

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER
PURSUANT TO RULE 13a-16 OR 15b-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report: August 31, 2020

Commission File Number: 000-55992

Red White & Bloom Brands Inc.
(Exact name of registrant as specified in its charter)

N/A
(Translation of Registrant's name into English)

810-789 West Pender Street
Vancouver, British Columbia, Canada, V6C 1H2
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F. Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the Registrant is submitting this Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): Yes ☐ No ☒

Indicate by check mark if the Registrant is submitting this Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): Yes ☐ No ☒

Indicate by check mark whether the registrant by furnishing the information contained in this Form 6-K is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934: Yes ☐ No ☒

Explanatory Note

Safe Harbor Statement

This Form 6-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 about the registrant and its business. Forward-looking statements are statements that are not historical facts and may be identified by the use of forward-looking terminology, including the words “believes,” “expects,” “intends,” “may,” “will,” “should” or comparable terminology. Such forward-looking statements are based upon the current beliefs and expectations of the registrant’s management and are subject to risks and uncertainties which could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements are not guarantees of future performance and actual results of operations, financial condition and liquidity, and developments in the industry may differ materially from those made in or suggested by the forward-looking statements contained in this Form 6-K. These forward-looking statements are subject to numerous risks, uncertainties and assumptions. The forward-looking statements in this Form 6-K speak only as of the date of this report and might not occur in light of these risks, uncertainties, and assumptions. The registrant undertakes no obligation and disclaims any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Exhibits

The following exhibits are included in this Form 6-K:

Exhibit Number	Description	Date filed on SEDAR
99.1	Annual Information Form	August 7, 2020
99.2	Annual Information Form, Schedule A, Audit Committee Charter	August 7, 2020
99.3	Annual Information Form, Schedule B, 2020 Stock Option Plan	August 7, 2020
99.4	Certification of annual filings in connection with voluntarily filed AIF, CEO	August 7, 2020
99.5	Certification of annual filings in connection with voluntarily filed AIF, CFO	August 7, 2020
99.6	News Release	August 11, 2020
99.7	Management Information Circular	August 13, 2020
99.8	Schedule A, Audit Committee Charter	August 13, 2020
99.9	Schedule B, Compensation Committee Charter	August 13, 2020
99.10	Schedule C, 2020 Stock Option Plan	August 13, 2020
99.11	Schedule D, 2020 Restricted Share Unit Plan	August 13, 2020
99.12	Financial Information Request Form	August 13, 2020
99.13	Form of Proxy, Common Shares	August 13, 2020
99.14	Form of Proxy, Series 2 Convertible Preferred Shares	August 13, 2020
99.15	News Release	August 18, 2020
99.16	News Release	August 19, 2020
99.17	News Release	August 21, 2020
99.18	News Release	August 21, 2020
99.19	Notice of change of auditors	
99.20	Letter from former auditor	August 21, 2020
99.21	Letter from successor auditor	August 21, 2020
99.22	Material Change Report	August 24, 2020
99.23	Adding recipient agencies to SEDAR filings in connection with filing of a short form prospectus	August 25, 2020
99.24	Preliminary Short Form Prospectus	August 25, 2020
99.25	Cover letter, receipt of prospectus	August 25, 2020
99.26	Marketing Materials	August 25, 2020
99.27	Qualification certificate	August 25, 2020
99.28	PharmaCo Debenture (REDACTED)	August 25, 2020
99.29	MichiCann Pharmaco - Put Call Option Agreement (Executed) (REDACTED)	August 25, 2020
99.30	MichiCann Debenture	August 25, 2020
99.31	The MAG Merger Agreement (REDACTED)	August 25, 2020
99.32	The MAG Real Estate Purchase Agreement (REDACTED)	August 25, 2020
99.33	Critical 39 (REDACTED)	August 25, 2020
99.34	Underwriting Agreement	August 25, 2020
99.35	Material Change Report	August 28, 2020
99.36	Condensed interim consolidated financial statements for the three and six month periods ended June 30, 2020 and June 30, 2019	August 31, 2020
99.37	Management's Discussion and Analysis for the three and six month periods ended June 30, 2020 and June 30, 2019	August 31, 2020
99.38	Certification, CEO	August 31, 2020
99.39	Certification, CFO	August 31, 2020

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

By: /s/ Theo van der Linde

Theo van der Linde
Chief Financial Officer

Date: December 14, 2020



ANNUAL INFORMATION FORM

FOR THE FINANCIAL YEAR ENDED JULY 31, 2019

August 7, 2020

RED WHITE & BLOOM BRANDS INC.
ANNUAL INFORMATION FORM
FOR THE FINANCIAL YEAR ENDED JULY 31, 2019
TABLE OF CONTENTS

DESCRIPTION	PAGE NO.
GENERAL MATTERS	4
DATE OF INFORMATION	4
INFORMATION INCORPORATED BY REFERENCE	4
<u>CURRENCY</u>	4
CAUTIONARY STATEMENT ON FORWARD LOOKING STATEMENTS	4
GLOSSARY OF TERMS	6
CORPORATE STRUCTURE	7
NAME, ADDRESS AND INCORPORATION	7
INTERCORPORATE RELATIONSHIPS	7
GENERAL DEVELOPMENT OF THE BUSINESS	7
THREE YEAR HISTORY	8
DESCRIPTION OF THE BUSINESS	12
<u>GENERAL</u>	12
COMPETITIVE CONDITIONS	14
RISK FACTORS	14
DIVIDENDS AND DISTRIBUTIONS	25
DESCRIPTION OF CAPITAL STRUCTURE	25
GENERAL DESCRIPTION OF CAPITAL STRUCTURE	25
CONSTRAINTS	29
<u>RATINGS</u>	29
MARKET FOR SECURITIES	29
TRADING PRICE AND VOLUME	29
PRIOR SALES	30
ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER	31
DIRECTORS AND OFFICERS	32
NAME, OCCUPATION AND SECURITY HOLDING	32
BOARD COMMITTEES	34
CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS	36
CONFLICTS OF INTEREST	37
PROMOTERS	37
LEGAL PROCEEDINGS AND REGULATORY ACTIONS	37
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	38
TRANSFER AGENT AND REGISTRAR	38
MATERIAL CONTRACTS	38
INTERESTS OF EXPERTS	38
ADDITIONAL INFORMATION	39

SCHEDULE "A" – AUDIT COMMITTEE CHARTER

SCHEDULE "B" – STOCK OPTION PLAN

GENERAL MATTERS

Date of Information

In this Annual Information Form (“AIF”), unless the context otherwise requires, the “Company” or “RWB” refers to Red White & Bloom Brands Inc.

This AIF applies to the business activities and operations of the Company for the year ended July 31, 2019, as updated to August 7, 2020. Unless otherwise indicated, the information in this AIF is given as of the date hereof.

Information Incorporated by Reference

Information may be incorporated by reference into an AIF provided the same is concurrently or previously filed under the Company’s profile on the SEDAR. This AIF should be read in conjunction with the following documents, all of which have been previously filed on SEDAR and are hereby incorporated by reference herein:

- the Company’s audited consolidated financial statements and MD&A for the year ended July 31, 2019;
- the Company’s condensed interim consolidated financial statements and MD&A for the six-months ended January 31, 2020;
- The Amended and Restated Business Combination Agreement among the Company, MichiCann and RWB Subco dated March 12, 2020;
- the Company’s listing statement (CSE Form 2A) dated May, 2020 (the “Listing Statement”); and
- all of the Company’s news releases, material change reports and reports of exempt distributions filed during 2019 and subsequent to July 31, 2019; all of which are available under the Company’s profile on SEDAR.

Capitalized terms used but not defined in this AIF will have the meanings assigned to them in the Listing Statement.

Currency

Unless otherwise indicated, all references to “\$” in this AIF refer to Canadian dollars.

Cautionary Statement on Forward Looking Statements

The information provided in this AIF, including schedules and information incorporated by reference, may contain “forward-looking statements” about the Company. In addition, the Company may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Company that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words. Although the Company believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions, there are a number of risks and uncertainties that could cause actual results to differ materially from such

forward-looking statements. These include, among others, the cautionary statements under “Description of Business”.

Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as at the date they are made and are based on information currently available and on the then-current expectations of the party making the statement and/or assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to:

- the available funds of the Company and the anticipated use of such funds;
- the availability of financing opportunities, legal and regulatory risks inherent in the legal cannabis industry, risks associated with economic conditions, dependence on management and currency risk; and
- other risks described in this AIF and described from time to time in documents filed by the Company with Canadian securities regulatory authorities.

With respect to forward-looking statements contained in this AIF, assumptions have been made regarding, among other things:

- current legislation in the United States and various States thereof pertaining to the production, distribution, sale and use of medical and recreational cannabis;
- future global economic and financial conditions;
- future prices and demand for cannabis in the U.S. and the supply of cannabis and the production of products derived therefrom;
- development of projects in which the Company invests being on time and on budget; and
- the accuracy and veracity of information and projections sourced from third parties respecting, among other things, future industry conditions and demand for cannabis.

Consequently, all forward-looking statements made in this AIF and other documents of the Company are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects to the Company.

The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Company and/or persons acting on its behalf may issue. The Company undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation. See “Description of the Business – Risk Factors”.

GLOSSARY OF TERMS

“**Audit Committee**” means the audit committee of RWB;

“**cannabis**” has the meaning given to such term in the *Cannabis Act*;

“**Cannabis Act**” means the *Cannabis Act*, S.C. 2018, c. 16, and its regulations;

“**CBD**” means cannabidiol;

“**CEO**” means Chief Executive Officer;

“**CFO**” means Chief Financial Officer;

“**Common Shares**” means the common shares in capital of RWB;

“**Company**” means Red White & Bloom Inc. or “RWB”;

“**CSE**” means the Canadian Securities Exchange;

“**MD&A**” means management’s discussion and analysis;

“**MichiCann**” means MichiCann Medical Inc.;

“**OTC**” means over-the-counter market;

“**Preferred Shares**” means the preferred shares in the capital of RWB;

“**RWB**” means Red White & Bloom Inc.;

“**RWB Subco**” means 2690229 Ontario Inc.;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**Series I Preferred Shares**” means the series I convertible preferred shares in the capital of RWB;

“**Series II Preferred Shares**” means the series II convertible preferred shares in the capital of RWB;

“**Special Warrants**” means special warrants of RWB;

“**Stock Option Plan**” means the 10% rolling stock option plan of RWB;

“**Stock Options**” means incentive stock options to purchase shares of RWB;

“**US**” or “**U.S.**” means the United States of America;

“**VWAP**” means the volume-weighted average price; and

“**Warrants**” means warrants to purchase Common Shares;

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated under the laws of British Columbia on March 12, 1980 as Treminco Resources Ltd. On February 19, 1999, the Company changed its name to Elkhorn Gold Mining Corporation; on October 12, 2011, the Company changed its name to Tulloch Resources Ltd.; on July 18, 2017, the Company changes its name to Tidal Royalty Corp.; and effective April 24, 2020, the Company changed its name to Red White & Bloom Inc.

The Company's head office and registered and records office is located at Suite 810 - 798 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2. RWB's corporate website is <https://redwhitebloom.com>. The information contained on the Company's website is not incorporated by reference into this AIF.

The Company trades on the CSE under the symbol "RWB". The Company also trades on the OTC Pink Sheets under the symbol "RWBYF".

Intercorporate Relationships

The following chart illustrates, as at the date of this AIF, the Company's material subsidiaries, the percentage of voting securities of each that are held by RWB either directly or indirectly, and their respective jurisdictions of incorporation, continuance, formation or organization.

Subsidiary Name	Ownership by RWB	Jurisdiction of Incorporation
RLTY USA Corp.	100%	Delaware
RLTY Beverage 1 LLC	100%	Delaware
RLTY Development MA 1 LLC	100%	Delaware
RLTY Development NV 1 LLC	100%	Delaware
RLTY Service LLC	100%	Delaware
RLTY Development FLA 1 LLC	100%	Delaware
RLTY Development FLA 2 LLC	100%	Delaware
RLTY Development CA 1 LLC	100%	Delaware
Development Springfield LLC	100%	Massachusetts
Development Orange LLC	100%	Massachusetts
Michicann Medical Inc.	100%	Michigan
Mid-American Growers, Inc.	100%	Delaware
RWB Illinois, Inc.	100%	Illinois
RWB Licensing Inc.	100%	British Columbia

GENERAL DEVELOPMENT OF THE BUSINESS

Between 1985 and 2000, the Company was involved in mineral exploration and was listed initially on the Vancouver Stock Exchange (as it was then known) and subsequently on the Toronto Stock Exchange (the "TSE"). On September 4, 2001, the Company's shares were delisted from the TSE for failure to meet the continued listing

requirements of the TSE. Cease trade orders were imposed on the Company by the British Columbia and Ontario Securities Commissions (the “Commissions”) on January 3, 2002 and January 11, 2002, respectively. Between April 2001 and July 2010, the Company was inactive and did not carry on any business. On October 11, 2011, the Company changed its name to the Tulloch Resources Ltd.

On January 16, 2012, the Commissions issued revocation orders in respect to the prior cease trade orders. Between 2012 and 2016, the Company undertook three equity financings, raising an aggregate of \$125,000, through distributions of Common Shares for purposes of paying expenses involved in searching for new business opportunities, and general and administrative costs. From 2014 to 2017, the Company identified and reviewed a number of potential opportunities but did not proceed with any project. Essentially the Company was inactive from 2001 to 2017.

Three Year History

Year Ended July 31, 2017

In July 2017, the Company changed its business to become an investment company with a focus on the U.S. legal cannabis industry. In order to make this change the Company:

1. retained new management with a track record in the U.S. legal cannabis industry and of acquiring and divesting in arm’s-length enterprises;
2. changed its name from Tulloch Resources Ltd. to Tidal Royalty Corp;
3. consolidated its common shares on a three (3) old for one (1) new basis;
4. considered and created a clearly defined investment policy;
5. received shareholders’ approval to the change of the Company’s business from mineral exploration to that of an investment company;
6. raised gross proceeds of \$6,459,000 pursuant to a non-brokered private placement of 129,180,000 Special Warrants at \$0.05 per Special Warrant;
7. commenced trading of its Common Shares on the CSE under the symbol “RLTY”;
8. raised gross proceeds of \$2,000,000 pursuant to a subsequent non-brokered private placement of 40,000,000 Preferred Share units at \$0.05 per unit; and
9. raised gross proceeds of \$31,137,159 pursuant to a subsequent non-brokered private placement of 94,355,027 Common Shares at \$0.33 per share.

Year Ended July 31, 2018

On February 8, 2018, March 1, 2018 and April 30, 2018, the Company issued 59,370,000, 57,120,000 and 10,090,000 Special Warrants respectively, in connection with a non-brokered financing at a price of \$0.05 per Special Warrant for aggregate proceeds of \$6,329,000. The Special Warrants converted to units four months from the date of issue. In connection with the non-brokered financing, the Company also issued 3,757,000, 5,292,000 and 1,220,000 finder’s Special Warrants, respectively.

On June 12, 2018, the Company issued 91,387,756 Common Shares in connection with a non-brokered private placement at a price of \$0.33 per share for aggregate gross proceeds of \$30,157,960. The Company also issued 5,159,765 finders' Warrants that entitled the holder thereof to acquire one Common Share in the capital of the Company per Warrant at \$0.33 for a period of two years from issuance; and paid cash finder's fees in the amount of \$1,742,302 to arm's length parties.

Year Ended July 31, 2019

On August 31, 2018, the Company executed a definitive agreement with VLF Holdings LLC, an Oregon limited liability company d/b/a Diem Cannabis ("Diem") to finance the expansion of TDMA LLC, a Massachusetts subsidiary of Diem ("TDMA") into Massachusetts. Diem is an experienced licensed operator in the highly-competitive Oregon market. Pursuant to the agreement, the Company will provide Diem with up to USD\$12.5 million over three years to develop and operate a large-scale cultivation and processing facility (the "Site") and up to four dispensaries (the "Dispensaries") in Massachusetts (the "Diem Financing"). The Diem Financing will be in the form of (i) promissory notes advanced at various stages of development of operations in the state; and (ii) the purchase price for real property acquisitions with respect to the Site and Dispensaries. Wholly owned subsidiaries of the Company, RLTY Development Springfield LLC and RLTY Development Orange LLC have acquired title to the real property purchased in respect of the Site and Dispensaries acquisitions and will enter into leases with TDMA (or its nominee) with respect to their operation.

On November 5, 2018, the Company entered into a binding letter of intent with Lighthouse Strategies LLC ("Lighthouse") to make subscription, by way of private placement, for USD\$5,000,000 of Lighthouse's Series A membership units.

Lighthouse is a finance, research & technology, and portfolio management company. It operates 11 companies and 150,000 square feet of real estate under management serving both traditional and regulated markets, including vertically integrated cannabis assets licensed in California and Nevada. Lighthouse is renowned for developing the world's first non-alcoholic cannabis-infused craft beer and liquor brand. Cannabiniers, a Lighthouse company, debuted Two Roots Brewing Co. in Las Vegas, Nevada earlier this year.

