - (E) includes a provision whereby all plaintiffs or other claimants involved in the Third Party Claim unconditionally release the

Indemnified Party and the Corporation (where applicable) from all liability,

then, if the Indemnified Party fails to approve such settlement, the obligations of the Indemnifying Party under this Article 8 in respect of such Third Party Claim shall be limited to such proposed settlement amount.

- (e) The Indemnifying Party will (and in the case of the Sellers, jointly and severally), indemnify and hold harmless the Indemnified Party from and against any Loss incurred or suffered as a result of the Indemnifying Party's settlement of the Third Party Claim or conduct of any related legal or administrative proceeding.

8.8.6 When the amount of the Loss with respect to a Third Party Claim is finally determined in accordance with this Section 8.8 the Indemnifying Party will immediately pay the full amount of that Loss to the Indemnified Party. If the Indemnified Party has been permitted by the Indemnifying Party to assume the carriage and control of the negotiation, defence, or settlement of the Third Party Claim, the Indemnifying Party will not contest the amount of that Loss. The Indemnifying Party will have no obligation to make any payment with respect to any Third Party Claim that is settled or contested in violation of the terms of this Section 8.8.

8.9 No Delay

Each of the Parties will pursue any Indemnity Claim made by an Indemnified Party under this Agreement with reasonable diligence and dispatch, and without unnecessary delay, once the circumstances that give rise to that Indemnity Claim are known to it.

8.10 Subrogation

If the amount of Losses incurred by an Indemnified Party at any time subsequent to the making of payment by the Indemnifying Party in respect thereof is reduced by any recovery, settlement or otherwise under any insurance coverage or under any claim, recovery, settlement or payment by or against any other Person, the Indemnified Party shall promptly repay to the Indemnifying Party the amount of the reduction (less any costs, expenses (including Taxes) or premiums incurred in connection therewith). Upon making a full payment in respect of a Loss, the Indemnifying Party will, to the extent of that payment, be subrogated to all rights of the Indemnified Party against any third party that is not an Affiliate of the Indemnified Party in respect of the Losses to which the payment relates. Until the Indemnified Party recovers full payment of its Losses, any and all claims of the Indemnifying Party against any such third party on account of that payment will be postponed and subordinated in right of payment to the Indemnified Party's rights against that third party.

8.11 Third Party Indemnification

To ensure that the indemnities provided by the Sellers to the Buyer's directors, officers and employees are enforceable, it is agreed by the Parties that the Buyer is acting as agent for its directors, officers and employees with respect to the indemnities intended to be given to those directors, officers and employees under this Article 8. The Buyer agrees that it will hold any right to indemnification that any director, officer or employee of it is intended to have under this Article

in trust for that director, officer or employee, and that funds received by the Sellers in respect of any claims under this Article by any director, officer or employee of it will be held in trust for that director, officer or employee.

8.12 Limitations on Liability

- (i) In the event the Buyer Indemnified Parties suffer Losses in respect of the matters described in Section 8.3, the Sellers' liability for such Losses pursuant to Section 8.3 shall be limited to 60% of the aggregate amount of such Losses and shall be allocated among the Sellers in accordance with the Sellers' Pro Rata Percentage associated with such Sellers.
- (ii) Other than in the case of intentional misrepresentation, wilful misconduct or fraud, the maximum aggregate liability of each of the Sellers is limited to the portion of the Purchase Price to be received by such Seller and the aggregate liability of the Sellers under this Agreement for Losses suffered by the Buyer Indemnified Parties in respect of the matters described in Section 8.3 is limited to the Purchase Price.
- (iii) The Sellers have no obligation to make any payment for Losses (for indemnification or otherwise) in respect of the matters described in Section 8.3 until the aggregate amount of all such Losses with respect to those matters that the Sellers would be required to indemnify the Buyer for exceeds \$50,000. Once the aggregate amount of those Losses exceeds \$50,000, the Sellers will be fully liable for their proportion of those Losses that exceed the threshold amount.

8.13 Exclusive Remedy

The rights of indemnity set out in this Article 8 are the sole and exclusive remedy of any Party in respect of any misrepresentation, breach of warranty or breach of covenant by another Party hereunder, provided that nothing in this Section 8.13 will prevent a Party from seeking specific performance, injunctive relief or other equitable remedies. This Article 8 shall remain in full force and effect in all circumstances and shall not be terminated by any breach (fundamental, negligent or otherwise) by any Party of its representations, warranties or covenants.

8.14 Adjustment Treatment

All indemnification payments made pursuant to this Article 8 shall be treated as adjustments to the Purchase Price.

ARTICLE 9 GENERAL

9.1 Time of Essence

Time is of the essence in all respects of this Agreement.

9.2 Notices

Any Communication must be in writing and either:

- (i) delivered personally or by courier;

- (ii) sent by prepaid registered mail; or
- (iii) transmitted by e-mail or functionally equivalent electronic means of transmission, charges (if any) prepaid.