On November 15, 2018, the Company purchased \$3 million of units (the "FLRish Units") of FLRish, Inc. ("FLRish"), the parent company of Harborside Inc. ("Harborside") and entered into a non-binding memorandum of understanding ("MOU") with Harborside to provide royalty financing to prospective "Harborside" brand dispensary operators. There has been no progress on the MOU as of the date of this AIF. Each FLRish Unit is comprised of (A) one 12% unsecured convertible debenture, convertible into common shares of Harborside (i) at the option of the holder at any time prior to the last business day immediately preceding the third anniversary date of the closing; and (ii) automatically upon a Harborside going-public transaction, at a conversion price equal to the lower of (i) \$6.90; and (ii) a 10% discount to the price of the common shares of Harborside as part of a qualifying transaction; and (B) 87 common share purchase warrants exercisable for a period of two years following the closing into common shares of Harborside at an exercise price of \$8.60 (subject to acceleration in the event of a going public transaction). Pursuant to the terms of the MOU, the Company has agreed to provide up to USD\$10 million in royalty financing to prospective dispensary operators licensing the "Harborside" brand. Each potential dispensary financing transaction will be assessed by the Company on a case-by-case basis and will be subject to the satisfactory completion of due diligence by the Company and the consummation of definitive documentation with the prospective dispensary operator.

On December 1, 2018 Lighthouse entered into a Financing Fee Agreement with RLTY Beverage 1 LLC (the "Financing Fee Agreement"). Pursuant to the Financing Fee Agreement, RWB is entitled to 1% of net sales of certain of Lighthouse's beverage lines, including Cannabiniers, Two Roots Brewing Co. and Creative Waters Beverage Company. Financing fees accumulated at 1% of net sales until December 1, 2019, at which point RWB

may choose to receive such fees in cash or Series A membership units of Lighthouse at USD\$2.11 per unit. Thereafter, financing fees are payable quarterly in cash. The terms of the Financing Fee Agreement are between four and six years, depending on certain milestones and includes acceleration provisions in certain events (including a substantial asset divestiture, change of control, or initial public offering).

On February 25, 2019, the Company advanced \$15,000,000 to MichiCann pursuant to a senior secured convertible debenture which was amended on August 28, 2019 pursuant to a first amending agreement (the “First Amending Agreement”), September 11, 2019 pursuant to a second amending agreement (the “Second Amending Agreement”) and March 12, 2020 pursuant to a third amending agreement (the “Third Amending Agreement”) (together, the “MichiCann Debenture”). The MichiCann Debenture is non-interest bearing, other than in the event of default by MichiCann and matures on April 30, 2020 (the “Maturity Date”). The MichiCann Debenture is secured by way of a security interest against the personal property of MichiCann which security interest is subordinated to the security interest held by Bridging Finance Inc. (“Bridging”). On August 28, 2019, the Company advanced MichiCann an additional USD\$2,000,000 pursuant to the First Amending Agreement and on March 12, 2020, an additional USD\$500,000 pursuant to the Third Amending Agreement to fund MichiCann working capital.

The Michicann Debenture is secured against the assets of MichiCann pursuant to a general security and pledge agreement dated February 25, 2019 which security interests have been subordinated behind the security interest held by Bridging.

On May 8, 2019, the Company entered into a business combination agreement with RWB Subco and MichiCann, as amended and restated on March 12, 2020, (the “Business Combination Agreement”), which set out the terms for the reverse take-over of the Company by MichiCann by way of an amalgamation and related transactions.

In June 2019, Harborside (formerly Lineage Grow Company Ltd.) completed its previously announced reverse takeover of FLRish (doing business as Harborside), pursuant to the terms of a merger agreement dated February 8, 2019, as amended on April 17, 2019, among the company, FLRish and Lineage Merger Sub Inc. (“Merger Sub”), a wholly owned subsidiary of the company. The reverse takeover was completed by way of a three-cornered merger, whereby FLRish merged with Merger Sub to form a merged corporation and a wholly owned subsidiary of the company.

Immediately prior to the reverse takeover taking effect, the company: (i) consolidated its common shares on the basis of approximately 41.82 common shares into one new common share; (ii) changed its name to Harborside Inc.; (iii) reclassified the post-consolidation common shares as subordinate voting shares; and (iv) created a new class of multiple voting shares. On closing, the shareholders of FLRish received multiple voting shares, subordinate voting shares or a combination thereof for each share of FLRish outstanding immediately prior to completion of the reverse takeover.

Subsequent to July 31, 2019

On March 12, 2020, the Company entered in the Amended and Restated Business Combination Agreement with RWB Subco and Michicann and entered into a third amending agreement with MichiCann to, among other things, extend the Maturity Date of the MichiCann Debenture to April 30, 2020.

On April 24, 2020, the Company closed the Amended and Restated Business Combination Agreement with RWB Subco and Michicann, consolidated its Common Shares of a 16:1 basis and changed its name to Red White & Bloom Brands Inc.

June 4, 2020, the Company entered into a definitive agreement to acquire the licensing rights for the branding of High Times® dispensaries and High Times cannabis-based CBD and tetrahydrocannabinol (THC) products in the

States of Michigan, Illinois and Florida and branding of High Times hemp derived CBD products nationally in the United States carrying the Culture® brand. Under the terms of the agreement, RWB will acquire the rights to exclusively brand both medical and recreational dispensaries and cannabis products within the States of Michigan, Illinois and Florida. RWB plans to sub-license to its investee in Michigan for its 18 planned and operational dispensaries, to be rebranded as High Times stores and allow the investee to create and sell cannabis derived products both within their own locations as well as to third parties in Michigan. The agreement includes RWB securing the rights from HT Retail Licensing, LLC (“HT”) to Culture® for the branding of CBD and whole hemp flower products nationally in the United States. Initial plans are to grow and manufacture these best-in-class products from its massive 3.6 million square foot facility in Illinois.

Immediately prior to the entering into of the definitive agreement, 1251881 B.C. Ltd. (“Newco”) entered into: (i) a retail license agreement with HT whereby Newco was granted the right to use certain intellectual property associated with retail dispensary and local delivery services for cannabis products, cannabis accessories and merchandise in Michigan, Illinois and Florida; and (ii) a product licensing agreement with HT whereby Newco was granted an exclusive license to use certain intellectual property related to the commercialization of cannabis products in Michigan, Illinois and Florida and CBD products nationally carrying HT brands. RWB entered into an acquisition agreement with HT, as licensor to Newco, and 1252240 B.C. Ltd. (the “Seller”), to acquire Newco, a wholly-owned subsidiary of the Seller.

On June 5, 2020, the Company resumed trading on the CSE under the new symbol “CSE: RWB” on a post-consolidation basis of 16:1.

On June 10, 2020, the Company closed the definitive agreement with High Times® by way of a three-cornered amalgamation under the *Business Corporations Act* (British Columbia), whereby 1252034 B.C. Ltd. (“Subco”), a newly formed wholly-owned British Columbia subsidiary of RWB, amalgamated with Newco in exchange for 13,500,000 Common Shares issued at a deemed price of CDN\$1.50 per share. The Company also issued one Special Warrant to Subco that is exercisable into 4,500,000 additional Common Shares in certain circumstances. The Company also paid a finder’s to an arm’s length finder in connection with the closing of the transaction.

On June 30, 2020, the Company entered into a debt settlement subscription agreement an arm-length investor (the “Investor”) to settle outstanding advances made in the amount of CDN\$5,848,000 incurred pursuant to advances made by the Investor to PharmaCo, Inc. (“PharmaCo”), in consideration for the issuance of 2,339,200 units issued at a deemed price of \$2.50 per unit. Each unit shall consist of one Common Share and one Series II Preferred Share. Each Series II Preferred Share shall be convertible, in accordance with the formula as set out in the terms in the Company’s Articles, at any time or times on or after November 24, 2020 and before April 24, 2022. Any Series II Preferred Shares outstanding on April 24, 2022 shall automatically convert into fully paid and non-assessable Common Shares without requiring any further action.

On July 22, 2020, the Company signed a binding letter of intent (the “Platinum LOI”) to acquire a group of California-based companies operating under the name Platinum Vape (“Platinum Vape” or “Platinum”). Under the terms of the Platinum LOI, RWB and the securityholders of Platinum Vape will enter into a definitive agreement pursuant to which RWB will acquire all of the ownership interests in Platinum Vape and Platinum Vape will become a wholly owned subsidiary of RWB in exchange for a total cash payment of USD\$35 million, consisting of USD\$7 million in cash payable at closing, a further USD\$13 million in cash payable within 120 days of closing and a USD\$15 million convertible note, only convertible after 12 months, payable on the third anniversary of closing. Additionally, the selling securityholders of Platinum Vape will be entitled to receive up to a further USD\$25 million on the first anniversary of closing, contingent on Platinum Vape achieving certain financial milestones.

On July 27, 2020, the Company provided notice to PharmaCo, of its intent to exercise the Company’s right to acquire 100% of PharmaCo. RWB, through its wholly owned subsidiary MichiCann, has provided financing to

PharmaCo since late 2018 and has had the right to exercise an option to acquire PharmaCo, which was negotiated as part of its financing. The Company, having now provided notice of its intent to exercise the right to acquire PharmaCo, submitted its change of ownership application with the Michigan Regulatory Agency to take over ownership of PharmaCo. The all-share remuneration under the call option allows the Company to acquire PharmaCo in exchange for 37 million units of the Company, subject to certain adjustments and regulatory approvals. Each Unit shall consist of one Common Share and one Series II Preferred Share. Each Series II Preferred Share shall be convertible, in accordance with the formula as set out in the terms in the Company's Articles, at any time or times on or after November 24, 2020 and before April 24, 2022. Any Series II Preferred Shares outstanding on April 24, 2022 shall automatically convert into fully paid and non-assessable Common Shares without requiring any further action.

DESCRIPTION OF THE BUSINESS

General

The Company is a publicly traded company with a focus on investing and financing in businesses that pertain in any way to cannabis which are carried out in compliance with applicable U.S. state laws ("legal cannabis industry"). The Company anticipates entering into financing arrangements involving royalties, debt and other forms of investments / acquisitions in private and public companies in the US legal cannabis industry. It is anticipated that the Company will predominately focus its investments, with the strength of its world-class team, on the major markets in the United States, including Michigan, Illinois, California, Massachusetts and Florida in respect to cannabis and the entire US for legal hemp CBD based products.

The Company's business objective is to provide capital solutions to companies in the legal cannabis industry with large-scale potential and a highly-skilled and experienced management team across multiple industry verticals, including cultivation, processing and distribution. The Company is actively pursuing opportunities to provide expansion capital to licensed, qualified operators across multiple industry verticals including cultivation, processing and distribution.

Composition of Investment Portfolio

The nature and timing of the Company's investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Company. The Company expects its investment activities will be primarily focused on enterprises located in the United States, although investments may extend globally (including the purchase of securities listed on foreign stock exchanges). The Company expects to invest solely in cannabis sector. The Company believes that any risk of limited diversification may be mitigated by closely monitoring its investments. The actual composition of the Company's investment portfolio will vary over time depending on its assessment of a number of factors, including the performance of U.S. cannabis markets and credit risk.

The Company's current portfolio companies are Diem, Harborside and Lighthouse, the financing transactions in respect of each are described in the Listing Statement posted on SEDAR on June 2, 2020.

Investment Objectives

The principal investment objectives of the Company are as follows:

- to seek high return investment opportunities by providing project-specific financing to public and private companies through a range of investment instruments;
- to identify early stage opportunities with attractive risk/reward ratios;

- to preserve its capital and limit the downside risk of its capital;
- to achieve a reasonable rate of capital appreciation;
- to minimize the risk associated with investments by obtaining appropriate security, where possible; and
- to generate predictable cash-flow.

The Company's investment objectives, investment strategy and investment restrictions may be amended from time to time on the recommendation of senior management and approval by the board of directors of the Company. The Company does not anticipate the declaration of dividends to shareholders at this time and plans to re-invest the profits of its investments to further the growth and development of the Company's investment portfolio.

Investment Strategy

To achieve the objectives as stated above, while mitigating risk, the Company, when appropriate, shall employ the following disciplines:

- The Company will obtain detailed knowledge of the relevant business in which the investment will be made, as well as the target company ("Investee").
- The Company will seek to retain management or consultants having specific industry expertise within the industry or sector in which an investment is contemplated or has been made.
- The Company will work closely with the Investee's management and board, and in some cases, assist in sourcing experienced and qualified persons to add to the board and/or management of the Investee. In certain circumstances, a representative of the Company may be appointed to an Investee's board of directors.
- Investments may include:
 - equity, bridge loans, secured loans, unsecured loans, convertible debentures, warrants and options, royalties, streaming investments, net profit interests and other hybrid instruments;
 - acquisitions, partnership interests, or joint venture interests with Investees;
 - acquisition of a business or its assets, directly or via a wholly owned subsidiary, and subsequent managing or assisting in developing the underlying business;
 - capital investment in private companies, and assistance in moving them to an acquisition or merger transaction with a larger company or to the public stage through initial public offering, reverse takeover or other liquidity event;
 - early stage equity investments in public companies believed to have favourable management and business; and
 - where appropriate, acting as a third-party advisor for opportunities in target or other companies, in exchange for a fee.

- The Company will have flexibility on the return sought, while seeking to recapture its capital within a reasonable period following the initial investment(s).
- The Company will seek to maintain the ability to actively review and monitor all of its investments on an ongoing basis. Investees will be required to provide continuous disclosure of operations and financial status. From time to time, the Company may insist on board or management representation on Investees.
- The Company will continually seek liquidity opportunities for its investments, with a view to optimizing the return on its investment; recognizing that no two investments will be alike in terms of the duration held or the best means of exiting an investment.
- The Company may acquire interests in Investees within the framework of the above guidelines, which from time to time may result in the Company holding a control or complete ownership position in an Investee.
- The Company may utilize the services of both independent organizations and securities dealers to gain additional information on target investments where appropriate.

Notwithstanding the foregoing, from time to time, the board of directors may authorize such investments outside of these disciplines as it sees fit for the benefit of the Company and its shareholders.

Competitive Conditions

As an investment company, the Company is well positioned to participate in the rapid evolution of the cannabis industry through its ability to finance many segments of the industry. The Company plans to be heavily diversified in the various industry assets, providing it with the adaptability required to thrive in this dynamic and fast-changing industry.

Within the short period of legal adult use, these increasing cannabis sales and further steps toward industry regulation and legalization have prompted a push toward increasingly bigger waves of investment and innovation in the cannabis industry. There is also a strong opportunity for products, brands, research, and related services that will complement the cannabis market. The Company seeks to leverage its operational expertise, industry knowledge, and diverse assets to capitalize on the so-called “green-rush” in a regulated marijuana industry. Medical marijuana opportunities are becoming increasingly available as new jurisdictions move towards establishing new or improved medical marijuana systems. As Canada has developed an enviable regulatory model, companies acting within that framework have expertise, knowledge and potentially product to share with the global community.

Despite the fast growing market for legalized cannabis in both Canada and the U.S., there remains a significant lack of traditional sources of bank lending or venture and private equity capital, as well as an absence of traditional management expertise and advisory services. This is primarily because of the regulatory and legal challenges that cannabis continues to pose in both Canada and the United States. In addition to the problems posed by scarcity of capital, many holders of cannabis licenses lack traditional business experience and skills and desire value added capital that can add to the skill and experience of their management team. The Company is looking to fill this market gap by providing both capital and operational expertise.

Risk Factors

There are a number of risk factors that could cause future results to differ materially from those described herein. The risks and uncertainties described herein are not the only ones that the Company faces. Additional risks and

uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect the Company's business. If any of the following risks actually occur, the Company's business may be harmed, and its financial condition and results of operations may suffer significantly.

Risks Relating to an Investment in our Common Shares

We have no source of operating revenue and it is likely we will operate at a loss until we are able to realize cash flow from our financings.

We may require additional financing in order to fund our businesses or business expansion. Our ability to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as our business success. There can be no assurance that we will be successful in our efforts to arrange additional financing on terms satisfactory to us, or at all. If additional financing is raised by the issuance of Common Shares from treasury, control of the Company may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, we may not be able to operate our businesses at their maximum potential, to expand, to take advantage of other opportunities, or otherwise remain in business.

We may issue a substantial number of our Common Shares without investor approval to raise additional financing and we may consolidate the current outstanding Common Shares.

Any such issuance or consolidation of our securities in the future could reduce an investor's ownership percentage and voting rights in us and further dilute the value of the investor's investment.

The market price of our Common Shares may experience significant volatility.

Factors such as announcements of quarterly variations in operating results, revenues, costs, changes in financial estimates or other material comments by securities analysts relating to us, our competitors or the industry in general, announcements by other companies in the industry relating to their operations, strategic initiatives, financial condition or performance or relating to the industry in general, announcements of acquisitions or consolidations involving our portfolio companies, competitors or among the industry in general, as well as market conditions in the cannabis industry, such as regulatory developments, may have a significant impact on the market price of our Common Shares. Global stock markets and the CSE in particular have, from time to time, experienced extreme price and volume fluctuations, which have often been unrelated to the operations of particular companies. Common Share prices for many companies in our sector have experienced wide fluctuations that have been often unrelated to the operations of the companies themselves. In addition, there can be no assurance that an active trading or liquid market will be sustained for our Common Shares.

We do not anticipate that any dividends will be paid on our Common Shares in the foreseeable future.

We anticipate that we will reinvest any future earnings in the development and growth of our business. Therefore, investors will not receive any funds unless they sell their Common Shares, and shareholders may not be able to sell their Common Shares on favourable terms or at all.

The Company has a limited operating history with respect to financings in the U.S. cannabis sector, which can make it difficult for investors to evaluate the Company's operations and prospects and may increase the risks associated with investment in the Company.

The Company has a history of negative cash flow and losses that is not expected to change in the short term. Financings may not begin generating cash flow to the Company for several years following any financing.

The Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and experience than the Company.

Currently, the U.S. cannabis industry generally is comprised of individuals and small to medium-sized entities. However, the risk remains that large conglomerates and companies who also recognize the potential for financial success through investment in this industry could strategically purchase or assume control of certain aspects of the industry. In doing so, these larger competitors could establish price setting and cost controls which would effectively “price out” many of the individuals and small to medium-sized entities who currently make up the bulk of the participants in the varied businesses operating within and in support of the medical and adult-use marijuana industry. While the trend in connection with most state laws and regulations may deter this type of takeover, this industry remains quite nascent, and therefore faces many unknown future developments, which in itself is a risk.