Any Communication must be sent to the intended recipient at its address as follows:

to the Buyer at:

GREENRIDEZ 2.0 ACQUISITIONS CORP.
595 Burrard Street, Suite 2900, PO Box 49130
Vancouver, BC V7X 1J5

Attention: Solomon Elimimian, President
E-mail: elimimian56@gmail.com

with a copy (which shall not constitute notice) to:

Fasken Martineau DuMoulin LLP
800 Square Victoria
Suite 3500
Montreal, Québec H4Z 1E9

Attention: Kosta Kostic
E-mail: kkostic@fasken.com

to the Sellers at:

[Address redacted]

Attention: Sandi Williams, Eric Hancox and Vassil
Staykov
E-mail: [Redacted]

with a copy (which shall not constitute notice) to:

Norton Rose Fulbright Canada LLP
Suite 3800, 222 Bay Street
Toronto, Ontario M5J 2Z4

Attention: Kristopher Miks
E-mail: kristopher.miks@nortonrosefulbright.com

or at any other address as any Party may at any time advise the other by Communication given or made in accordance with this Section 10.3. Any Communication delivered to the Party to whom it

is addressed will be deemed to have been given or made and received on the day it is delivered at that Party's address, provided that if that day is not a Business Day then the Communication will be deemed to have been given or made and received on the next Business Day. Any Communication sent by prepaid registered mail will be deemed to have been given or made and received on the fifth Business Day after which it is mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every Communication must be delivered personally or by courier or transmitted by e-mail or functionally equivalent electronic means of transmission. Any Communication transmitted by e-mail or other functionally equivalent electronic means of transmission will be deemed to have been given or made and received on the day on which it is transmitted; but if the Communication is transmitted on a day which is not a Business Day or after 4:00 p.m. (local time of the recipient), the Communication will be deemed to have been given or made and received on the next Business Day.

9.3 Severability

Each Section of this Agreement is distinct and severable. If any Section of this Agreement, in whole or in part, is or becomes illegal, invalid, void, voidable or unenforceable in any jurisdiction by any court of competent jurisdiction, the illegality, invalidity or unenforceability of that Section, in whole or in part, will not affect:

- (i) the legality, validity or enforceability of the remaining Sections of this Agreement, in whole or in part; or
- (ii) the legality, validity or enforceability of that Section, in whole or in part, in any other jurisdiction.

9.4 Attornment

Each Party irrevocably attorns and submits to the exclusive jurisdiction of the courts of the Province of Ontario.¹

9.5 Amendment and Waiver

No amendment, discharge, modification, restatement, supplement, termination or waiver of this Agreement or any Section of this Agreement is binding unless it is in writing and executed by the Party to be bound. No waiver of, failure to exercise or delay in exercising, any Section of this Agreement constitutes a waiver of any other Section (whether or not similar) nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

9.6 Further Assurances

Each Party will, at that Party's own cost and expense, execute and deliver any further agreements and documents and provide any further assurances, undertakings and information as may be reasonably required by the requesting Party to give effect to this Agreement and, without limiting the generality of this Section 9.6, will do or cause to be done all acts and things, execute and deliver

¹ Fasken Note: Language removed since provided for in s. 1.4.

or cause to be executed and delivered all agreements and documents and provide any assurances, undertakings and information as may be required at any time by all Governmental Authorities.

9.7 Assignment and Enurement

Neither this Agreement nor any right or obligation under this Agreement may be assigned by any Party without the prior written consent of the other Parties. This Agreement enures to the benefit of and is binding upon the Parties and their respective heirs, executors, administrators, estate trustees, trustees, personal or legal representatives, successors and permitted assigns.

9.8 Counterparts and Electronic Delivery

This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.

9.9 No Broker

Each Party represents and warrants to the other Parties that all negotiations relating to this Agreement and the transactions contemplated by this Agreement have been carried on between them directly, without the intervention of any other Person on behalf of any Party in such manner as to give rise to any valid claim against the Buyer or the Corporation for a brokerage commission, finder's fee or other similar payment.

9.10 Public Notice

All public notices to third parties and all other announcements, press releases and publicity concerning this Agreement or the transactions contemplated by this Agreement, must be jointly planned and co-ordinated by the Sellers and the Buyer, and no Party will act unilaterally in this regard without the prior consent of the other Party(ies) unless, and only to the extent that, disclosure is required to meet the timely disclosure obligations of the Buyer under applicable Securities laws or stock exchange rules in circumstances where prior consultation with the other Party(ies) is not practicable, or the disclosure is to the Party's board of directors, senior management and its legal, accounting, financial or other professional advisers.

9.11 Payment and Currency

Any money to be advanced, paid or tendered by one Party to another under this Agreement must be advanced, paid or tendered by bank draft, certified cheque or wire transfer of immediately available funds payable to the Person to whom the amount is due. Unless otherwise specified, the word "**dollar**" and the "\$" sign refer to Canadian currency, and all amounts to be advanced, paid, tendered or calculated under this Agreement are to be advanced, paid, tendered or calculated in Canadian currency.

9.12 No *Contra Proferentem*

This Agreement has been reviewed by each Party's professional advisors, and revised during the course of negotiations between the Parties. Each Party acknowledges that this Agreement is the product of their joint efforts, that it expresses their agreement, and that, if there is any ambiguity

in any of its provisions, no rule of interpretation favouring one Party over another based on authorship will apply.