Because of the early stage of the industry in which the Company will operate, the Company expects to face additional competition from new entrants. The Company may not have sufficient resources to remain competitive, which could materially and adversely affect the business, financial condition and results of operations of the Company.

Indebtedness could have a number of adverse impacts on the Company, including reducing the availability of cash flows to fund working capital and capital expenses.

Any indebtedness of the Company could have significant consequences on the Company, including: increase the Company’s vulnerability to general adverse economic and industry conditions; require the Company to dedicate a substantial portion of its cash flow from operations to making interest and principal payments on its indebtedness, reducing the availability of the Company’s cash flow to fund capital expenditures, working capital and other general corporate purposes; limit the Company’s flexibility in planning for, or reacting to, changes in the business and the industry in which it operates; place the Company at a competitive disadvantage compared to its competitors that have greater financial resources; and limit the Company’s ability to complete fundamental corporate changes or transactions or to declare or pay dividends.

The Company’s revenues and expenses may be negatively impacted by fluctuations in currency.

The Company’s revenues and expenses are expected to be primarily denominated in U.S. dollars, and therefore may be exposed to significant currency exchange fluctuations. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. Fluctuations in the exchange rate between the U.S. dollar and the Canadian dollar may have a material adverse effect on the Company’s business, financial condition and operating results. The Company may, in the future, establish a program to hedge a portion of its foreign currency exposure with the objective of minimizing the impact of adverse foreign currency exchange movements. However, even if the Company develops a hedging program, there can be no assurance that it will effectively mitigate currency risks.

Risks Related to the Cannabis Industry

While certain U.S. states have enacted medical and/or adult-use cannabis legislation, cannabis continues to be illegal under U.S. federal law, which may subject us to regulatory or legal enforcement, litigation, increased costs and reputational harm.

More than half of the U.S. states have enacted legislation to regulate the sale and use of cannabis on either a medical or adult-use level. However, notwithstanding the permissive regulatory environment of cannabis at the state level, cannabis continues to be categorized as a controlled substance under the U.S. Controlled Substances Act of 1970 (“CSA”), and as such, activities within the cannabis industry are illegal under U.S. federal law. It is

also illegal to aid or abet such activities or to conspire to attempt to engage in such activities. Financing businesses in the cannabis industry may be deemed aiding and abetting an illegal activity under federal law. If such an action were brought, we may be forced to cease operations and our investors could lose their entire investment. Such an action would have a material negative effect on our business and operations. For background information on the inconsistency between state and federal regulation of cannabis, please refer to “Item 4.2 – Market Information, Trends, Commitments, Events and Uncertainties” of the Company’s Listing Application.

The funding of businesses in the cannabis industry may expose us to potential criminal liability.

While we do not intend to harvest, distribute or sell cannabis, the funding of businesses in the medical and adult-use cannabis industry could be deemed to be participating in marijuana cultivation, which remains illegal under federal law pursuant to the CSA and exposes us to potential criminal liability, with the additional risk that our properties, or those of our portfolio companies, could be subject to civil forfeiture proceedings. For background information on the inconsistency between state and federal regulation of cannabis, please refer to “Item 4.2 – Market Information, Trends, Commitments, Events and Uncertainties” of the Company’s Listing Application.

Management may not be able to predict all new emerging risks or how such risks may impact actual results of the Company in the highly regulated, highly competitive and rapidly evolving U.S. cannabis industry.

As a result of the conflicting views between state legislatures and the federal government regarding cannabis, financings with cannabis related businesses in the U.S. are subject to a higher degree of uncertainty and risk. Such risks are difficult to predict. For instance, it is presently unclear whether the U.S. federal government intends to enforce federal laws relating to cannabis where the conduct at issue is legal under applicable state law. Further, there can be no assurance that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions.

Unless and until the U.S. federal government amends the CSA with respect to cannabis (and as to the timing or scope of any such potential amendment there can be no assurance), there can be no assurance that it will not seek to prosecute cases involving cannabis businesses that are otherwise compliant with state law. Such potential proceedings could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens; or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. Such proceedings could have a material adverse effect on the Company’s business, revenues, operating results and financial condition as well as the Company’s reputation, even if such proceedings were concluded successfully in favour of the Company. The regulatory uncertainties make identifying the new risks applicable to the Company and its business and the assessment of the impact of those risks on the Company and its business extremely difficult.

The U.S. cannabis industry is subject to extensive controls and regulations, which impose significant costs on the Company and its portfolio companies and may affect the financial condition of market participants, including the Company.

Participants in the U.S. cannabis industry will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the participant and, thereby, on the Company’s prospective returns.

It is also important to note that local and city ordinances may strictly limit and/or restrict the distribution of cannabis in a manner that will make it extremely difficult or impossible to transact business in the cannabis industry. If the U.S. federal government begins to enforce federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing state laws are repealed or curtailed, then the Company's financings in such businesses would be materially and adversely affected notwithstanding that the Company may not be directly engaged in the sale or distribution of cannabis.

Changes to or the imposition of new government regulations, including those relating to taxes and other government levies, may affect the marketability of cannabis products. Such changes in government levies (including taxes), which are beyond the control of the participant and which cannot be predicted, could reduce the Company's earnings and could make future financing uneconomic.

The Company and the companies it funds may become subject to litigation which could have a significant impact on the Company's profitability.

The cannabis industry is subject to numerous legal challenges and could become subject to new, unexpected legal challenges. The Company, or one or more of the Company's portfolio companies, may become subject to a variety of claims and lawsuits, such as U.S. federal actions against any individual or entity engaged in the cannabis industry. There can be no assurances the federal government of the United States or other jurisdictions will not seek to enforce the applicable laws against the Company. The consequences of such enforcement would be materially adverse to the Company and the Company's business and could result in the forfeiture or seizure of all or substantially all of the Company's assets. Litigation and other claims are subject to inherent uncertainties and management's view of these matters may change in the future. Adverse outcomes in some or all of these claims may result in significant monetary damages or injunctive relief that could adversely affect our ability to conduct our business. A material adverse impact on our financial statements also could occur for the period in which the effect of an unfavorable final outcome becomes probable and reasonably estimable.

As the possession and use of cannabis is illegal under the CSA, we may be deemed to be aiding and abetting illegal activities through the funding of our portfolio companies, and as such may be subject to enforcement actions which could materially and adversely affect our business.

The possession, use, cultivation, or transfer of cannabis remains illegal under the CSA. As a result, law enforcement authorities regulating the illegal use of cannabis may seek to bring an action or actions against us, including, but not limited to, a claim of aiding and abetting another's criminal activities. The federal aiding and abetting statute provides that anyone who "commits an offense against the United States or aids, abets, counsels, commands, induces or procures its commission, is punishable as a principal." 18 U.S.C. §2(a). Such an action would have a material adverse impact on our business and operations.

Losing access to traditional banking and the application of anti-money laundering rules and regulations to our business could have a significant effect on our ability to conclude financings and achieve returns.

The Company is subject to a variety of laws and regulations in Canada and the U.S. that involve money laundering, financial recordkeeping and proceeds of crime, including the U.S. Currency and Foreign Transactions Reporting Act of 1970 (commonly known as the Bank Secrecy Act), as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder, and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the U.S. and Canada. Further, under U.S. federal law, banks or other financial institutions that provide a cannabis business with a chequing account, debit or credit card, small business loan, or any other service could be found guilty of money laundering, aiding and abetting, or conspiracy. For background on these laws and various guidance issued by certain regulatory authorities

concerning banking cannabis-related businesses, please refer to “Item 4.2 - Market Information, Trends, Commitments, Events and Uncertainties” of the Company’s Listing Application.

Overall, since the production and possession of cannabis is illegal under U.S. federal law, there is a strong argument that banks cannot accept for deposit funds from businesses involved with the cannabis industry. Consequently, businesses involved in the cannabis industry often have difficulty finding a bank willing to accept their business. As the Company will have a material ancillary involvement in the U.S. legal cannabis industry, the Company may find that it is unable to open bank accounts with certain Canadian financial institutions, which in turn may make it difficult to operate the Company’s business. Furthermore, the Company’s U.S. subsidiaries may be unable to open bank accounts with U.S. financial institutions, which may also make it difficult to operate the Company’s business.

Proceeds from the Company’s financings could be considered proceeds of crime which may restrict the Company’s ability to pay dividends or effect other distributions to its shareholders.

The Company’s future financings, and any proceeds thereof, may be considered proceeds of crime due to the fact that cannabis remains illegal federally in the U.S. This may restrict the ability of the Company to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada. Furthermore, while the Company has no current intention to declare or pay dividends on its Common Shares in the foreseeable future, the Company may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

The Company has historically relied entirely on access to both public and private capital in order to support its continuing operations, and the Company expects to continue to rely almost exclusively on the capital markets to finance its business in the U.S. legal cannabis industry.

Although such business carries a higher degree of risk, and despite the legal standing of cannabis businesses pursuant to U.S. federal laws, Canadian based companies involved in the U.S. legal cannabis industry have been successful in raising substantial amounts of private and public financing. However, there is no assurance the Company will be successful, in whole or in part, in raising funds in the future, particularly if the U.S. federal authorities change their position toward enforcing the CSA. Further, access to funding from U.S. residents may be limited due to their unwillingness to be associated with activities which violate U.S. federal laws.

The Company’s involvement in the U.S. cannabis industry may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in Canada, which could lead to the imposition of certain restrictions on the Company’s ability to invest in the U.S.

It has been reported in Canada that the Canadian Depository for Securities Limited is considering a policy shift that would see its subsidiary, CDS Clearing and Depository Services Inc. (“CDS”), refuse to settle trades for cannabis companies that have investments in the U.S. CDS is Canada’s central securities depository, clearing and settling trades in the Canadian equity, fixed income and money markets. The TMX Group, the owner and operator of CDS, subsequently issued a statement on August 17, 2017 reaffirming that there is no CDS ban on the clearing of securities of companies with cannabis-related activities in the U.S., despite media reports to the contrary, and that the TMX Group was working with regulators to arrive at a solution that will clarify this matter, which would be communicated at a later time. If such a ban were to be implemented, it would have a material adverse effect on the ability of holders of the Company’s Common Shares to make and settle trades. In particular, the Common Shares would become highly illiquid as until an alternative was implemented, investors would have no ability to effect a trade of the Common Shares through the facilities of the Exchange.

On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group announced the signing of a Memorandum of Understanding

("MOU") with Aequitas NEO Exchange Inc., the CSE, the TSE, and the TSXV. The MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures, and regulatory oversight of the exchanges and CDS as it relates to companies with cannabis-related activities in the U.S. The MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed companies. As a result, there is no CDS ban on the clearing of securities of companies with cannabis-related activities in the U.S. However, there can be no guarantee that this approach to regulation will continue in the future.

For the reasons set forth above, the Company's future financings in the U.S. may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, the Company may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to invest in the U.S. or any other jurisdiction, in addition to those described herein.

The Company's proposed business operations will indirectly be affected by a variety of laws, regulations and guidelines which could increase compliance costs substantially or require the alteration of business plans.

The Company's business operations will indirectly be affected by laws and regulations relating to the manufacture, management, transportation, storage and disposal of cannabis, as well as laws and regulations relating to consumable products health and safety, the conduct of operations and the protection of the environment. These laws are broad in scope and subject to evolving interpretations, which could require participants to incur substantial costs associated with compliance or alter certain aspects of its business plans. In addition, violations of these laws, or allegations of such violations, could disrupt certain aspects of the Company's business plans and result in a material adverse effect on certain aspects of its planned operations.

As consumer perceptions regarding legality, morality, consumption, safety, efficacy and quality of cannabis evolve, the Company may face unfavourable publicity or consumer perception.

The legal cannabis industry in the U.S. is at an early stage of its development. Cannabis has been, and will continue to be, a controlled substance for the foreseeable future. Consumer perceptions regarding legality, morality, consumption, safety, efficacy and quality of cannabis are mixed and evolving. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for cannabis and on the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity reports or other media attention regarding cannabis in general or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect. Public opinion and support for medical and adult-use cannabis use has traditionally been inconsistent and varies from jurisdiction to jurisdiction. While public opinion and support appears to be rising for legalizing medical and adult-use cannabis, it remains a controversial issue subject to differing opinions surrounding the level of legalization (for example, medical marijuana as opposed to legalization in general). The Company's ability to gain and increase market acceptance of its proposed royalty business may require substantial expenditures on investor relations, strategic relationships and marketing initiatives. There can be no assurance that such initiatives will be successful and their failure may have an adverse effect on the Company.

Cannabis use may increase the risk of serious adverse side effects which could subject the Company or its portfolio companies to product liability claims, regulatory action and litigation.

As a company that finances businesses in the cannabis industry, we face the risk of exposure to, or having our portfolio companies exposed to, product liability claims, regulatory action and litigation if the products or services of our portfolio companies are alleged to have caused loss or injury. Our portfolio companies may become subject to product liability claims due to allegations that their products caused or contributed to injury or illness, failed to include adequate instructions for use or failed to include adequate warnings concerning possible side effects or interactions with other substances. This risk is exacerbated by the fact that cannabis use may increase the risk of developing schizophrenia and other psychoses, may exacerbate the symptoms for individuals with bipolar disorder, may increase the risk for the development of depressive disorders, may impair learning, memory and attention capabilities, and result in other side effects. In addition, previously unknown adverse reactions resulting from human consumption of cannabis products alone or in combination with other medications or substances could also occur. There can be no assurance that our portfolio companies will be able to maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could result in our portfolio companies becoming subject to significant liabilities that are uninsured and also could adversely affect their commercial arrangements with third parties. Such a product liability claim or regulatory action against our portfolio companies could result in increased costs, could adversely affect the Company's financing and reputation, and could have a material adverse effect on the results of operations and financial condition of the Company.

If our portfolio companies do not comply with applicable packaging, labeling and advertising restrictions on the sale of cannabis in the adult-use market, we could face increased costs, our reputation could be negatively affected and there could be a material adverse effect on our results of operations and financial condition.

Products distributed by our portfolio companies into the adult-use market may be required to comply with legislative requirements relating to product formats, product packaging, and marketing activities around such products, among others. As such, the portfolio of brands and products of our portfolio companies will need to be specifically adapted, and their marketing activities carefully structured, to enable them to develop their brands in an effective and compliant manner. If our portfolio companies are unable to effectively market their cannabis products and compete for market share, or if the costs relating to compliance with government legislation increase beyond what can be absorbed in the price of products, our earnings could be adversely affected which could make future financing uneconomic.

The products of our portfolio companies may become subject to product recalls, which could negatively impact our results of operations.

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the products of our portfolio companies are recalled due to an alleged product defect or for any other reason, such recall may disrupt certain aspects of the Company's business plans and result in a material adverse effect on certain aspects of its planned operations. In addition, a product recall involving one or multiple of our portfolio companies may require significant attention by our senior management. If the products of one of our portfolio companies were subject to recall, the image of that brand and the Company as an investor could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the products of our portfolio companies and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of our operations by the U.S. FDA, Health Canada or other regulatory agencies, requiring further senior management attention and potential legal fees and other expenses.

General Business Risks

There can be no assurance that future financings made by the Company will be profitable.

As part of the Company's overall business strategy, the Company intends to pursue its financing policy and objectives. There are always risks associated with any business transaction, particularly one that involves a largely cash based operation, operating in a new and growing field, with conflicting federal and state laws. There is no assurance any financings will be profitable.

As the cannabis industry is nascent, expectations regarding the development of the market may not be accurate and may change.

Due to the early stage of the legal cannabis industry, forecasts regarding the size of the industry and the sales of products are inherently subject to significant unreliability. A failure in the demand for products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its board of directors and senior management.

The Company must rely substantially upon the knowledge and expertise of its directors and officers in entering into any investment arrangements or transactions and in determining the composition of the Company's investment portfolio. The loss of any of the Company's directors and/or officers could have a material adverse effect on the Company's business, operating results or financial condition.

The Company's participation in the cannabis industry may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by various federal, state, or local governmental authorities.

Litigation, complaints, and enforcement actions the Company could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

The Company is a British Columbia corporation governed by the Business Corporations Act (British Columbia) and, as such, our corporate structure, the rights and obligations of shareholders and our corporate bodies may be different from those of the home countries of international investors.

Non-Canadian residents may find it more difficult and costlier to exercise shareholder rights. International investors may also find it costly and difficult to effect service of process and enforce their civil liabilities against us or some of our directors, controlling persons and officers.

The cultivation, extraction and processing of cannabis and derivative products is dependent on a number of key inputs and their related costs including raw materials, electricity, water and other local utilities.

Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of our portfolio companies. Some of these inputs may only be available from a single supplier or a limited group of suppliers.

If a sole source supplier was to go out of business, our portfolio companies might be unable to find a replacement for such source in a timely manner or at all. Any inability to secure required supplies and services or to do so on

appropriate terms could have a materially adverse impact on the business, financial condition and operating results of our portfolio companies, and consequently, the Company.

The success of the Company may depend, in part, on the ability of our portfolio companies to maintain and enhance trade secret protection over its various existing and potential proprietary techniques and processes, or trademark and branding developed by it.

Our portfolio companies may also be vulnerable to competitors who develop competing technology, whether independently or as a result of acquiring access to the proprietary products and trade secrets of our portfolio companies. In addition, effective future patent, copyright and trade secret protection may be unavailable or limited in certain foreign countries and may be unenforceable under the laws of certain jurisdictions.