9.13 Independent Legal Advice

Each of the Parties acknowledges that it, he or she has read and understands the terms and conditions of this Agreement and acknowledges and agrees that it, he or she has had the opportunity to seek, and was not prevented or discouraged by any other Party to this Agreement from seeking, any independent legal advice which it, he or she considered necessary before the execution and delivery of this Agreement and that, if it, he or she did not avail itself, himself or herself of that opportunity before signing this Agreement, it, he or she did so voluntarily without any undue pressure, and agrees that its, his or her failure to obtain independent legal advice will not be used by it, him or her as a defence to the enforcement of its, his or her obligations under this Agreement.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Each of the Parties has executed and delivered this Agreement, as of the date first set out above.

_____	(signed) Eric Hancox
Witness	Eric Hancox
_____	(signed) Vasil Staykov
Witness	Vassil Staykov
_____	(signed) Sandra Williams
Witness	Sandra Williams

**GREENRIDEZ 2.0 ACQUISITIONS
CORP.**

By: _____
Name: Solomon Elimimian
Title: President

Pursuant to the Shareholders Agreement, the undersigned hereby consents to and authorizes the Corporation and the Sellers to proceed with the transactions contemplated by this Agreement:

HERMAN HOLDINGS INC.

By: _____
Name: Narineh Kassabian
Title: Chief Executive Officer

Each of the Parties has executed and delivered this Agreement, as of the date first set out above.

Witness

Eric Hancox

Witness

Vassil Staykov

Witness

Sandra Williams

**GREENRIDEZ 2.0 ACQUISITIONS
CORP.**

By: (signed) Solomon Elimimian
Name: Solomon Elimimian
Title: President

Pursuant to the Shareholders Agreement, the undersigned hereby consents to and authorizes the Corporation and the Sellers to proceed with the transactions contemplated by this Agreement:

HERMAN HOLDINGS INC.

By: (signed) Narineh Kassabian
Name: Narineh Kassabian
Title: Chief Executive Officer

**Schedule 2.1
Purchased Shares**

Shareholder	Number of Common Shares in capital of Corporation	Cash Payment	VTB Promissory Note
Eric Hancox	1,950,000	\$25,000	\$620,880
Vassil Staykov	2,100,000	\$25,000	\$668,640
Sandra Williams	1,950,000	\$25,000	\$620,880

EXHIBIT 1
Form of Guarantee

See attached.

GUARANTEE

The guarantee is made as of ●, 2021.

WHEREAS the undersigned (hereinafter referred to as the “**Guarantor**”) has agreed to provide Eric Hancox, Vassil Staycov and Sandra Williams (hereinafter collectively referred to, and each being, the “**Lender**”) with a guarantee of certain obligations of Greenridez 2.0 Acquisitions Corp. (hereinafter referred to as the “**Obligor**”) pursuant to the SPA (as defined herein); and

NOW THEREFORE this agreement witnesses that in consideration of the premises and the covenants and agreements herein contained, the sum of \$1.00 now paid by the Lender to the Guarantor and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor covenants and agrees with the Lender as follows:

ARTICLE ONE - GUARANTEE

1.01 The Guarantor hereby unconditionally and irrevocably guarantees all of the debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Obligor to the Lender including debts owed or remaining unpaid by the Obligor to the Lender pursuant to a promissory note (the “**Note**”), issued by the Obligor in favour of the Lender as of the date hereof, and more fully described and set out in a share purchase agreement made, *inter alia* among the Obligor, as buyer, and the Lender, as seller, as of the date hereof (the “**SPA**”) (hereinafter collectively referred to as the “**Obligations**”).

Guarantee Absolute

1.02 The liability of the Guarantor hereunder shall be absolute and unconditional and shall not be affected by:

- (a) any lack of validity or enforceability of any agreements between the Obligor and the Lender; any change in the time, manner or place of payment of or in any other term of such agreements or the failure on the part of the Obligor to carry out any of its obligations under such agreements;
- (b) any impossibility, impracticability, frustration of purpose, illegality, *force majeure* or act of government;
- (c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of the Obligor, the Lender or any party to any agreement to which the Lender is a party;
- (d) any lack or limitation of power, incapacity or disability on the part of the Obligor or of the directors, partners or agents thereof or any other irregularity, defect or informality on the part of the Obligor in its obligations to the Lender; or
- (e) any other law, regulation or other circumstance which might otherwise constitute a defence available to, or a discharge of, the Obligor in respect of any or all of the Obligations.