Insurance coverage obtained by our portfolio companies may be insufficient to cover all claims to which our portfolio companies may become subject.

The Company will require our portfolio companies to have insurance coverage for applicable risks. However, there can be no assurance that such coverage will be available or sufficient to cover claims to which our portfolio companies may become subject. Our portfolio companies may be affected by a number of operational risks and may not be adequately insured for certain risks, including: civil litigation; labour disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, our portfolio companies' properties, grow facilities and extraction facilities, personal injury or death, environmental damage, adverse impacts on our portfolio companies' operations, costs, monetary losses, potential legal liability and adverse governmental action, any of which could have an adverse impact on the Company's future cash flows, earnings and financial condition. Also, our portfolio companies may be subject to or affected by liability or sustain loss for certain risks and hazards against which it may elect not to insure because of the cost. If insurance coverage is unavailable or insufficient to cover any such claims, our portfolio companies' financial resources, results of operations and prospects could be adversely affected.

Maintaining a public listing is costly and will add to the Company's legal and financial compliance costs.

As a public company, there are costs associated with legal, accounting and other expenses related to regulatory compliance. Securities legislation and the rules and policies of the CSE require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which add to a company's legal and financial compliance costs. The Company may also elect to devote greater resources than it otherwise would have on communication and other activities typically considered important by publicly traded companies.

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business.

Should any litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect the Company's ability to continue operating and the market price for Common Shares. Even if the Company is involved in litigation and wins, litigation can redirect significant resources.

The Company may experience difficulty implementing its business strategy.

The growth and expansion of the Company is heavily dependent upon the successful implementation of its business strategy. There can be no assurance that the Company will be successful in the implementation of its business strategy.

Conflicts of interest involving the Company's directors and officers may arise and may be resolved in a manner that is unfavourable to the Company.

Certain of the Company's directors and officers are, and may continue to be, involved in other business ventures through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors of the technologies, products and services the Company intends to provide. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from the Company's interests. In accordance with applicable corporate law, directors who have a material interest in or who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and officers are required to act honestly and in good faith with a view to the Company's best interests. However, in conflict of interest situations, the Company's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to the Company. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to the Company.

The available talent pool may not be large enough for the Company to identify and hire personnel required to develop the business, which may mean that the growth of the Company's business will suffer.

As the Company grows, it will need to hire additional human resources to continue to develop the business. However, experienced talent in the areas of financings and cannabis may be difficult to source, and there can be no assurance that the appropriate individuals will be available or affordable to the Company. Without adequate personnel and expertise, the growth of the Company's business may suffer.

If the requirements of the Investment Company Act of 1940 (the "1940 Act") were imposed on the Company, such requirements would adversely affect our operations.

The Company intends to conduct its operations so that it is not required to register as an investment company under the 1940 Act. Section 3(a)(1)(A) of the 1940 Act defines an investment company as any company that is or holds itself out as being engaged primarily in the business of investing, reinvesting or trading in securities. Section 3(a)(1)(C) of the 1940 Act defines an investment company as any company that is engaged or proposes to engage in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire investment securities having a value exceeding 40% of the value of the company's total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis, which we refer to as the 40% test. Excluded from the term "investment securities," among other things, are securities issued by majority-owned subsidiaries that are not themselves investment companies and are not relying on the exception from the definition of investment company set forth in Section 3(c)(1) or Section 3(c)(7) of the 1940 Act.

The Company is organized as a holding company that conducts business primarily through wholly-owned or majority-owned subsidiaries. The Company intends to conduct operations so that it complies with the 40% test. The Company will monitor our holdings to comply with this test. Failure to comply with the 40% test could require the Company to register as an investment company under the 1940 Act, which would have a material adverse effect on our operations.

There could be adverse tax consequence for our shareholders in the United States if we are deemed a passive foreign investment company.

Under United States federal income tax laws, if a company is (or for any past period was) a passive foreign investment company (which we refer to as "PFIC"), it could have adverse United States federal income tax consequences to U.S. shareholders even if the company is no longer a PFIC. The determination of whether we are

a PFIC is a factual determination made annually based on all the facts and circumstances and thus is subject to change. Furthermore, the principles and methodology used in determining whether a company is a PFIC are subject to interpretation. The Company believes based on current business plans and financial expectations that it may be a PFIC for the current tax year and future tax years. United States purchasers of our Common Shares are urged to consult their tax advisors concerning United States federal income tax consequences of holding our Common Shares if we are considered to be a PFIC.

If we are a PFIC, U.S. holders would be subject to adverse U.S. federal income tax consequences such as the ineligibility for any preferred tax rates on capital gains, the ineligibility for actual or deemed dividends, interest charges on certain taxes treated as deferred, and additional reporting requirements under U.S. federal income tax laws or regulations. Whether or not U.S. holders make a timely qualified electing fund (or QEF) election or mark-to-market election may affect the U.S. federal income tax consequences to U.S. holders with respect to the acquisition, ownership, and disposition of our Common Shares and any distributions such U.S. holders may receive. Investors should consult their own tax advisors regarding all aspects of the application of the PFIC rules to our Common Shares.

The outbreak of the Covid-19 pandemic has impacted the Company's plans and activities.

The Company may face disruption to operations, supply chain delays, travel and trade restrictions and impact on economic activity in affected countries or regions can be expected and can be difficult to quantify. Such pandemics or diseases represent a serious threat to maintaining a skilled workforce industry and could be a major health-care challenge for the Company. There can be no assurance that the Company's personnel will not be impacted by these pandemic diseases and ultimately that the Company would see its workforce productivity reduced or incur increased medical costs/insurance premiums as a result of these health risks. In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 pandemic outbreak and the resultant travel restrictions, social distancing, Government response actions, business closures and business disruptions, can all have an impact on the Company's operations and access to capital. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets may reduce resource prices, share prices and financial liquidity and thereby that may severely limit the financing capital available.

DIVIDENDS AND DISTRIBUTIONS

Although the board of directors of the Company is permitted to declare dividends on the Common Shares from time to time out of available funds, it is the current policy of the board of directors to reinvest any profits in the development and advancement of the Company's business. No dividends have been declared on the Common Shares in the three most recently completed financial years.

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

The authorized capital of the Company consists of an unlimited number of Common Shares, an unlimited number of Series I Preferred Shares with no par value and an unlimited number of Series II Preferred Shares without par value.

As of the date of this AIF, the Company has the following securities outstanding:

- 151,421,886 Common Shares;
- 3,181,250 Series I Preferred Shares;
- 112,040,549 Series II Preferred Shares;

- 595,340 Warrants exercisable at \$1.00 per share with an expiry date of December 19, 2020;
- 4,500,000 Special Warrants exercisable on an exercisable event with an expiry date of December 6, 2020; and
- 8,225,539 Stock Options to purchase Common Shares; and
- 6,426,429 Stock Options to purchase Series II Preferred Shares.

Common Shares

The holders of Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the Common Shares are entitled to receive such dividends in any financial year as the Company's board of directors may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive the remaining property and assets of the Company, subject to the priority rights of the Preferred Shareholders. The Common Shares do not carry any pre-emptive rights, conversion or exchange rights, or redemption, retraction, purchase for cancellation or surrender rights. The Articles of the Company do not have any sinking or purchase fund provisions and do not have provisions permitting or restricting the issuance of additional securities and any other material restrictions. The Articles of the Company also do not have any provisions requiring a securityholder to contribute additional capital.

Preferred Shares

The Company is authorized to issue an unlimited number of Preferred Shares without par value. Preferred Shares may be issued in one or more series and will be subject to such rights and restrictions as the Company board of directors may determine.

Series I Preferred Shares

The terms of the Series I Preferred Shares provide, among other things, that they: (i) are non-voting; (ii) are convertible into Common Shares of the Company on a one for one basis, subject to customary adjustments; (iii) are eligible to participate in dividends if and when declared on the Common Shares; (iv) have priority rights on liquidation; and (v) are subject to a restriction that no holder of the Preferred Shares may convert into a number of Common Shares that would result in such holder beneficially owning greater than 9.99% of the Company's Common Shares.

The holders of the Preferred Shares have entered into a voluntary lock up arrangement (the "Lock-Up Agreement") whereby they have contractually agreed not to transfer, sell, dispose of, or monetize any Common Shares received upon the conversion of its Preferred Shares or Preferred Share warrants for a period of 6, 9, and 12 months after the closing date (the "Lock-Up Period"). From 6 months and 1 day after the closing date, the holders of Preferred Shares may transfer, sell, dispose of, or monetize up to 33.33% of the Common Shares such holder owns (upon conversion of the Preferred Shares and/or Preferred Share warrants); from 9 months and 1 day after the closing date, the holder of Preferred Shares may transfer, sell, dispose of, or monetize up to 66.66% of the Common Shares such holder owns; and, from 12 months and 1 day after the closing date, the holder of Preferred Shares may freely transfer, sell, dispose of, or monetize any and all Common Shares then held.

Series II Preferred Shares

The Company is authorized to issue an unlimited number of Series II Preferred Shares. Each Series II Preferred Share shall be convertible into validly issued, fully paid and non-assessable Common Shares on the following terms and conditions:

- (a) Holder's Conversion Right. At any time or times on or after the seven month anniversary of the initial issuance date and before the two year anniversary of the initial issuance date, each holder of a Series II Preferred Share shall be entitled to convert any whole number of Series II Preferred Shares, including any Series II Preferred Shares accrued from dividends issued hereunder, into validly issued, fully paid and non-assessable Common Shares in accordance with Section (c) at the Conversion Rate (as defined below). Any Series II Preferred Shares outstanding on the two year anniversary of the initial issuance date, including any Series II Preferred Shares accrued from dividends, shall automatically convert into fully paid and non-assessable Common Shares at such time and without requiring any further action by the Holder.
- (b) Conversion Rate. The number of validly issued, fully paid and non-assessable Common Shares issuable upon conversion of each Series II Preferred Share pursuant to Section (a) shall initially be set at 1:1 (the "Conversion Rate"), subject to adjustment as provided herein. No fractional Common Shares are to be issued upon the conversion of any Series II Preferred Shares. If the issuance would result in the issuance of a fraction of a Common Share, the Company shall round such fraction of a Common Share down to the nearest whole Common Share.
- (c) Mechanics of Conversion. The conversion of each Series II Preferred Share shall be conducted in the following manner:
- (i) Holder's Conversion. To convert a Series II Preferred Share into validly issued, fully paid and non-assessable Common Shares on any Business Day after the seven month anniversary of the initial issuance date and prior to the two year anniversary of the initial issuance date (a "Conversion Date"), the Holder shall deliver (whether via facsimile or otherwise), for receipt on or prior to 11:59 p.m., Vancouver time, on such date, a copy of an executed notice of conversion (the "Conversion Notice") of the Series II Preferred Shares subject to such conversion to the Company.
- (A) A Holder of Certificated Series II Preferred Shares shall, within five (5) Business Days following a Conversion Notice of any such Series II Preferred Shares as aforesaid, surrender to a nationally recognized overnight delivery service for delivery to the Company the original certificates representing the Series II Preferred Shares so converted as aforesaid.
- (B) A Holder of Uncertificated Series II Preferred Shares evidenced by a direct registration statement shall be deemed to have surrendered any such Series II Preferred Shares upon receipt by the Company of the Conversion Notice.
- (C) A Holder of Uncertificated Series II Preferred Shares evidenced by a security entitlement in respect of such Series II Preferred Shares in the book entry registration system who desires to convert Series II Preferred Shares must do so by causing a Book Entry Participant to deliver to the Depository the Conversion Notice on behalf of the Holder. Forthwith upon receipt by the Depository, the Depository shall deliver to the Transfer Agent confirmation of its intention to convert Series II Preferred Shares in a manner acceptable to the Transfer Agent, including by electronic means through a book based registration system, including CDSX. By causing a Book Entry Participant to deliver a Conversion Notice to the Depository, a Holder shall be deemed to have irrevocably surrendered his or her Series II Preferred Shares so converted and appointed such Book Entry Participant to act as his or her exclusive settlement agent with respect to the conversion of the Series II Preferred Shares and the receipt of Common Shares in

connection with the obligations arising from such conversion. Any Conversion Notice which the Depository determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no force and effect and the conversion to which it relates shall be considered for all purposes not to have been converted thereby. A failure by a Book Entry Participant to convert or to give effect to the settlement thereof in accordance with the Holder's instructions will not give rise to any obligations or liability on the part of the Company or Transfer Agent to the Book Entry Participant or the Holder.

- (ii) Company's Response. On or before the fifth (5th) Business Day following the date of receipt by the Company of the original certificates representing the Series II Preferred Shares subject to the Conversion Notice (in the case of Certificated Series II Preferred Shares) or a duly completed Conversion Notice (in the case of Uncertificated Series II Preferred Shares), the Company shall issue and deliver, or cause to be issued and delivered (via reputable overnight courier, as applicable) as specified in such Conversion Notice, a certificate, direct registration statement or electronic deposit, registered in the name of such Holder or its designee, for the number of Common Shares to which such Holder shall be entitled. In the case of Certificated Series II Preferred Shares, if the number of Series II Preferred Shares represented by the Series II Preferred Share certificate(s) submitted for conversion pursuant to this Section (c) is greater than the number of Series II Preferred Shares being converted, then the Company shall issue and deliver to such Holder (or its designee) a new Series II Preferred Share certificate representing the number of Series II Preferred Shares not converted.
- (iii) Record Holder. The Person or Persons entitled to receive the Common Shares issuable upon a conversion of Series II Preferred Shares shall be treated for all purposes as the record holder or holders of such Common Shares on the Conversion Date.
- (iv) Withholding Tax. The Company will be entitled to deduct and withhold from any conversion of Series II Preferred Shares, and to otherwise recover from the Holder the full amount of taxes or other additional amounts required to be deducted or withheld by the Company under applicable laws.
- (d) Voting Rights. Holders of Series II Preferred Shares shall have voting rights and are entitled to vote on a matter with holders of Common Shares (and Preferred Shares if required by law or otherwise entitled to vote with the holders of Common Shares), voting together as one class. Each Series II Preferred Share shall entitle the holder thereof to cast that number of votes per share as is equal to the number of Common Shares into which it is then convertible using the record date for determining the shareholders of the Company eligible to vote on such matters as the date as of which the Conversion Rate is calculated. Holders of the Series II Preferred Shares shall be entitled to written notice of all shareholder meetings or written consents (and copies of proxy materials and other information sent to shareholders), which notice shall be provided pursuant to the Company's bylaws and applicable law.
- (e) Dividends: Holders of Series II Preferred Shares shall be entitled to receive, and the Company shall pay thereon, a fixed dividend equal to 5.0% per annum, calculated monthly and payable in Series II Preferred Shares. Upon conversion of Series II Preferred Shares, the dividend shall be calculated pro rata as at the most recently completed month prior to the Conversion Date. Holders of Series II Preferred Shares shall be entitled to receive such dividends paid and distributions made to the holders of the Common Shares to the same extent as if such Holders had converted each Series II Preferred Share held by them into Common Shares and had held such Common Shares on the record date for such dividends and distributions. Payment under the preceding sentence shall be made concurrently with the dividend or distribution to the holders of Common Shares. The Company will be entitled to deduct and withhold from

any dividends paid in respect of Series II Preferred Shares, and to otherwise recover from the Holder the full amount of taxes or other additional amounts required to be deducted or withheld by the Company under applicable laws.

Constraints

The Company does not have any constraints imposed on the ownership of its securities to ensure that the Company has a required level of Canadian ownership.

Ratings

The Company does not have any ratings for its securities from a rating organization.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed for trading on the CSE under the current trading symbol RWB. The following chart sets out the high and low trading prices, and volume of shares traded, for the period August 1, 2018 to August 7, 2020 for the Company:

Month / Year	High \$	Low \$	Volume
August 2018	USD\$11.20	USD\$11.20	992,377
September 2018	USD \$7.60	USD\$7.60	1,374,213
October 2018	USD\$4.16	USD\$4.16	2,260,206
November 2018	USD\$3.52	USD\$3.52	1,410,386
December 2018	USD\$2.40	USD\$2.40	1,414,870
January 2019	USD\$3.36	USD\$3.36	2,495,570
February 2019 ⁽¹⁾	USD\$4.88	USD\$4.88	1,247,531
March 2019	N/A	N/A	N/A
April 2019	N/A	N/A	N/A
May 2019	N/A	N/A	N/A
June 2019	N/A	N/A	N/A
July 2019	N/A	N/A	N/A
August 2019	N/A	N/A	N/A
September 2019	N/A	N/A	N/A
October 2019	N/A	N/A	N/A
November 2019	N/A	N/A	N/A
December 2019	N/A	N/A	N/A
January 2020	N/A	N/A	N/A
February 2020	N/A	N/A	N/A
March 2020	N/A	N/A	N/A
April 2020	N/A	N/A	N/A
May 2020	N/A	N/A	N/A
June 2020	CDN\$1.35	CDN\$0.86	19,472,219
July 2020	CDN\$1.30	CDN\$0.82	14,428,694
August 7, 2020	CDN\$1.03	CDN\$0.94	1,801,792

Notes: The Common Shares were halted on February 11, 2019 in connection with the reverse takeover with Michicann.