ARTICLE TWO - DEALINGS WITH OBLIGOR AND OTHERS

No Release

2.01 The liability of the Guarantor hereunder shall not be released, discharged, limited or in any way affected by anything done, suffered or permitted by the Lender in connection with any duties or liabilities of the Obligor to the Lender or any security therefor including any loss of or in respect of any security received by the Lender from the Obligor or others. The Lender, without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor’s liability hereunder, may

- (a) grant time, renewals, extensions, indulgences, releases and discharges to the Obligor;
- (b) take or abstain from taking securities or collateral from the Obligor or from perfecting securities or collateral of the Obligor;
- (c) accept compromises from the Obligor;

- (d) apply all money at any time received from the Obligor or from securities upon such part of the Obligations as the Lender may see fit or change any such application in whole or in part from time to time as the Lender may see fit; or
- (e) otherwise deal with the Obligor and all other persons and securities as the Lender may see fit.

No Exhaustion of Remedies

2.02 The Lender shall not be bound or obligated to exhaust its recourse against the Obligor or other persons or any securities or collateral it may hold or take any other action (other than to make demand pursuant to Article Four) before being entitled to demand payment from the Guarantor hereunder.

Conclusive Statement

2.03 Any account settled or stated in writing by or between the Lender and the Obligor shall be prima facie evidence that the balance or amount thereof appearing due to the Lender is so due.

No Set-off

2.04 The Guarantor shall not claim any set-off or counterclaim against the Obligor in respect of any liability of the Obligor to the Guarantor.

ARTICLE THREE - CONTINUING GUARANTEE

Continuing Guarantee

3.01 This Guarantee shall be a continuing guarantee and shall be binding as a continuing obligation of the Guarantor. This Guarantee shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Lender upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Obligor or otherwise, all as though such payment had not been made.

ARTICLE FOUR - DEMAND FOR PAYMENT

Demand for Payment

4.01 The Guarantor shall make payment to or performance in favour of the Lender of the Obligations of the Guarantor forthwith after demand therefor is made to the Guarantor in writing by the Lender. The Lender shall be entitled to make demand upon the Guarantor upon a default in payment of any amount owing by the Obligor to the Lender beyond any applicable cure period and upon such continuing default, the Lender may, where authorized under the Note, treat all Obligations as due and payable and may forthwith collect from the Guarantor the total amount guaranteed hereunder.

ARTICLE FIVE - POSTPONEMENT AND SUBROGATION

Postponement

5.01 All debts and liabilities, present and future, of the Obligor to the Guarantor are hereby postponed to the Obligations, and all money received by the Guarantor from and after the occurrence of a demand for payment of the Obligations by the Lender shall be held in trust for the Lender and forthwith upon receipt shall be paid over to the Lender, the whole without in any way lessening or limiting the liability of the Guarantor hereunder and this postponement is independent of the Guarantee and shall remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until payment in full to the Lender of all obligations of the Guarantor under this Guarantee.

Subrogation

5.02 If (i) the Guarantor performs or makes payment to the Lender of all amounts owing by the Guarantor to the Lender under this Guarantee and (ii) the Obligations are performed and paid in full, the Lender will, at the Guarantor's request, execute and deliver to the Guarantor appropriate documents, without recourse and without representation and warranty, necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations and any security held therefor resulting from such performance or payment by the Guarantor.

ARTICLE SIX - GENERAL

Waiver of Notice of Acceptance

6.01 The Guarantor hereby waives notice of acceptance of this instrument.

Benefit of the Guarantee

6.02 This Guarantee shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Guarantor and the Lender.

Entire Agreement

6.03 This Guarantee, the SPA and the Note constitute the entire agreement between the Lender, the Obligor and the Guarantor with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, expressed, implied or statutory, between such parties other than as expressly set forth in this Guarantee.

No Waiver, Remedies

6.04 No failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Severability

6.05 If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

Notices

6.06 Any demand, notice or other communication (hereinafter in this Section 6.06 referred to as a "Communication") to be given in connection with this Guarantee shall be given in writing and may be given by personal delivery, by registered mail or email addressed to the recipient as follows:

To the Lender:



To the Guarantor:

Attention :
Email:

or such other address as may be designated by notice by any party to the other. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third day following the deposit thereof in the mail. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery.

Assignment

6.07 The rights of the Lender under this Guarantee may be assigned by the Lender upon prior notice to the Obligor or the Guarantor. The Guarantor may not assign its obligations under this Guarantee.

Governing Law

6.08 This Guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF the Guarantor has executed this Guarantee.

2515585 Ontario Inc.

By:

Name:

Title: Authorized Signatory

I have authority to bind the above.

EXHIBIT 2

Form of VTB Collateral Charge Provisions

See attached.

FORM OF CHARGE

Schedule to the Electronic Form of Charge/Mortgage

1. Interpretation

In this Schedule and all other Schedules (if any) to the electronic form of Charge/Mortgage to which this Schedule is attached:

"**this charge**" means the Charge/Mortgage to which this Schedule is attached and all Schedules thereto (including this Schedule) as the same may be amended from time to time;

"**hereof**", "**hereto**", "**herein**", "**hereby**" and "**hereunder**" and similar expressions mean or refer to this charge as a whole and not to any particular part thereof;

the "**Chargee**" is the chargee named in the electronic form of Charge/Mortgage to which this Schedule is attached;

the "**Chargor**" is the chargor named in the electronic form Charge/Mortgage to which this Schedule is attached;

"**Default**" means the occurrence of any one or more of the following:

- a) if there occurs any breach of the obligations, covenants, warranties and/or representations of the Chargor or any of the Guarantors under the SPA, the Guarantee, the Promissory Note or this charge, which breach has not been cured following notice in writing of same by the Chargee within the applicable cure period, if any, provided under the SPA, the Guarantee, Promissory Note, or this charge;
- b) if the Chargee has made a rightful demand for repayment of the amount outstanding under the Promissory Note in accordance with the terms of the SPA, and such repayment has not been made in accordance with the terms of the demand within a reasonable period of time (including such period of time allowed for under the SPA, the Guarantee, the Promissory Note or this charge, as applicable);
- c) if the holder of any Encumbrance takes possession of the Lands or any material part of the Lands.

"**Lands**" means the real property described under PIN 45077-0201 (LT) and being PT LOT 23 CON 2 RICHMOND PART 2 29R10369; TOWN OF GREATER NAPANEE and municipally known as 100 Circuit Rider Drive, Napanee, Ontario, including all buildings, erections, structures, improvements and fixtures now and hereafter situated thereon;

"**Liability**" means all direct and actual indebtedness and liability (including the payment of interest), present and future, of the Chargor due and owing to the Chargee pursuant to or in connection with the performance of the obligations of the Chargor to the Chargee under the SPA and any security related thereto to including, without limitation, all indebtedness and liability of the Chargor to the Chargee pursuant to or in connection with the Guarantee or the Promissory Note;

"**Interest Rate**" means the rate of eight (8%) percent, per annum, calculated daily and payable in quarterly in arrears on the last day of each quarter following the date of the Promissory Note.

"**Principal Amount**" means \$1,910,400 Canadian Dollars; and

"**SPA**" means that share purchase agreement made, *inter alia* among the Chargor, as guarantor and the Chargee, as seller, made on or about the date of registration of this charge.

All capitalized terms used herein, unless separately defined herein, shall have the meanings ascribed to them in the SPA.

The paragraph headings in this charge do not form part of this charge and have been inserted for convenience of reference only.

If any covenant, obligation or agreement or part thereof or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such covenant, obligation or agreement or part thereof to any person or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby. Each covenant, obligation and agreement in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

2. Provisions for Redemption

Subject to Subsection **Error! Reference source not found.** and Section 5 hereof, this charge shall be void upon the payment of the amount of the Liability in full.

3. Release by Chargor

The Chargor releases to the Chargee all claims of the Chargor upon the Lands, subject to the provision for redemption and the entitlement of the Chargor to obtain a discharge of this charge.

4. Security for Liability

(a) This charge is continuing security for the due payment and discharge of the Liability; provided that nothing herein contained shall in any way affect or prejudice any right of the Chargee independently of this charge to recover the Liability or any part thereof from the Chargor.

(b) This charge shall be continuing security for the Liability notwithstanding the nature or form thereof or any change in the nature or form thereof or in the accounts, promissory notes, guarantees and/or other obligations now or from time to time hereafter held by the Chargee representing the Liability or any part thereof or in the names of the parties to such notes, guarantees and/or other obligations or any change in the constitution of the Chargor.

(c) Any and all payments made in respect of the Liability and the moneys realized from any security held therefor (including this charge) may be applied on such part or parts of

the Liability as the Chargee may see fit or (save as to moneys realized from this charge) may be held unappropriated in a collateral account (but always for application to the Liability). The Chargee may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Chargor and with other persons and security as the Chargee may see fit without prejudice to the liability of the Chargor or the Chargee's right to hold and realize the security of this charge. No forbearance by the Chargee to seek any remedy for breach of any covenant, agreement or other provision contained in this charge shall operate as a waiver of any rights or remedies of the Chargor with respect to such or any subsequent or other breach.

(d) This charge shall not operate by way of merger of the Liability or any part thereof or any contract by which the same may now or at any time hereafter be represented or evidenced, and no judgment recovered by the Chargee shall merge or in any way affect the security of this charge.

(e) The security of this charge shall not extend or apply to the last day of the term of any lease or agreement therefor but upon the enforcement of the security, the Chargor shall stand possessed of such last day upon trust for the Chargee for the purposes herein set forth and to assign and dispose of the same as the Chargee shall, for such purposes, direct. Upon any sale or sales of such leasehold interest or any part thereof, the Chargee, for the purpose of vesting the residue of any such term or any renewal thereof in any purchaser or purchasers thereof, shall be entitled by deed or writing to appoint such a purchaser or purchasers as new trustee or trustees of the aforesaid residue of any such term or renewal thereof in the place of the Chargee and to vest the same accordingly in the new trustee or trustees so appointed free and discharged from any obligation restricting the same.

5. Discharge

Upon the payment of the amount of the Liability in full, the Chargee shall deliver to the Chargor, for no additional consideration or fee, a discharge of this charge upon reasonable prior written request by the Chargor to do so, and all legal expenses (if any) for the preparation, execution and delivery of such discharge shall be paid by the Chargor at the time of delivery thereof.