Prior Sales

The following securities were issued by the Company during the financial year ended July 31, 2019 and subsequent period:

Date	Number of Securities	Type of Securities	Issue / Exercise Price Per Security (\$)	Aggregate Issue / Exercise Price (\$)	Nature of Consideration Received
August 13, 2018	12,500	Common Shares	0.80	10,000	Warrant Exercise
August 15, 2018	12,500	Common Shares	0.80	10,000	Warrant Exercise
August 31, 2018	869,375	Common Shares	0.80	695,500	Conversion of Special Warrants
September 5, 2018	21,875	Common Shares	0.80	17,500	Warrant Exercise
September 7, 2018	12,500	Common Shares	0.80	10,000	Warrant Exercise
September 10, 2018	46,875	Common Shares	0.80	37,500	Warrant Exercise
September 12, 2018	11,250	Common Shares	0.80	9,000	Warrant Exercise
September 14, 2018	50,000	Common Shares	0.80	40,000	Warrant Exercise
September 21, 2018	625,000	Common Shares	0.80	500,000	Warrant Exercise
September 26, 2018	250,000	Common Shares	0.80	200,000	Warrant Exercise
October 4, 2018	1,250	Common Shares	0.80	1,000	Warrant Exercise
October 30, 2018	25,000	Common Shares	0.80	20,000	Warrant Exercise
October 31, 2018	62,500	Common Shares	0.80	50,000	Warrant Exercise
December 13, 2018	100,000	Common Shares	0.80	80,000	Warrant Exercise
January 30, 2019	7,500	Common Shares	0.80	6,000	Warrant Exercise
February 1, 2019	62,500	Common Shares	0.80	50,000	Warrant Exercise
February 7, 2019	12,500	Common Shares	0.80	10,000	Warrant Exercise
February 12, 2019	2,500	Common Shares	0.80	2,000	Warrant Exercise
February 15, 2019	1,818,750	Common Shares	0.80	1,455,000	Conversion of Series I Preferred Shares
March 18, 2019	18,750	Common Shares	0.80	15,000	Warrant Exercise
May 1, 2019	15,625	Common Shares	0.80	12,500	Warrant Exercise
May 27, 2019	12,500	Common Shares	0.80	10,000	Warrant Exercise
September 5, 2019	541,563	Common Shares	0.80	433,250	Warrant Exercise
September 13, 2019	12,500	Common Shares	0.80	10,000	Warrant Exercise
September 16, 2019	18,750	Common Shares	0.80	15,000	Warrant Exercise
January 20, 2020	62,500	Common Shares	0.80	50,000	Warrant Exercise
January 27, 2020	12,500	Common Shares	0.80	10,000	Warrant Exercise
January 29, 2020	100,000	Common Shares	0.80	80,000	Warrant Exercise
February 3, 2020	187,500	Common Shares	0.80	150,000	Warrant Exercise
February 4, 2020	62,500	Common Shares	0.80	50,000	Warrant Exercise
February 5, 2020	25,000	Common Shares	0.80	20,000	Warrant Exercise
February 6, 2020	915,625	Common Shares	0.80	732,500	Warrant Exercise
February 7, 2020	859,813	Common Shares	0.80	687,850	Warrant Exercise
February 24, 2020	45,000	Common Shares	0.80	36,000	Warrant Exercise
February 25, 2020	4,375	Common Shares	0.80	3,500	Warrant Exercise
February 27, 2020	1,410,000	Common Shares	0.80	1,128,000	Warrant Exercise
February 28, 2020	843,250	Common Shares	0.80	674,600	Warrant Exercise
February 28, 2020	75,625	Common Shares	0.80	60,500	Warrant Exercise
April 24, 2020	108,726,349	Common Shares	N/A	N/A	RTO with Michicann
April 24, 2020	108,726,349	Series II Preferred Shares	N/A	N/A	RTO with Michicann
April 30, 2020	429,375	Common Shares	0.80	0.80	Warrant Exercise
May 25, 2020	187,500	Common Shares	0.80	0.80	Warrant Exercise

June 8, 2020	975,000	Common Shares	0.25	0.25	Stock Option Exercise
June 8, 2020	975,000	Series II Preferred Shares	0.25	0.25	Stock Option Exercise
June 10, 2020	15,300,000	Common Shares	1.50	N/A	Acquisition of Newco
June 30, 2020	2,339,200	Common Shares	1.25	N/A	Debt Settlement
June 30, 2020	2,339,200	Series II Preferred Shares	1.25	N/A	Debt Settlement

Stock Options

Stock Option Plan

Common Shareholders of the Company approved the Amended and Restated Stock Option Plan on December 6, 2018. Under the Stock Option Plan, the Company may grant options to directors, officers, employees, and consultants, provided that the maximum number of options that are outstanding at any time shall not exceed 10% of the issued and outstanding Common Shares of the Company. Stock Options granted under the Stock Option Plan are not exercisable for a period longer than 10 years and the exercise price must be paid in full upon exercise of the option.

A copy of the Stock Option Plan is included as Schedule “B” to this AIF.

The following table summarizes the number of Stock Options to purchase Common Shares granted by the Company during the fiscal year ended July 31, 2019 and subsequent period:

Date of Grant	Price Per Stock Option (\$)	Number of Stock Options
August 15, 2018	USD\$8.96	62,500
September 14, 2018	USD\$3.84	6,250
December 18, 2018	USD\$1.84	359,375
April 26, 2019	CDN\$5.44	1,279,815
April 24, 2020	CDN\$0.50	4,500,000
April 24, 2020	CDN\$1.00	2,301,429
April 24, 2020	CDN\$2.50	600,000
TOTAL		9,109,369

The following table summarizes the number of Stock Options to purchase Series II Preferred Shares granted by the Company during the fiscal year ended July 31, 2019 and subsequent period:

Date of Grant	Price Per Stock Option (\$)	Number of Stock Options
April 24, 2020	CDN\$0.50	4,500,000
April 24, 2020	CDN\$1.00	2,301,429
April 24, 2020	CDN\$2.50	600,000
TOTAL		7,401,429

Warrants

The following table summarizes the number of Warrants granted by the Company during the fiscal year ended July 31, 2019 and subsequent period:

Date of Grant	Price Per Warrant (\$)	Number of Warrants
December 19, 2018	CDN\$1.00	595,340
TOTAL		595,340

Special Warrants

The following table summarizes the number of Special Warrants granted by the Company during the fiscal year ended July 31, 2019 and subsequent period:

Date of Grant	Price Per Special Warrant (\$)	Number of Special Warrants
June 10, 2020	Nil ⁽¹⁾	4,500,000
TOTAL		4,500,000

Notes: Exercisable into 4,500,000 Common Shares if the VWAP of the Common Shares on the CSE for the first 180 days following the date of grant is below CDN\$1.50.

Debentures

No debentures were issued by the Company during the fiscal year ended July 31, 2019.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As at the date of this AIF, the Company has 36,844,823 Common Shares, 3,200,000 Stock Options and 108,726,349 Series II Preferred Shares in escrow or subject to a contractual restriction on transfer subject to various transfer restrictions.

Designation of Class	Number of securities held in escrow or that are subject to a contractual restriction on transfer ⁽¹⁾	Percentage of class
Common Shares	36,844,823	24.33%
Stock Options	3,200,000	38.90%
Series II Preferred Shares	17,133,600	15.29%

Note:

(1) The escrow shares are managed by the Company's transfer agent, National Securities Administrators Ltd.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets forth for each of the directors and officers of the Company, their name, province/state and country of residence; their principal occupations or employment; a brief biographical description; the date on which they became directors of the Company; their independence; their memberships with the applicable committees of the Company as of the date of this AIF.

Name of Director / Officer	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed ⁽¹⁾	Number of Stock Options Held ⁽¹⁾
Brad Rogers		
Ontario, Canada Chief Executive Officer and Director Since April 24, 2020	2,400,000	1,000,000
	Principal Occupation for the past five years: Mr. Rogers was the former President and Chief Operating Officer of CannTrust Holdings (CSE: TRST) from April 2015 until November 2018. Mr. Rogers was also a co-founder and Chief Operating Officer of Mettrum Ltd. (now owned by Canopy Growth Corp. TSX: WEED) from January 2013 until December 2015. He led Mettrum Ltd. from pre-licensing to public listing, including the licensing of three facilities and multiple rounds of financing. From 1996 to 2012, Mr. Rogers was the VP Product for Mood Media. He has an MBA from the Ivey School of Business.	
Theo van der Linde		
British Columbia, Canada Chief Financial Officer and Director Since July 2017	Nil	46,875
	Principal Occupation for the past five years: Mr. van der Linde is a Chartered Accountant with 20 years’ extensive finance, administration and public accounting experience in diverse industries including mining, oil & gas, financial services, manufacturing and retail. During the last nine years of his career Mr. van der Linde has been focused on the mining industry working with junior exploration and producing mining Companies at various stages of growth and in several jurisdictions including South Africa, West-Africa, Peru, Sri-lanka and the United States. Mr. van der Linde currently acts a mining consultant as the President of Executive Management Solutions Ltd.	
Brendan Purdy		
Ontario, Canada Director and Audit Committee Chairman Since July 2017	Nil	Nil
	Principal Occupation for the past five years: Corporate Secretary and director of Global Blockchain Technologies Corp.; CEO and President of Element 79 Capital Inc.; former CEO and director of Enforcer Gold Corp.; director of each of Supreme Metals Corp. and ZTest Electronics Inc.; former director, CEO and Chairman of High Hampton Holdings Corp. (CSE:HC) from November 2016 to December 2017; CEO and director of Seaway Energy Services from April, 2016 to October 2016; a director of Greenock Resources Inc. from October 2015 to February, 2016.	
Michael Marchese		
Ontario, Canada Director Since April 24, 2020	3,080,000	Nil
	Principal Occupation for the past five years: MichiCann Medical Inc. President, co-founder and director. Co-founded Aleafia Health Inc. and directed its branding. (TSX: ALEF: OTC: ALEAF, FRA: ARAH).	
Bill Dawson		
Ontario, Canada Director and Member of Audit Committee Since April 24, 2020	148,000	Nil
	Principal Occupation for the past five years: CFO of SBG – Skill Based Games Inc. since 2014; President and CEO of Play Games for Fun Limited Since 2013; CFO of Oakshire Holdings Limited from 2011 to 2018; CFO of Pong Game Studios Corporation from 2011 to 2018; CFO of Caliburger Canada Incorporated from 2015 to 2017; CFO of Blow Canada Inc. from 2014 to 2017.	

Notes:

(1) The number of Common Shares beneficially owned, controlled or directed, directly or indirectly, by the above directors and officers is based on information furnished by the directors and officers themselves and from the insider reports available at www.sedi.ca.

As of the date hereof, the directors and senior officers of RWB as a group beneficially own, directly or indirectly, or over which control or direction is exercised, 5,628,000 of the issued and outstanding Common Shares, representing approximately 3.71% of the total votes attaching to all of the outstanding voting securities of RWB on a non-diluted basis (or 6,674,875 Common Shares representing 4.41% of the total outstanding voting securities of RWB on a partially diluted basis, assuming exercise of the Stock Options held by the directors and senior officers).

Board Committees

The board of directors has two standing committee which are the Audit Committee and the Compensation Committee.

The Audit Committee's Charter

The Audit Committee has a charter. A copy of the Audit Committee charter is attached hereto as Schedule "A".

Composition of the Audit Committee

The current members of the Audit Committee are Brendan Purdy (Chair), Bill Dawson and Brad Rogers. All members of the Audit Committee are considered to be financially literate. Mr. Purdy and Mr. Dawson are not executive officers of the Company and, therefore, are independent members of the Audit Committee. Brad Rogers is an executive officer of the Company and is not considered to be an independent member of the Audit Committee. A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's board of directors, reasonably interfere with the exercise of a member's independent judgement.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

Relevant Education and Experience

The following describes the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member:

Brendan Purdy – Mr. Purdy is a practicing securities lawyer, with experience in public companies, and the capital markets. Mr. Purdy received his J.D. from the University of Ottawa, received a Bachelor of Management and Organizational Studies degree from the University of Western Ontario. Mr. Purdy has significant cannabis industry experience, in both his private practice and in his capacity as management and director of public cannabis issuers. Mr. Purdy most recently acted as director, CEO, and Chairman of High Hampton Holdings Corp. (CSE: HC), a CSE-listed cannabis investment company focused on acquisitions of cannabis distribution companies, branding opportunities, and state licensed producers in California, USA. Mr. Purdy was involved in identifying and facilitating the acquisition of CoachellaGro Corp., a California-based corporation holding 10.8 acres of land within the designated cannabis cultivation zone in Coachella, California.

Bill Dawson – Mr. Dawson is Chartered Professional Accountant and Chartered Accountant with more than 40 years of experience in the field. Mr. Dawson has served as the CFO of SBG – Skill Based Games Inc. since 2014 and the President and CEO of Play Games for Fun Limited Since 2013. Mr. Dawson previously served as CFO of Oakshire Holdings Limited from 2011 to 2018, Pong Game Studios Corporation from 2011 to 2018, Caliburger

Canada Incorporated from 2015 to 2017 and Blow Canada Inc. from 2014 to 2017. Mr. Dawson holds a BA in economics and finance as well as an MBA from York University.

Brad Rogers – Mr. Rogers acted as Michicann’s CEO prior to the closing of the reverse takeover with the Company and previously served as President of Canntrust, one of Canada’s leading licensed cannabis producers. Under Brad’s direction, Canntrust created the Canadian cannabis market’s Gold Standard by producing quality, pharmaceutically standardized product across flower and extract. A recognized expert in cannabis production and a creative brand-building marketer, Mr. Rogers was instrumental in leading CannTrust into early profitability. He was the driving force behind its capital raises and IPO that peaked at a \$1.5 billion market cap.

Utilizing industry-leading scientific expertise and a disciplined “data driven” approach, Mr. Rogers managed CannTrust’s growth from 20 employees to more than 500 before his departure. Directed the creation of four adult consumer cannabis brands – Liiv; SYN.R.G, Xscape and Peak Leaf across National Distribution. To meet the needs of both the medical and recreational markets, he also supervised the opening of the first two phases of CannTrust’s Perpetual Harvest Facility in Niagara which is expected to reach an annual output exceeding 100,000 kilograms. Mr. Rogers also worked on developing such innovative product extensions as beverages, vape pens, and edibles.

In addition, Mr. Rogers was part of the team that built one of the first ever commercially scaled cannabis production facilities in the world (for medicinal cannabis use) in 2014. That company (Metrum) was successfully sold in 2016 to Canopy Growth (NYSE:WEED) for over \$450 million.

He holds an MBA from the Richard Ivey School of Business, proudly supports Toronto’s Centre for Addiction and Mental Health, the Trillium Gift of Life Network, and Inner City EQAO Mentoring.

Each member of the Company’s Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the board of directors to nominate or compensate any external auditor.

Reliance on Certain Exemptions

The Company’s auditors, Manning Elliott LLP, have not provided any material non-audit services.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Manning Elliott LLP to the Company to ensure auditor independence. The following table outlines the fees incurred by Manning Elliott LLP, who were appointed auditors of the Company on September 27, 2011 for audit and non-audit services in the last two financial years:

Nature of Services	Fees paid to Auditor in YE July 31, 2019	Fees paid to Auditor in YE July 31, 2018
Audit Fees	\$60,375.00	\$22,000.00
Audit-Related Fees	\$ 525.00	\$Nil
Tax Fees	\$ 5,801.25	\$2,250.00
All other Fees	\$ 3,517.50	\$12,500.00
TOTAL	\$70,218.75	\$36,750.00

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no director or executive officer of the Company is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer,

except for:

Brendan Purdy was an independent director of Boomerang Oil, Inc. ("Boomerang") when cease trade orders were issued by the British Columbia Securities Commission and Alberta Securities Commission in 2015 due to Boomerang failing to file its annual audited financial statements for the fiscal year ended September 30, 2014, and its MD&A relating thereto, as required under Part 5 of National Instrument 51-102. Boomerang continues to be subject to the cease trade orders.

For the purposes of subsection (a), “order” means: (i) a cease trade order, (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, which was in effect for more than 30 consecutive days.

To the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in the that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder;
- (b) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (c) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The directors are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Company’s knowledge, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies. All related party transactions during each reporting period are detailed in the Company’s Management Discussion & Analysis for the fiscal year ended July 31, 2019.

PROMOTERS

The Company does not have a promoter.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

As of the date of this AIF, there are no legal proceedings material, and no contemplated legal proceedings known to be material, to the Company or its subsidiaries, to which the Company or its subsidiaries is a party or of which any of the Company or its subsidiaries property is the subject matter.

Regulatory Actions

As of the date of this AIF, the Company has not:

- (a) had any penalties or sanctions imposed against it by a court relating to securities legislation or by a securities regulatory authority during the most recently completed financial year;
- (b) has any penalties or sanctions imposed against it by a court of regulatory body that would likely be considered important to a reasonable investor in making an investment decision; or
- (c) entered into any settlement agreement with a court relating to securities legislation or with a securities regulatory authority during the most recently completed financial year.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described below, in the three most recently completed financial years or the current financial year, no director, officer, insider or associate or affiliate of any director, officer or insider of the Company had or is expected to have any material interest, direct or indirect in any transactions with the Company that materially affected or would materially affect the Company. All related party transactions are detailed in the Company's management's discussion & analysis for the fiscal year ended July 31, 2019.

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is National Securities Administrators Ltd. located at 777 Hornby Street, Suite 760, Vancouver, British Columbia V6Z 1S4.

MATERIAL CONTRACTS

Except for contracts entered into by the Company in the ordinary course of business, the Company does not currently have any material contracts in place with the exception of:

1. The Business Combination Agreement.
2. The Debenture Purchase Agreement.
3. The PharmaCo Debenture.
4. The PharmaCo Put/Call Stock Option Agreement.
5. The Michicann Debenture.
6. The Bridging Amended Credit Agreement.
7. The MAG Merger Agreement.
8. The MAG Real Estate Purchase Agreement.
9. The Platinum LOI.