6. Title

The Chargor represents and covenants that it holds registered title to the Lands, subject to among other things, those Encumbrances on title to the Lands at the time of registration of this charge and that the Chargor has the right to execute and deliver this charge to the Chargee as provided herein; and that upon the occurrence and during the continuance of a Default the Chargee shall have the right to obtain quiet possession of the Lands free from all Encumbrances other than any prior Encumbrances; and that the Chargor will execute such further assurances in respect of the charge of the Lands as may be required for the purpose of satisfying the intention of the parties pursuant to the SPA.

7. Building Charge

Any building, erection, structure or improvement being erected or to be erected on the Lands shall form part thereof and of the security for the full amount of the Liability secured by this charge, but the foregoing shall not constitute this charge as a building mortgage pursuant to Section 21 of the *Mortgages Act*, R.S.O. 1990, c.M.40, or obligate the Chargee to advance the Principal Amount or any portion thereof or any other amount whether from time to time or in the future in accordance with the progress of such building or upon its completion, occupation or sale or otherwise.

8. Fixtures

All furnaces, machinery, motors, boilers, oil and gas burners, stokers, blowers, water heaters, tanks, electric light fixtures, sprinklers, window blinds, screen doors and windows, storm doors and windows, television antennae, refrigerators, stoves, elevating devices, air conditioning, ventilating, plumbing, electrical, cooling and heating equipment, and all apparatus appurtenant thereto, now or hereafter placed or installed upon the Lands (other than tenants' fixtures and tenants' chattels), shall for all purposes of this charge be fixtures and form part of the Lands whether or not affixed in law to the Lands.

9. Release of Lands by Chargee

The Chargee may at its discretion release from this charge the Lands or any part thereof at any time and from time to time either with or without any consideration therefor, without being accountable for the value thereof or for any moneys except those actually received by the Chargee, and without thereby releasing any other part of the Lands or any person from this charge or from any of the covenants herein contained. No sale or other dealing by the Chargor with the Lands or any part thereof shall in any way change the Liability or in any way alter the rights of the Chargee as against any person liable for payment of the Principal Amount, interest or any other moneys payable hereunder.

10. Non-Appportionment

Every part or lot into which the Lands are or may hereafter be divided does and shall stand charged with the whole of the Principal Amount and interest, if any, and all other amounts payable hereunder, and no person shall have any right to require the Principal Amount or interest or such other amounts to be apportioned upon or in respect of any such part or lot.

11. Quiet Possession

Until Default, the Chargor shall be entitled to quiet possession of the Lands.

12. Default

Upon the occurrence and during the continuance of any Default by the Chargor, the Liability shall at the option of the Chargee forthwith become due and payable.

13. Remedies on Default

(a) The Chargee, on Default for 15 days, may on at least 35 days written notice enter on and lease or sell the Lands. It is agreed that any notice under this paragraph shall be sufficiently given for all purposes if given in accordance with Part III of the *Mortgages Act*, or under such statutory provisions as may hereafter be enacted in substitution or amendment of the said Part III and that notice shall not be required or lesser notice may be given if and to the extent permitted or authorized under or pursuant to the said Part III. It is further agreed that the rights in this paragraph given to the Chargee are without prejudice to and are in addition to any other rights and remedies given in this charge to the Chargee or which the Chargee may have at law.

(b) The Chargee may lease or sell as aforesaid without entering into possession of the Lands.

(c) Any sale hereunder may be either for cash, or on credit, or part cash and part credit, and the proceeds of any sale may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the Lands or endeavouring to procure payment of the moneys secured hereby. Sales may be made from time to time of portions of the Lands or of the equity of redemption in the whole of the Lands, and the Chargee may make any stipulations as to title or evidence or commencement of title, or otherwise, which the Chargee shall deem proper, and may rescind or vary any contract for sale of any of the Lands and resell without being answerable for any loss occasioned thereby. On any sale hereunder the Chargee shall be accountable only for moneys actually received by the Chargee in cash as and when so received, and for any of the said purposes may make and execute all agreements and assurances as it shall think fit. The purchaser at any sale hereunder shall not be bound to see the legality, propriety or regularity thereof, or that Default has happened on account of which the sale or lease is made, and no want of Default or of notice when required hereby shall invalidate any sale or lease hereunder, and the remedy of the Chargor shall be in damages only.

(d) The Chargee may distrain for arrears of payments in respect of the Principal Amount, interest or any other amount payable hereunder.

(e) For greater certainty and in addition to, and not in substitution for, any other rights and remedies of the Chargee (including rights arising under the SPA or the Promissory Note), the parties hereto agree that, on Default, the Chargee may foreclose the right, title and equity of redemption of the Chargor to and in the Lands.

14. Receiver

(a) If and whenever the Chargee becomes entitled hereunder to enter into possession of the Lands it may, in its discretion, by writing appoint a receiver (which term shall include a receiver and manager) of the Lands or any part thereof and of the rents and profits thereof and may from time to time remove any receiver and appoint another in his stead, and in making any

such appointment or appointments the Chargee shall be deemed to be acting as the attorney for the Chargor unless the Chargee indicates in writing a contrary intention.

(b) The following provisions shall apply in respect of the appointment of any receiver: such appointment may be made either before or after the Chargee shall have entered into or taken possession of the Lands or any part thereof; such receiver may, in the discretion of the Chargee, be vested with all or any of the powers and discretions of the Chargee and shall have the power to borrow on the security of the Lands; the Chargee may from time to time fix the remuneration of such receiver and direct the payment thereof out of the proceeds of the Lands; such receiver shall, so far as concerns the responsibility for his acts or omissions, be deemed the agent of the Chargor and in no event the agent of the Chargee and in making or consenting to such appointment the Chargee shall not incur any liability to the receiver for his remuneration or otherwise howsoever, other than for such damage caused by the gross negligence or wilful misconduct of such receiver; and all moneys from time to time received by such receiver may be paid by him - firstly, in discharge of all rents, taxes, insurance premiums, operating expenses and other outgoings affecting the Lands and the cost of executing necessary or proper repairs; secondly, in keeping in good standing all Encumbrances on the Lands having priority over this charge; thirdly, in payment of his remuneration and disbursements as receiver; fourthly, the residue of such moneys shall be applied in payment of the Liability and any other amounts payable by the Chargor hereunder.

15. Chargee's Costs

The Chargee may (but shall not be obliged to) pay all costs, charges and expenses (including agents' charges and solicitors' fees on a solicitor and his own client basis) incurred from time to time in taking, recovering and keeping possession of the Lands including during such taking, recovery and keeping in possession of the Lands the performing or work in respect of the buildings situate thereon or in inspecting the same and generally in any other proceedings taken to realize the moneys hereby secured or in protecting the security for such moneys, whether any action or other judicial proceeding to enforce such payment has been taken or not; and any and all amounts so paid shall be added to the Liability and shall be payable forthwith by the Chargor to the Chargee.

16. Implied Covenants

The parties hereto agree that the covenants implied by paragraphs 1 and 2 of subsection 7(1) of the *Land Registration Reform Act*, RSO 1990 c.L.4 (as varied herein) shall be in addition to, and not in substitution for, the covenants and other provisions set forth in this charge. In the event of any conflict between any of such implied covenants (as varied herein) and any other covenant or provision of this charge, such other covenant or provision of this charge shall prevail.

17. Successors and Assigns

This charge shall extend to and bind and may be taken advantage of by the respective successors and assigns of the parties hereto.

18. Copy of Charge

The Chargor acknowledges having received a true copy of this charge.

19. Recourse

Such recourse to the Chargor as set out herein, is without prejudice to and shall not restrict nor impair in any way any of the rights, remedies or entitlement of the Chargee with respect to enforcement hereunder and to the extent required the Chargee shall be entitled to same and join the Chargor in any suit or action commenced by the Chargee in connection with a realization hereunder.

20. Agreement to Govern

In the event of a conflict, discrepancy, difference or ambiguity in or between the provisions of this charge and the provisions of the SPA, the provisions of the SPA shall prevail and the provisions of this charge shall be deemed to be amended hereby to the extent necessary to eliminate such conflict, discrepancy, difference or ambiguity. To the extent not contained herein or covered hereby, all appropriate terms of the SPA are incorporated herein by reference, *mutatis mutandis*.

21. Collateral Security

As further security for the due payment and discharge of the Liability, the Chargor does hereby:

- (a) assign to the Chargee all of its right, title and interest in and to all leases, subleases, tenancies, licenses and rights to use or occupy the Lands now or hereafter existing and all rights and benefits of all guarantees and indemnities thereof and all rents, issues and profits which shall now or may hereafter become payable by reason of any lease or sublease, tenancy or tenancies, or use or occupation of the Lands, or any part thereof or of any guarantees and indemnities thereof; and
- (b) grant a security interest in favour of the Chargee in the Chargor's interest in any and all personal property owned by the Chargor located, or to be located, in, on or about the Lands and used in the operation thereof.

22. Notices

Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication (a "**Notice**") to be given under or in connection with this Charge shall be in writing and shall be given by delivery or by facsimile transmission, (courier or otherwise) to the address, or facsimile number, as the case may be, of the intended recipient set forth below:

(a) to the Chargor:
 Suite 2900, 550 Burrard Street
 Vancouver, BC V6C 0A3

(b) to Chargee:
 Eric Hancox

 and to:
 Vassil Staykov

 and to:
 Sandra Williams

or to such other address or facsimile number or email address provided by any party in accordance with the terms of this Section 22. Notices given by delivery or facsimile or email transmission in accordance with the foregoing provisions of this Section 22 shall be deemed to have been made or given when received, provided that they are received prior to 5:00 p.m. (Toronto time) on a business day. If any Notice is received after 5:00 p.m. (Toronto time) on a business day or on any day that is not a business day, it shall be deemed to have been given and received on the next business day.

EXHIBIT 3

Form of VTB Promissory Note

See attached.