INTERESTS OF EXPERTS

Manning Elliott LLP of Suite 1700 - 1030 West Georgia Street, Vancouver, British Columbia V6E 2Y3 , has performed the audit in respect of the annual financial statements of the Company for the financial year ended July 31, 2019. Manning Elliott LLP is independent of the Company in accordance with the rules of professional conduct of the Chartered Professional Accountants of British Columbia.

ADDITIONAL INFORMATION

Financial information about the Company is contained in its comparative financial statements and MD&A for the fiscal years ended July 31, 2019 and 2018, and additional information relating to the Company is available on SEDAR, under the Company's profile, at www.sedar.com.

Additional information, including particulars of directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Statement of Executive Compensation filed on SEDAR for the fiscal year ended July 31, 2019, and in the Management Information Circular dated August 5, 2020.

SCHEDULE "A"

Audit Committee Charter

Schedule “B”

Stock Option Plan

Audit Committee Charter

The following Audit Committee Charter was adopted by the Audit Committee of the Board of Directors and the Board of Directors of RED WHITE & BLOOM BRANDS INC. (the “Company”):

Mandate

The primary function of the audit committee (the “Committee”) is to assist the Company’s Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements;
- review and appraise the performance of the Company’s external auditors; and
- provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors.

Composition

The Committee shall be comprised of a minimum three directors as determined by the Board of Directors. If the Company ceases to be a “venture issuer” (as that term is defined in National Instrument 51-102), then all of the members of the Committee shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

If the Company ceases to be a “venture issuer” (as that term is defined in National Instrument 51-102), then all members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company’s Audit Committee Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports Review
 - (a) review and update Audit Committee Charter annually, and
 - (b) review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.
 2. External Auditors
 - (a) review annually, the performance of the external auditors who shall be ultimately accountable to the Company's Board of Directors and the Committee as representatives of the shareholders of the Company;
 - (b) obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1;
 - (c) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
 - (d) take, or recommend that the Company's full Board of Directors take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
 - (e) recommend to the Company's Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
 - (f) recommend to the Company's Board of Directors the compensation to be paid to the external auditors;
 - (g) at each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
 - (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
 - (i) review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
-

- (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided,
 - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services, and
 - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

3. Financial Reporting Processes

- (a) in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;
 - (b) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
 - (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
 - (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;
 - (e) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
 - (f) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
 - (g) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
 - (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
-

- (i) review certification process;
- (j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

4. Other

- (a) review any related-party transactions;
- (b) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- (c) to set and pay compensation for any independent counsel and other advisors employed by the Committee.

TIDAL ROYALTY CORP.

**AMENDED AND RESTATED STOCK OPTION
PLAN**

July 15, 2017, amended and restated as of December 6, 2018

Table of Contents

ARTICLE I — DEFINITIONS AND INTERPRETATION	
1.1	Definitions 2
1	
1.2	Choice of Law 2
1.3	Headings 2
ARTICLE II — PURPOSE AND PARTICIPATION	
2.1	Purpose 3
2.2	Participation 3
3	
2.3	Notification of Award 3
3	
2.4	Copy of Plan 3
2.5	Limitation 3
ARTICLE III — TERMS AND CONDITIONS OF OPTIONS	
3.1	Board to Allot Shares 4
3.2	Number of Shares 4
4	
3.3	Term of Option 4
3.4	Termination of Option 4
3.5	Exercise Price 5
3.6	Reduction in Exercise Price 5
5	
3.7	Assignment of Options 5
3.8	Adjustments 5
5	
3.9	Vesting 6
6	
3.10	Hold Periods 6
ARTICLE IV — EXERCISE OF OPTION	
4.1	Exercise of Option 7
4.2	Exercise Restrictions 7
4.3	Issue of Share Certificates 7
7	
4.4	Condition of Issue 7
7	
ARTICLE V — ADMINISTRATION	
5.1	Administration 7
5.2	Interpretation 8
ARTICLE VI — AMENDMENT AND TERMINATION	
6.1	Prospective Amendment 8
8	
6.2	Retrospective Amendment 8
8	
6.3	Termination 8
6.4	Agreement 8
ARTICLE VII — APPROVALS REQUIRED FOR PLAN	
7.1	Approvals Required for Plan 8
7.2	Substantive Amendments to Plan 9
9	

ARTICLE I

DEFINITIONS AND INTERPRETATION

1.1 DEFINITIONS

As used herein, unless anything in the subject matter or context is inconsistent therewith, the following terms shall have the meanings set forth below:

“**Administrator**” means the person as may be designated as Administrator by the Board from time to time;

“**Affiliate**” means a corporation that is affiliated with the Company because (i) one of them is the subsidiary of the other; or (ii) each of them is controlled by the same individual or corporation;

“**Applicable Laws**” means all legal requirements relating to the administration of stock option plans, if any, under applicable corporate laws, any applicable state or provincial securities laws, the rules and regulations promulgated thereunder, and the requirements of the Exchange, and the laws of any foreign jurisdiction applicable to Options granted to residents therein;

“**Award Date**” means the date on which the Board grants a particular Option; “**Board**” means the board of directors of the Company;

“**Company**” means Tidal Royalty Corp. or any “affiliate” thereof (as defined in the Securities Act);

“**Consultant**” means an individual or Consultant Company other than an Employee or a Director of the Company, that (i) provides ongoing consulting, technical, management or other services to the Company or to an Affiliate of the Company; (ii) provides the services under a written contract between the Company or the Affiliate and the individual or the Consultant Company; (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company;

“**Consultant Company**” means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;

“**Director**” means directors, senior officers and Management Company Employees of the Company;

“**Earlier Termination Date**” means the date determined in accordance with section 3.4 after which a particular Option cannot be exercised;

“**Employee**” means (i) an individual considered an employee of the Company or a subsidiary under the *Income Tax Act* (Canada) (i.e. for whom income tax and other deductions are made by the Company); (ii) an individual who works full-time for the Company or a subsidiary providing services normally provided by an employee but for whom income tax and other deductions are not made; (iii) an individual who works for the Company or a subsidiary on a continuing and regular basis for a minimum amount of time per week, but for whom income tax and other deductions are not made; and (iv) other persons who are providing, have provided, or have agreed to provide a service of value to the Company or a subsidiary;

“**Exchange**” means the CSE Exchange or successor stock exchange;

“Exercise Notice” means the notice respecting the exercise of an Option, in the form set out as Schedule

“B” hereto, duly executed by the Option Holder;

“Exercise Period” means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date;

“Exercise Price” means the price at which an Option may be exercised as determined in accordance with section 3.5;

“Expiry Date” means the date determined in accordance with section 3.3 after which a particular Option cannot be exercised;

“Investor Relations Activities” has the same meaning given to it under Policy 1.1 of the CSE Exchange Corporate Finance Manual and Policies;

“Management Company Employee” means an individual employed by a corporation providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person engaged in Investor Relations Activities;

“Option” means an option to acquire Shares awarded pursuant to the Plan;

“Option Certificate” means the certificate, substantially in the form set out as Schedule “A” hereto, evidencing an Option;

“Option Holder” means a person who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person;

“Personal Representative” means (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder;

“Plan” means this amended and restated stock option plan;

“Securities Act” means the *Securities Act* (British Columbia); and

“Share” or **“Shares”** means, as the case may be, one or more common shares without par value in the capital of the Company.

1.2 CHOICE OF LAW

The Plan is established under, and the provisions of the Plan shall be interpreted and construed solely in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

1.3 HEADINGS

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

ARTICLE II PURPOSE AND PARTICIPATION

2.1 PURPOSE

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate Directors, Employees and Consultants, to reward such of those persons by the grant of Options under the Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such persons to acquire Shares as long term investments.

2.2 PARTICIPATION

The Board shall, from time to time, in its sole discretion determine those Directors, Employees and/or Consultants, if any, to whom Options are to be awarded. If the Board elects to award an Option to a Director or Consultant, the Board shall, in its sole discretion but subject to section 3.2, determine the number of Shares to be acquired on the exercise of such Option. If the Board elects to award an Option to an Employee, the number of Shares to be acquired on the exercise of such Option shall be determined by the Board in its sole discretion but subject to section 3.2, and in so doing the Board may take into account the following criteria:

- (a) the Employee's remuneration as at the Award Date in relation to the total remuneration payable by the Company to all of its Employees as at the Award Date;
- (b) the length of time that the Employee has provided services to the Company;
and
- (c) the nature and quality of work performed by the Employee.

In the case of Options awarded to Employees, Consultants or Management Company Employees, the Company will be deemed to have represented that the recipient is a bona fide Employee, Consultant or Management Company Employee.

2.3 NOTIFICATION OF AWARD

Following the approval by the Board of the awarding of an Option, the Option Holder shall be notified of the award and given an Option Certificate representing the Option so awarded.

2.4 COPY OF PLAN

Each Option Holder, concurrently with the notice of the award of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided to each Option Holder.

2.5 LIMITATION

The Plan does not give any Option Holder the right to continue to be employed or engaged by the Company.

ARTICLE III TERMS AND CONDITIONS OF OPTIONS

3.1 BOARD TO ALLOT SHARES

The Shares to be issued to Option Holders upon the exercise of Options shall be allotted and authorized for issuance by the Board prior to the exercise thereof.

3.2 NUMBER OF SHARES

The maximum number of Shares reserved for issuance under the Plan at any one time shall not exceed at any time 10% of the then-issued and outstanding Shares.

The total number of Options awarded to any one individual in any 12 month period shall not exceed 5% of the issued and outstanding Shares as at the Award Date (unless the Company becomes a Tier 1 issuer of the Toronto Stock Exchange or Toronto Stock Exchange – Venture (a “**Tier 1 Issuer**”) and has obtained disinterested shareholder approval).

The total number of Options awarded to any one Consultant in a 12 month period shall not exceed 2% of the issued and outstanding Shares as at the Award Date. The total number of Options awarded in any 12 month period to Employees performing investor relations activities for the Company shall not exceed 2% of the issued and outstanding Shares as at the Award Date.

3.3 TERM OF OPTION

Subject to section 3.4, the Expiry Date of an Option shall be the date so fixed by the Board at the time the particular Option is awarded, provided that such date shall not be later than:

- (a) in the case of an Option granted prior to the Shares being listed on the Exchange, the fifth anniversary of the date on which the Shares are listed on the Exchange; or
- (b) in the case of an Option granted after the Shares have been listed on the Exchange, the tenth anniversary of the Award Date of the Option.

3.4 TERMINATION OF OPTION

An Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period provided that, with respect to the exercise of part of an Option, the Board may at any time and from time to time fix a minimum or maximum number of Shares in respect of which an Option Holder may exercise part of any Option held by such Option Holder. Any Option or part thereof not exercised within the Exercise Period shall terminate and become void as of 5:00 p.m. (Vancouver time) on the first to occur of the Expiry Date or the Earlier Termination Date. The Earlier Termination Date shall be the date established, if applicable, in subsections (a) or (b) below.

(a) Death

In the event that the Option Holder should die while he or she is still (i) a Director, Consultant or Employee (other than a Consultant or an Employee performing Investor Relations Activities), the Expiry Date shall be 12 months from the date of death of the Option Holder; or (ii) a person performing Investor Relations Activities, the Expiry Date shall be 90 days from the date of death of the Option Holder.

(b) Ceasing to be a Director, Employee or Consultant

In the event that the Option Holder ceases to be a Director, Employee or Consultant other than by reason of death and ceases to be eligible through another capacity to hold an Option, the Expiry Date of the Option shall be the 30th day following the date the Option Holder ceases to be a Director, Employee or Consultant unless any of the following apply:

- (i) the Option Holder ceases to meet the qualifications for directors prescribed by the corporate legislation to which the Company is then subject and the Option Holder is not eligible through another capacity to hold an Option;
- (ii) the Option Holder ceases to be a director of the Company by reason of a special resolution to that effect having been passed by the members of the Company pursuant to the corporate legislation to which the Company is then subject and the Option Holder is not eligible through another capacity to hold an Option;
- (iii) the Option Holder's relationship with the Company or the Management Company is terminated for cause; or
- (iv) an order of the British Columbia Securities Commission or other regulatory authority having jurisdiction is made prohibiting the Option Holder from holding an Option,

in which case the Earlier Termination Date shall be the date on which any of the above occurs.

3.5 EXERCISE PRICE

The Exercise Price shall be that price per Share, as determined by the Board in its sole discretion, and announced as of the Award Date, at which an Option Holder may purchase a Share upon the exercise of an Option, and if the Shares are then listed on the Exchange, shall not be less than the closing price of the Shares on the Exchange on the day preceding the Award Date, less any discount permitted by the Exchange.

3.6 REDUCTION IN EXERCISE PRICE

Disinterested shareholder approval will be obtained for any reduction in the exercise price of an Option if the Option Holder is an insider of the Company at the time of the proposed amendment.

3.7 ASSIGNMENT OF OPTIONS

Options may not be assigned or transferred, provided however that the Personal Representative of an Option Holder may, to the extent permitted by section 4.1, exercise the Option within the Exercise Period.

3.8 ADJUSTMENTS

If prior to the complete exercise of any Option the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for (collectively the "Event"), an Option, to the extent that it has not been exercised, shall be adjusted by the Board in accordance with such Event in the manner the Board deems appropriate. No fractional Shares shall be issued upon the exercise of the Options and accordingly, if as a result of the Event an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

3.9 VESTING

The following provisions regarding vesting shall apply to the Options:

- (a) For so long as the Company is not classified as a Tier 1 Issuer or equivalent designation on the Exchange, all Options awarded pursuant to the Plan, except in exceptional circumstances as determined by the Board, must contain conditions relating to the vesting of the right to exercise an Option awarded to any Option Holder, which will provide that the right to purchase the Shares under the Option may not be exercised any earlier than six equal quarterly releases over a period of 18 months from the Award Date.

In the event that the classification of the Company on the Exchange is upgraded to that of a Tier 1

Issuer or equivalent designation, or the Shares are no longer listed on the Exchange, the Board may, in its sole discretion at the time the Option is awarded, but will not be required to, impose conditions relating to the vesting of the right to exercise an Option awarded to any Option Holder. The Board may (but will not be required to) accelerate or remove the vesting provisions applying to previously granted Options.

- (b) The Board may grant Options bearing vesting provisions less favourable than those specified in subsections 3.9(a). Notwithstanding the provisions of subsections 3.9(a) and subject to Exchange acceptance, the Board may grant Options bearing vesting provisions more favourable than those specified in subsections 3.9(a).
- (c) Option Certificates will disclose vesting conditions which are as specified by the Board.
- (d) The vesting schedule in subsection 3.9(a) shall be automatically and immediately accelerated such that all remaining Options will then be available for exercise upon the occurrence of a *take over bid* which is a *formal bid*, as those terms are defined under the Securities Act.

3.10 HOLD PERIODS

- (a) If required by Applicable Laws, any Options will be subject to a hold period expiring on the date that is four months and a day after the Date of Grant, and the Option Agreements and the certificates representing any Shares issued prior to the expiry of such hold period will bear a legend in substantially the following form:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITIES REPRESENTED HEREBY MUST NOT TRADE THE SECURITIES BEFORE [INSERT THE DATE THAT IS FOUR MONTHS AND ONE DAY AFTER THE DATE OF GRANT].”

- (b) In addition to any resale restrictions under any Applicable Laws, if the Option Price is set at a Discounted Market Price rather than the Market Price (as defined in Exchange Policies), the Option Agreements and the certificates representing any Shares realized on the exercise thereof will bear the following legend:

“WITHOUT COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [INSERT THE DATE THAT IS FOUR MONTHS AND ONE DAY AFTER THE DATE OF GRANT].”

ARTICLE IV EXERCISE OF OPTION

4.1 EXERCISE OF OPTION

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part, subject to any applicable exercise restrictions, at any time or from time to time during the Exercise Period up to 5:00 p.m. (Vancouver time) on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft (or other payment method acceptable to the Company) payable to the Company in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

4.2 EXERCISE RESTRICTIONS

The Board may, at the time an Option is awarded or upon renegotiation of the same, attach restrictions relating to the exercise of the Option in addition to the vesting provisions specified in section 3.9. Any such restrictions shall be recorded on the applicable Option Certificate.

4.3 ISSUE OF SHARE CERTIFICATES

As soon as practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares so purchased bearing such legends denoting trading restrictions as may be required by applicable securities laws and/or the Exchange. It is the Option Holder's responsibility to comply with any such trading restrictions. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall forward a new Option Certificate to the Option Holder concurrently with delivery of the aforesaid share certificate for the balance of the Shares available under the Option.

4.4 CONDITION OF ISSUE

The issue of Shares by the Company pursuant to the exercise of an Option is subject to this Plan and compliance with the laws, rules and regulations of all regulatory bodies applicable to the issuance and distribution of such Shares and to the listing requirements of any stock exchange or exchanges on which the Shares may be listed. The Option Holder agrees to comply with all such laws, rules and regulations and agrees to furnish to the Company any information, report and/or undertakings required to comply with and to fully cooperate with the Company in complying with such laws, rules and regulations.

ARTICLE V ADMINISTRATION

5 . 1 ADMINISTRATION

The Plan shall be administered by the Administrator on the instructions of the Board or such committee of the Board authorized to act in respect of matters relating to the Plan. The Board or such committee may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations shall form part of the Plan. The Board may delegate to the Administrator or any other person such administrative duties and powers as it may see fit.

5 . 2
 INTERPRETATION

The interpretation by the Board or its authorized committee of any of the provisions of the Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by the Board hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

ARTICLE VI
AMENDMENT AND TERMINATION

6.1 PROSPECTIVE
 AMENDMENT

Subject to applicable regulatory approval, the Board may from time to time amend the Plan and the terms and conditions of any Option thereafter to be awarded and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any relevant law, rule or regulation applicable to the Plan, any Option or the Shares, or for any other purpose which may be permitted by all relevant laws, rules and regulations, provided always that any such amendment shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to such amendment.