PROMISSORY NOTE

Dated: {{ClosingDate}}, 2021

FOR VALUE RECEIVED, the undersigned, Greenridez 2.0 Acquisitions Corp. (the “**Maker**”), acknowledges itself indebted and unconditionally promises to pay to, or to the order of, [●] (the “**Holder**”), the principal amount of \$[●] in lawful money of Canada (the “**Principal Amount**”).

The term of this Promissory Note shall commence on the date of this Promissory Note and shall continue up to and including the third (3rd) anniversary of the date of this Promissory Note (the “**Maturity Date**”). The Maker shall permanently repay the Principal Amount in full as well as all accrued and unpaid interest by way of a single payment due on the Maturity Date.

The outstanding Principal Amount shall bear interest at the rate of eight per cent (8%) per annum (“**Interest**”), calculated daily and payable quarterly in arrears on the last day of each quarter following the date of this Promissory Note, and if such date is not a Business Day, the next following Business Day, commencing on the date hereof until the Maturity Date both before and after default, maturity and judgment. Interest shall accrue daily and be calculated on the basis of a year of 365 or 366 days, as the case may be, and the actual number of days elapsed.

Upon providing prior written notice – which may be by e-mail or otherwise in accordance with the notice provisions set out in the Share Purchase Agreement (as defined below), the Maker has the right and privilege of prepaying the whole or any portion of the Principal Amount of this Promissory Note together with any accrued and unpaid interest thereon (if applicable) at any time or times prior to the occurrence of an Event of Default. All such prepayments shall be applied first in satisfaction of any accrued but unpaid interest (if applicable) and thereafter to the outstanding Principal Amount of this Promissory Note.

The recording by the Holder in its accounts of principal amounts owing, accrued interest (if any) and repayments is, in the absence of manifest mathematical error, *prima facie* evidence of such advances, interest and payments; provided that the failure of the Holder to record same shall not affect the obligation of the Maker to pay such amounts to the Holder.

All of the obligations of the Maker under this Promissory Note shall be unconditionally and irrevocably guaranteed by the Guarantor, in accordance with the terms of the share purchase agreement dated as of the date hereof among, *inter alia*, the Holder, the Maker and 2515585 Ontario Inc. (the “**Guarantor**”), dated as of the date hereof (the “**Share Purchase Agreement**”).

Upon the occurrence and continuation (subject to the grace periods set forth below) of any of the following events (each constituting an “**Event of Default**”), the Holder may, at its option and by written notice to the Maker in accordance with the notice provisions set out in the Share Purchase Agreement, declare the entire Principal Amount of this Promissory Note, and any interest owing in accordance with this Promissory Note, immediately due and payable:

- (a) the Maker fails to perform, observe or comply with any covenant or provision of this Promissory Note; and such failure remains unremedied for thirty (30) days after the Maker becoming aware of the occurrence of such event;
- (b) the Corporation defaults under the terms of the VTB Charge;

- (c) any judgment or order for the payment of money in excess of \$250,000 is rendered against the Maker and either (i) enforcement proceedings have been commenced by a creditor upon the judgment or order, or (ii) there is any period of thirty consecutive days during which a stay of enforcement of the judgment or order, by reason of a pending appeal or otherwise, is not in effect;
- (d) the Maker sells, transfers or otherwise disposes of, or enters into an agreement to sell, transfer or otherwise dispose of, all or substantially all of the Purchased Shares or the Business, except in the ordinary course of business;
- (e) the Maker (i) becomes insolvent or generally not able to pay its debts as they become due, (ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit of creditors, (iii) threatens to institute, institutes or has instituted against it any proceeding seeking (x) to adjudicate it a bankrupt or insolvent, (y) liquidation, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving its creditors, or (z) the entry of an order for relief or the appointment of a receiver, trustee, liquidator, administrator or other similar official for it or for any substantial part of its properties and assets, and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 90 days, or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs, or (iv) takes any corporate action to authorize any of the above actions; or
- (f) the Maker fails to pay any amount owing to the Holder under this Promissory Note within five (5) Business Days of the date on which such amount is due.

To the fullest extent permitted by law, the Maker waives:

- (g) demand and presentment for payment, notice of dishonour, notice of non-payment, protest and notice of protest of this Promissory Note; and
- (h) the benefit of all applicable valuation, appraisal and exemption laws.

The Maker agrees that all amounts under this Promissory Note are payable without set-off, withholding, deduction, claim, counterclaim, defence or recoupment, all of which are hereby waived by the Maker.

Time is of the essence with this Promissory Note. Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Share Purchase Agreement.

This Promissory Note is binding upon the Maker and its successors and assigns and enures to the benefit of the Holder and its successors and assigns. The Holder may at any time assign all or any of its rights, title and benefits hereunder upon prior written notice to the Maker, and all references to the "Holder" are deemed to include a reference to its successors and assigns. The Maker may not assign any of its rights or obligations hereunder.

This Promissory Note is governed by and is to be interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Maker irrevocably attorns to the exclusive jurisdiction of the courts of Ontario.

IN WITNESS WHEREOF the Maker has executed and delivered this Note as of the date first above written.

GREENRIDEZ 2.0 ACQUISITIONS CORP.

By:

Authorized Signing Officer

(Signature Page to Note)