6.2 RETROSPECTIVE
 AMENDMENT

Subject to applicable regulatory approval, the Board may from time to time retrospectively amend the Plan and may also, with the consent of the affected Option Holders, retrospectively amend the terms and conditions of any Options which have been previously awarded.

6 . 3
 TERMINATION

The Board may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination and notwithstanding such termination the Company, such Options and such Option Holders shall continue to be governed by the provisions of the Plan.

6.4 AGREEMENT

The Company and every person to whom an Option is awarded hereunder shall be bound by and subject to the terms and conditions of the Plan.

ARTICLE VII
APPROVALS REQUIRED FOR PLAN

7.1 APPROVALS REQUIRED FOR
 PLAN

The Plan is subject to shareholder and regulatory approvals if required.

7.2 SUBSTANTIVE AMENDMENTS TO PLAN

For as long as the Company is listed on the Exchange, any substantive amendments to the Plan shall be subject to the Company first obtaining the necessary approvals of:

- (a) the shareholders of the Company; and
 - (b) the Exchange.
-

Schedule A
TIDAL ROYALTY CORP.
STOCK OPTION PLAN
OPTION CERTIFICATE

[If the Option is granted at a discount to the Market Price, insert the following hold period legend: Without compliance with all applicable securities legislation, the securities issued upon the exercise of the Option granted herein may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of a Canadian Stock Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until (four months and one day after the date of grant).]

[If the Option is granted to an Insider, insert the following hold period legend: Unless permitted under securities legislation, the holder of the securities represented hereby must not trade the securities before (four months and one day after the date of grant)].

This certificate is issued pursuant to the provisions of the TIDAL ROYALTY CORP. (the "Company") Stock Option Plan (the "Plan") and evidences that _____ is the holder of an option (the "Option") to purchase up to _____ common shares (the "Shares") in the capital stock of the Company at a purchase price of \$_____ per Share. Subject to the provisions of the Plan:

(a) the Award Date of this Option is _____, and (b)
the Expiry Date of this Option is _____. Applicable

Vesting or Other Restrictions

The Options will vest to the Optionee, and be eligible to be exercised on the basis of not more than one-sixth of the number of Options granted every three months following the Award Date (expiring 18 months from the Award Date).

This Option may be exercised in accordance with its terms at any time and from time to time from and including the Award Date through to and including up to 5:00 p.m. (Vancouver time) on the Expiry Date, by delivering to the Administrator of the Plan an Exercise Notice, in the form provided in the Plan, together with this certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

TIDAL
by its authorized signatory:

ROYALTY

CORP.

NAME, TITLE

Schedule B
EXERCISE NOTICE

To: The Administrator, Stock Option Plan
TIDAL ROYALTY CORP.

The undersigned hereby irrevocably gives notice, pursuant to the TIDAL ROYALTY CORP. (the "Company") Stock Option Plan (the "Plan"), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (a) all of the Shares; or
- (b) _____ of the Shares, which are the subject of the Option Certificate attached hereto.

Calculation of total Exercise
Price:

- (i) number of Shares to be acquired on exercise: _____
Shares
- (ii) times the Exercise Price per Share: \$ _____
- TOTAL EXERCISE PRICE, enclosed herewith: \$ _____

The undersigned tenders herewith a certified cheque or bank draft (**circle one**) in the amount of \$ _____ payable to the Company in an amount equal to the total Exercise Price of the aforesaid Shares, as calculated above, and directs the Company to issue the share certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address:

Dated the _____ day of _____, 200

Signature of Witness

Signature of Option Holder

Name of Witness (please print)

Name of Option Holder (please print)

Form 52-109F1 – AIF
Certification of annual filings
in connection with voluntarily filed AIF

This certificate is being filed on the same date that **Red White & Bloom Brands Inc.** (the "Issuer") has voluntarily filed an AIF.

I, Brad Rogers, Chief Executive Officer of Red White & Bloom Brands Inc., certify the following:

1. **Review:** I have reviewed the AIF, annual financial statements and annual MD&A, including for greater certainty all documents and information that are incorporated by reference in the AIF (together, the "annual filings") of the issuer for the financial year ended **July 31, 2019**.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the annual filings.

Date: August 7, 2020

"Brad Rogers"
Brad Rogers
Chief Executive Officer

NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Form 52-109F1 – AIF
Certification of annual filings
in connection with voluntarily filed AIF

This certificate is being filed on the same date that **Red White & Bloom Brands Inc.** (the “issuer”) has voluntarily filed an AIF.

I, Theo van der Linde, Chief Financial Officer of Red White & Bloom Brands Inc., certify the following:

1. **Review:** I have reviewed the AIF, annual financial statements and annual MD&A, including for greater certainty all documents and information that are incorporated by reference in the AIF (together, the “annual filings”) of the issuer for the financial year ended **July 31, 2019**.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the annual filings.

Date: August 7, 2020

“*Theo van der Linde*”

Theo van der Linde
 Chief Financial Officer

NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Red White & Bloom and Avicanna enter into exclusive partnership for the distribution and commercialization of Pura H&W CBD-based Topical Products in the United States

Partnership allows for both companies to stake a claim in the expanding \$532 billion beauty industry with the most advanced and only clinically backed CBD skin care line;



Product line synergistically combines natural ingredients with CBD in advanced and proprietary formulations that have completed 3 cosmetic human clinical studies all achieving positive endpoint results, making H&W products the only cannabinoid consumer product line with human safety and efficacy data.

Toronto, Ontario – August 11, 2020 – Red White & Bloom Brands Inc. (CSE: RWB) (OTC: RWBYF) ("RWB" or "Red White & Bloom") and Avicanna Inc. ("Avicanna") (TSX: AVCN) (OTCQX: AVCNF) (FSE: ONN) are pleased to announce that they have entered into a distribution agreement for the exclusive distribution of Avicanna's advanced and clinically backed CBD-based cosmetic and topical products Pura H&W™ by RWB in the US and certain other markets.

The \$532 billion beauty industry continues growing rapidly and new trends such as the introduction of CBD cosmetics is anticipated to establish a strong market presence in markets that permit retail sales such as the United States. The Pura H&W branded products utilize CBD, the non-psychoactive cannabinoid, which allows for cosmetic designation and retail sales.

The launch of this innovative and premium CBD product line will leverage the growing use of online platforms for shopping; including Pura H&W's own e-commerce platform, third party e-commerce channels, "big box" retailers and the existing commercial infrastructure of RWB in the United States.

Brad Rogers, chairman and chief executive officer of RWB, stated: "This Agreement with Avicanna reflects our desire to seek out and provide the highest quality products available in the market. These formulations stand head and shoulders above anything else in the category and from our research it's the most compelling, evidence-based product that retailers will feel confident listing and consumers can feel confident and comfortable using for their skin care needs."

Under the agreement, which has an initial five-year term, RWB will exclusively distribute the Pura H&W™ brand and certain other white label brands at RWB's direction. Having been developed by researchers

and collaborators from world class medical and academic institutions, the Pura H&W™ line of products has been developed through a scientific and evidence-based approach. This approach in product development has allowed Avicanna to synergistically combine natural ingredients with CBD in advanced and proprietary formulations that have completed 3 cosmetic human clinical studies. Product development is always commenced with the consumer in mind and specific needs are addressed through analysis in observational as well as interventional clinical studies. Avicanna's CBD infused cosmetics and topicals equip RWB with the opportunity to set the standards with advanced research and development for CBD cosmetics and GMP manufacturing.

The 3 cosmetic clinical studies were completed on Avicanna's formulations targeted at cosmetic factors associated with aging, acne-prone skin, and eczema-prone skin. The successfully completed studies involved 156 patients that were tested for both safety and certain derma-cosmetic endpoints, including hydration and excess oil production. The results of all three studies achieved positive results in the endpoints with no adverse effects, making these products part of one of the only cannabinoid consumer product lines with human safety and efficacy data.

Aras Azadian, CEO of Avicanna, commented: "After years of R&D and clinical development of what we believe is the most advanced line of CBD skin care products, we are thrilled to have partnered up with the team at RWB, who provide an ideal partner for Avicanna and the Pura H&W line of products. We believe their access and expertise in the US market through commercial and retail channels will allow the Pura H&W branded products to reach their potential as the leading skin care brand."

Terms of the agreement

RWB will pay Avicanna an upfront licensing fee in the amount of two hundred fifty thousand Canadian dollars (**CAD\$250,000**) in cash, along with minimum purchase requirements for the rights to be the exclusive distributor of Avicanna's Pura H&W branded cosmetics products in the US. Under the agreement, RWB also has the right to purchase Avicanna's cosmetics products for distribution into the US and certain other territories under brands of RWB's choosing. The initial product offerings under the agreement will include body and face lotions, cosmetic creams, gels and serums, as well as soaps and bath bombs.

To the knowledge of the Company, it carries out its operations in compliance with all applicable laws in the jurisdictions in which it operates.

About Red White & Bloom Brands Inc.

The Company is positioning itself to be one of the top three multi-state cannabis operators active in the U.S. legal cannabis and hemp sector. RWB is predominately focusing its investments on the major US markets, including Michigan, Illinois, Massachusetts, California, and Florida with respect to cannabis, and the US and internationally for hemp-based CBD products.

For more information about Red White & Bloom Brands Inc., please contact:

Tyler Troup, Managing Director
Circadian Group IR
IR@RedWhiteBloom.com

Visit us on the web: www.RedWhiteBloom.com

Follow us on social media:

Twitter: @rwbbrands

Facebook: @redwhitebloombrands

Instagram: @redwhitebloombrands

About Avicanna Inc.

Avicanna is an Ontario, Canada based corporation focused on the development, manufacturing, and commercialization of plant-derived cannabinoid-based products through its two main business segments, cultivation and research and development.

Avicanna's two majority-owned subsidiaries, Sativa Nativa S.A.S. and Santa Marta Golden Hemp S.A.S., both located in Santa Marta, Colombia are the base for Avicanna's cultivation activities. These two companies are licensed to cultivate and process cannabis for the production of cannabis extracts and purified cannabinoids including cannabidiol (CBD) and tetrahydrocannabinol (THC).

Avicanna's research and development business is primarily conducted out of Canada at its headquarters in the Johnson & Johnson Innovation Centre, JLABS @ Toronto. Avicanna's scientific team develops products, and Avicanna has also engaged the services of researchers at the Leslie Dan Faculty of Pharmacy at the University of Toronto for the purpose of optimizing and improving upon its products.

Avicanna's research and development and cultivation activities are focused on the development of its key products, including plant-derived cannabinoid pharmaceuticals, phyto-therapeutics, derma-cosmetics, and Extracts (defined as plant-derived cannabinoid extracts and purified cannabinoids, including distillates and isolates), with a goal of eventually having these products manufactured and distributed through various markets.

For more information about Avicanna, visit www.avicanna.com, call 1-647-243-5283, or contact Setu Purohit, President by email at info@avicanna.com.

Cautionary Note Regarding Forward-Looking Information and Statements

This news release contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information contained in this press release may be identified by the use of words such as, "may", "would", "could", "will", "likely", "expect", "anticipate", "believe", "intend", "plan", "forecast", "project", "estimate", "outlook" and other similar expressions, and includes statements with respect to the ability of Avicanna or RWB to perform under the agreement, the manufacturing of the products, the shipping and delivery of the products to customers in the United States and worldwide, and the appropriate education and marketing efforts. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors relevant in the circumstances, including assumptions in respect of current and future market conditions, the current and future regulatory environment; and the availability of licenses, approvals and permits.

Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct. Actual results and developments may differ materially from those contemplated by these statements. Forward-looking information is subject to a variety of risks and uncertainties that could cause actual events or results to differ materially from those projected in the forward-looking information. Such risks and uncertainties include, but are not limited to current and future market conditions, including the market price of the

common shares of the Company, the delay or failure to receive regulatory approvals, and the risk factors set out in the Company's annual information form dated August 7, 2020, filed with the Canadian securities regulators and available under the Company's profile on SEDAR at www.sedar.com.

The statements in this press release are made as of the date of this release. The Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

RED WHITE & BLOOM BRANDS INC.
(formerly Tidal Royalty Corp.)

**Annual General and Special Meeting
to be held on September 9, 2020**

**Notice of Annual General and Special Meeting
and
Information Circular**

August 5, 2020

RED WHITE & BLOOM BRANDS INC.
(formerly, Tidal Royalty Corp.)
SUITE 810 – 789 WEST PENDER STREET
VANCOUVER, BC V6C 1H2

**NOTICE OF ANNUAL GENERAL AND SPECIAL
MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Shares**”) and of Series 2 Convertible Preferred shares of Red White & Bloom Brands Inc. (the “**Company**”) will be held at Suite 810 – 789 West Pender Street, Vancouver, BC on Wednesday, September 9, 2020 at 11:00 a.m. (Vancouver time) for the following purposes:

1. to receive the financial statements of the Company for the year ended July 31, 2019, together with the auditor’s report thereon;
2. fix the number of directors at five (5);
3. elect directors of the Company for the ensuing year;
4. appoint Manning Elliott LLP, Chartered Accountants, as auditor of the Company for the ensuing year and to authorize the directors fix their remuneration;
5. to consider, and if thought appropriate, to pass, with or without variation, an ordinary resolution ratifying, confirming and approving the 20% rolling stock option plan (the “**2020 Option Plan**”), as more particularly described in the accompanying information circular (“**Circular**”);
6. to consider, and if thought appropriate, to pass, with or without variation, an ordinary resolution ratifying, confirming and approving the 2020 RSU Plan, as more particularly described in the accompanying Circular; and
7. transact such other business as may properly be put before the Meeting or any adjournment or postponement thereof.

The Company’s board of directors (the “**Board**”) has fixed August 5, 2020 as the record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered Shareholder at the close of business on that date is entitled to receive such notice and to vote at the Meeting in the circumstances set out in the accompanying Circular.

If you are a registered Shareholder of the Company and are unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with Company’s transfer agent, National Securities Administrators Ltd. (“**National**”), 760 – 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4, no later than 11:00 a.m. on September 7, 2020 or at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of any adjournment or postponement of the Meeting.

If you are a non-registered Shareholder and received this notice (“**Notice**”) of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the Income Tax Act (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

In view of the current and rapidly evolving COVID-19 outbreak, the Company asks that, in considering whether to attend the Meeting in person, shareholders follow the instructions of the Public Health Agency of Canada (<https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html>). The Company encourages Shareholders not to attend the Meeting in person if experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. The Company may take additional precautionary measures in relation to the Meeting in response to further developments in the COVID-19 outbreak. As always, the Company encourages shareholders to vote prior to the Meeting. Shareholders are encouraged to vote on the matters before the Meeting by proxy and to join the Meeting by teleconference. To access the Meeting by teleconference, dial toll free at **1-800-319-7310**, Participation Code: **77783**, followed by the # sign.

DATED at Vancouver, BC, the 5th day of August, 2020.

BY ORDER OF THE BOARD OF DIRECTORS

Signed: “Brad Rogers”

Brad Rogers
Chief Executive Officer

RED WHITE & BLOOM BRANDS INC.
(Formerly Tidal Royalty Corp.)
SUITE 810 - 789 WEST PENDER STREET
VANCOUVER, BC V6C 1H2

INFORMATION CIRCULAR

(as at August 5, 2020 except as otherwise indicated)

SOLICITATION OF PROXIES

This information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the Management of Red White & Bloom Brands Inc. (the “**Company**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the annual general and special meeting of the shareholders of the Company to be held on Wednesday, September 9, 2020 (the “**Meeting**”), at the time and place set out in the accompanying notice of Meeting (the “**Notice of Meeting**”). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

APPOINTMENT AND REVOCATION OF PROXY

The persons named in the Proxy are directors and/or officers of the Company. **A registered shareholder (“Registered Shareholder”) who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person’s name in the blank space provided.** The completed Proxy should be delivered to National Securities Administrators Ltd. (“**National**”) by 11:00 a.m. (Vancouver time) on Monday, September 7, 2020 or before 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above;
- (b) signing and dating a written notice of revocation and delivering it to National, or by transmitting a revocation by telephonic or electronic means, to National, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the Chairman of the Meeting on the day of the Meeting or adjournment of it; or
- (c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

Provisions Relating to Voting of Proxies

The shares represented by Proxy in the form provided to shareholders will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. If there is no direction by the Registered Shareholder, those shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the auditors as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the management of the Company (the “Management”) knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

Advice to Beneficial Holders of Shares

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold shares in their own name. Shareholders who hold their shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their shares in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Company’s registrar and transfer agent as registered holders of shares will be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those shares will, in all likelihood, not be registered in the shareholder’s name. Such

shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder.

The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form ("**VIF**"), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the shares voted. If you have any questions respecting the voting of shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own ("**OBOs**") and those who do not object to their identity being made known to the issuers of the securities which they own ("**NOBOs**"). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the shares on your behalf.

The Company has distributed copies of the Notice of Meeting, Circular and VIF to intermediaries for distribution to NOBOs. Unless you have waived your right to receive the Notice of Meeting, Circular and VIF, intermediaries are required to deliver them to you as a NOBO of the Company and to seek your instructions on how to vote your shares.

The Company's OBOs can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above. The Company does not intend to pay for intermediaries to deliver the Notice of Meeting, Circular and VIF to OBOs and accordingly, if the OBO's intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 11:00 a.m.

(Vancouver time) on the day which is at least two business days prior to the Meeting. **A Beneficial Shareholder who wishes to attend the Meeting and to vote their shares as proxyholder for the registered shareholder should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to registered shareholders of the Company as set forth on the list of registered shareholders of the Company as maintained by the registrar and transfer agent of the Company, National, unless specifically stated otherwise.

Financial Statements

The audited financial statements of the Company for the year ended July 31, 2019, together with the auditor's report on those statements and Management Discussion and Analysis, will be presented to the shareholders at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at August 5, 2020, the Company's authorized capital consists of an unlimited number of common shares (the "Shares") and an unlimited number of Preferred shares without par value, of which an unlimited number are designated as Series 1 Convertible Preferred Shares (the "**Series 1 Shares**") and an unlimited number are designated as Series 2 Convertible Preferred Shares (the "**Series 2 Shares**"). As at August 5, 2020, there were 151,421,886 Shares issued and outstanding, 3,181,250 Series 1 Shares issued and outstanding and 112,040,549 Series 2 Shares issued and outstanding. Each Share in the capital of the Company carry the right to one vote. Each Series 2 Share shall entitle the holder thereof to cast such number of votes as is equal to the number of Shares into which it is convertible.

Shareholders registered as at August 5, 2020 are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, no persons beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued and outstanding Shares of the Company.

SETTING NUMBER OF DIRECTORS

The persons named in the enclosed Proxy intend to vote in favour of fixing the number of directors at five (5). The Board proposes that the number of directors be fixed at five (5). Shareholders will therefore be asked to approve an ordinary resolution that the number of directors elected be fixed at five (5).

ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. The Management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by the Management will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director.

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular.

Name, province or state and country of residence and position, if any, held in the Company	Principal occupation during the past five years	Served as director of the Company since	Number of shares of the Company beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾
Brad Rogers ⁽²⁾⁽⁴⁾ Ontario, Canada <i>Chief Executive Officer and Director</i>	See "Details of Directors Not Previously Elected by a Shareholder Vote" below.	April 24, 2020	2,400,000 Shares 2,400,000 Series 2 Shares
Johannes (Theo) van der Linde British Columbia, Canada <i>Chief Financial Officer, Corporate Secretary and Director</i>	Mr. van der Linde is a Chartered Accountant with 20 years' extensive finance, administration and public accounting experience in diverse industries including mining, oil & gas, financial services, manufacturing and retail. During the last nine years of his career Mr. van der Linde has been focused on the mining industry working with Junior Exploration and producing mining Companies at various stages of growth and in several jurisdictions including South Africa, West- Africa, Peru, Sri-lanka and the United States. Mr. van der Linde currently acts a mining consultant as the President of Executive Management Solutions Ltd.	July 20, 2017	Nil
Michael Marchese Ontario, Canada <i>Director</i>	See "Details of Directors Not Previously Elected by a Shareholder Vote" below.	April 24, 2020	3,080,000 Shares 3,080,000 Series 2 Shares
William Dawson ⁽²⁾⁽⁴⁾ Ontario, Canada <i>Director</i>	See "Details of Directors Not Previously Elected by a Shareholder Vote" below.	April 24, 2020	148,000 Shares 148,000 Series 2 Shares
Brendan Purdy ⁽²⁾⁽³⁾⁽⁴⁾ Ontario, Canada <i>Director</i>	Corporate Secretary and director of Global Blockchain Technologies Corp.; CEO and President of Element 79 Capital Inc.; former CEO and director of Enforcer Gold Corp.; director of each of Supreme Metals Corp. and ZTest Electronics Inc.; former director, CEO and chairman of High Hampton Holdings Corp. (CSE:HC) from November 2016 to December 2017; CEO and Director of Seaway Energy Services from April, 2016 to October 2016; a Director of Greenock Resources Inc. from October 2015 to February, 2016.	July 20, 2017	Nil

Notes:

- (1) The information as to Shares beneficially owned or controlled has been provided by the nominees themselves.
- (2) A member of the audit committee.
- (3) Chair of the audit committee.
- (4) A member of the compensation committee.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

DETAILS OF DIRECTORS NOT PREVIOUSLY ELECTED BY A SHAREHOLDER VOTE

Mr. Brad Rogers

Mr. Rogers is the Chief Executive Officer and a director of the Company. Prior to the business combination agreement between Tidal Royalty Corp. (“**Tidal**”) and MichiCann Medical Inc. (“**MichiCann**”) to form the Company, he acted as MichiCann’s Chief Executive Officer and previously served as President of CannTrust, one of Canada’s leading licensed cannabis producers. Under Mr. Roger’s direction, CannTrust created the Canadian cannabis market’s Gold Standard by producing quality, pharmaceutically standardized product across flower and extract. A recognized expert in cannabis production and a creative brand-building marketer, Mr. Rogers was instrumental in leading CannTrust into early profitability. He was the driving force behind its capital raises and IPO that peaked at a \$1.5 billion market cap.

Utilizing industry-leading scientific expertise and a disciplined “data driven” approach, Mr. Rogers managed CannTrust’s growth from 20 employees to more than 500 before his departure. Directed the creation of four adult consumer cannabis brands – Liiv; SYN.R.G, Xscape and Peak Leaf across National Distribution. To meet the needs of both the medical and recreational markets, he also supervised the opening of the first two phases of CannTrust’s Perpetual Harvest Facility in Niagara which is expected to reach an annual output exceeding 100,000 kilograms. Mr. Rogers also worked on developing such innovative product extensions as beverages, vape pens, and edibles.

In addition, Mr. Rogers was part of the team that built one of the first ever commercially scaled cannabis production facilities in the world (for medicinal cannabis use) in 2014. That company (Metrum) was successfully sold in 2016 to Canopy Growth (NYSE:WEED) for over \$450 million.

He holds an MBA from the Richard Ivey School of Business, proudly supports Toronto’s Centre for Addiction and Mental Health, the Trillium Gift of Life Network, and Inner City EQAO Mentoring.

Mr. Michael Marchese

Mr. Marchese is a director of the Company. Prior to the business combination agreement between Tidal and MichiCann to form the Company, Mr. Marchese was the president, director and co-founder of MichiCann, and played a major role in starting, developing and organizing the company. He also co-founded Aleafia Health Inc. and directed its branding. (TSX: ALEF; OTC: ALEAF, FRA: ARAH). He continues to advise the company. For the past several decades, Mr. Marchese has successfully operated his own branding company, Marchese Design, and has developed identities and communications programs for such leading brands as Aleafia, Tutto Gourmet Foods, V Grace Bay, Turks & Caicos and Royal Group Technologies and its successor company, the Vision Group.

Mr. William Dawson

Mr. Dawson is a director of the Company and a Chartered Professional Accountant and Chartered Accountant with more than 40 years of experience in the field. Mr. Dawson has served as the Chief Financial Officer of SBG – Skill Based Games Inc. since 2014 and the President and Chief Executive Officer of Play Games for Fun Limited Since 2013. Mr. Dawson previously served as Chief Financial Officer of Oakshire Holdings Limited from 2011 to 2018, Pong Game Studios Corporation from 2011 to 2018, Caliburger Canada Incorporated from 2015 to 2017 and Blow Canada Inc. from 2014 to 2017. Mr. Dawson holds a BA in economics and finance as well as an MBA from York University.

Management recommends the approval of each of the nominees listed above for election as a director of the Company for the ensuing year.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the Shares and Series 2 Shares represented by proxy for the election of any other persons as directors.

Corporate Cease Trade Orders or Bankruptcies

Other than as set out below, no director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Brendan Purdy was an independent director of Boomerang Oil, Inc. (“**Boomerang**”) when cease trade orders were issued by the BCSC and ASC in 2015 due to Boomerang failing to file its annual audited financial statements for the fiscal year ended September 30, 2014, and its management's discussion and analysis relating thereto, as required under Part 5 of National Instrument 51-102 – *Continuous Disclosure Obligations*. Boomerang continues to be subject to renewed cease trade orders.

Individual Bankruptcies

No director or proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Penalties or Sanctions

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder making a decision about whether to vote for the proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officers

During the financial year ended July 31, 2019, the Company had four Named Executive Officers (“**NEOs**”) being, Johannes (Theo) van der Linde, Chief Financial Officer (“**CFO**”), Brendan Purdy, interim Chief Executive Officer (“**CEO**”), Terry Taouss, former President and Paul Rosen, former CEO.

“**Named Executive Officer**” means: (a) each CEO, (b) each CFO, (c) the most highly compensated executive officer of the company, including any of its subsidiaries, or the most highly compensated individual acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000; and (d) each individual who would be a NEO under (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION TABLE

Set out below is a summary of compensation paid or accrued during the Company's two most recently completed financial years to the Company's NEOs and directors for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof.

Director and Named Executive Officer Compensation Table

Table of compensation excluding compensation securities

Name and principal position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Johannes (Theo) van der Linde⁽¹⁾ <i>CFO, Corporate Secretary and Director</i>	2019	81,250	Nil	Nil	Nil	Nil	81,250
	2018	61,934	Nil	Nil	Nil	Nil	61,934
Brendan Purdy⁽²⁾ <i>Director & Former CEO</i>	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Terry Taouss⁽³⁾ <i>Former President</i>	2019	189,824	Nil	Nil	Nil	Nil	18,200
	2018	72,917	Nil	Nil	Nil	Nil	7,500
Paul Rosen⁽⁴⁾ <i>Former Director, CEO and President</i>	2019	195,833	Nil	Nil	Nil	Nil	195,833
	2018	275,000	Nil	Nil	Nil	Nil	275,000
Stuart Wooldridge⁽⁵⁾ <i>Former Director</i>	2019	18,200	Nil	Nil	Nil	Nil	18,200
	2018	7,500	Nil	Nil	Nil	Nil	7,500
Brian Penny⁽⁶⁾ <i>Former Director</i>	2019	16,014	Nil	Nil	Nil	Nil	16,014
	2018	10,000	Nil	Nil	Nil	Nil	10,000
Brad Rogers⁽⁷⁾ <i>CEO & Director</i>	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
Michael Marchese⁽⁷⁾ <i>Director</i>	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
William Dawson⁽⁷⁾ <i>Director</i>	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-

Notes:

- (1) Mr. van der Linde was appointed as CFO and a director of the Company on July 20, 2017. Mr. van der Linde was appointed as Corporate Secretary of the Company on August 16, 2018. All of the compensation received by Mr. van der Linde was in respect of his position as CFO of the Company.
- (2) Mr. Purdy was appointed as a director of the Company on July 20, 2017. Mr. Purdy was appointed as the interim CEO of the Company on February 22, 2019 and resigned as interim CEO on April 24, 2020.
- (3) Mr. Taouss was appointed as President of the Company on July 5, 2018 and resigned on January 22, 2019. All of the compensation received by Mr. Taouss was in respect of his position as President of the Company.
- (4) Mr. Rosen resigned as a director of the Company on February 22, 2019 and as an officer of the Company on April 24, 2020. All of the compensation received by Mr. Rosen was in respect of his position as CEO of the Company.
- (5) Mr. Wooldridge was appointed as a director of the Company on July 22, 2002 and resigned on April 24, 2020.
- (6) Mr. Penny was appointed as a director of the Company on June 22, 2016 and resigned on June 28, 2019.
- (7) Each of Messrs. Rogers, Marchese and Dawson were appointed as directors of the Company on April 24, 2020.

Stock Options and Other Compensation Securities

The following table sets forth all compensation securities granted or issued to each NEO and director of the Issuer on a post-consolidated basis during the year ended July 31, 2019 for services provided or to be provided, directly or indirectly, to the Issuer or any of its subsidiaries:

Name and position	Type of compensation security	Compensation Securities			Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
		Number of compensation securities, number of underlying securities	Date of issue or grant	Issue, conversion or exercise price (\$)			
Paul Rosen⁽¹⁾ <i>Former CEO and Director</i>	Options	125,000 options exercisable into 125,000 Shares	12/12/2018	\$1.84 (USD)	\$1.84 (USD)	\$4.16 (USD)	12/12/23
Johannes (Theo) van der Linde <i>CFO and Director</i>	Options	12,500 options exercisable into 12,500 Shares	12/12/2018	\$1.84 (USD)	\$1.84 (USD)	\$4.16 (USD)	12/12/23
		21,875 options exercisable into 21,875 Shares	04/26/2019	\$4.16 (USD)	\$4.16 (USD)	\$4.16 (USD)	04/26/24
Terry Taouss⁽²⁾ <i>Former President</i>	Options	62,500 options exercisable into 62,500 Shares	12/12/2018	\$1.84 (USD)	\$1.84 (USD)	\$4.16 (USD)	12/12/23
Brian Penny <i>Former Director</i>	Options	31,250 options exercisable into 31,250 Shares	04/26/2019	\$4.16 (USD)	\$4.16 (USD)	\$4.16 (USD)	04/26/24
Stuart Wooldridge <i>Former Director</i>	Options	45,313 options exercisable into 45,313 Shares	04/26/2019	\$4.16 (USD)	\$4.16 (USD)	\$4.16 (USD)	04/26/24

Notes:

- (1) The options issued to Mr. Rosen were subsequently cancelled on March 22, 2019 following his resignation on February 22, 2019.
- (2) The options issued to Mr. Taouss were subsequently cancelled on March 22, 2019 following his resignation on February 22, 2019.

Exercise of Compensation Securities by Directors and Named Executive Officers

No compensation securities were exercised by any director or NEO during the year ended July 31, 2019.

External Management Companies

None of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly.

Stock Option Plans and Other Incentive Plans

On July 27, 2020 the Board approved a restricted share unit plan (the “**2020 RSU Plan**”) and a 20% rolling stock option plan (the “**2020 Option Plan**” and together with the 2020 RSU Plan, the “**2020 Plans**”) to grant restricted share units (“**RSUs**”) and incentive stock options (“**Options**”) to directors, officers, key employees and consultants of the Company. Pursuant to the 2020 RSU Plan and the 2020 Option Plan, the Company may reserve up to a maximum of 20% of the issued and outstanding Shares at the time of grant pursuant to awards granted under the 2020 Plans. Previously, the Company had a 10% rolling stock option plan that was implemented which authorized

the Board to grant stock options to directors, officers, employees and consultants to acquire up to 10% of the issued and outstanding Shares of the Company.

2020 Option Plan

The 2020 Option Plan of the Company is designed to give each Option holder an interest in preserving and maximizing shareholder value in the longer term, to enable the Company to attract and retain individuals with experience and ability and to reward individuals for current performance and expected future performance. The Board considers Option grants when reviewing executive officer compensation packages as a whole.

The Board has sole discretion to determine the key employees to whom it recommends that grants be made and to determine the terms and conditions of the Options forming part of such grants. The Board approves ranges of Option grants for each level of executive officer. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of the position to the Company.

The number of Options which may be issued under the Option Plan in the aggregate and in respect of any fiscal year is limited under the terms of the 2020 Option Plan and cannot be increased without shareholder approval.

2020 RSU Plan

The 2020 RSU Plan provides for granting of RSU's for the purposes of advancing the interests of the Company through motivation, attraction and retention of employees, officers, consultants and directors by granting equity-based compensation incentives, in addition to the Company's 2020 Option Plan.

RSUs granted pursuant to the 2020 RSU Plan will be used to compensate participants for their individual performance-based achievements and are intended to supplement stock option awards in this respect, the goal of such grants is to more closely tie awards to individual performance based on established performance criteria.

The 2020 Plans has been used to provide stock options and RSU's which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of Options or RSU's to be granted to the executive officers, the Compensation Committee with consultation of the Board takes into account the number of Options or RSU's, if any, previously granted to each executive officer, and the exercise price of any outstanding Options to ensure that such grants are in accordance with the policies of the CSE and closely align the interests of the executive officers with the interests of shareholders.

The Compensation Committee with consultation of the Board has the responsibility to administer the compensation policies related to the executive management of the Company, including option-based and share-based awards.

Employment, consulting and management agreements

Other than as set out below, the Company has not entered into any other contract, agreement, plan or arrangement that provides for payments to a NEO or a director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement a change in control of the Company or a change in an NEOs or directors' responsibilities.

The Company entered into a management consulting agreement with Johannes (Theo) van der Linde effective July 20, 2017 with regard to his services as Chief Financial Officer of the Company. Pursuant to the agreement, the Company agreed to pay Mr. van der Linde a base salary of \$72,000 per annum and shall continue indefinitely until terminated by either party in accordance with the terms of the agreement. The agreement provides for a severance clause of three months' notice for termination. In the event that Mr. van der Linde resigns for "Good Cause" following a "Change of Control" (as those terms are defined in the applicable agreement), Mr. van der Linde will be entitled to two times the annual pro-rated fee paid.

The Company entered into an informal verbal agreement with Paul Rosen effective July 20, 2017 with regard to his services as CEO of the Company. Pursuant to the informal verbal agreement, the Company agreed to pay Mr. Rosen a base salary of \$300,000 per annum and shall continue indefinitely until terminated by either party. The agreement does not contain severance or change of control provisions. Subsequent to the year ended July 31, 2018, Mr. Rosen's salary was increased to \$400,000 per annum. Mr. Rosen ceased to act as an officer and director of the Company effective February 2019.

The Company entered into an informal verbal agreement with Terry Taouss effective July 5, 2018 with regard to his services as President of the Company. Pursuant to the informal verbal agreement, the Company agreed to pay Mr. Taouss a base salary of \$175,000 per annum, with possible bonuses to be awarded at the discretion of the Company and shall continue indefinitely until terminated by either party. The agreement provides for a severance clause of twelve months' notice for termination. The agreement does not contain change of control provisions. Subsequent to the year ended July 31, 2018, Mr. Taouss' salary was increased to \$250,000. Mr. Taouss ceased to act as an officer of the Company effective February 2019.

Oversight and description of director and named executive officer compensation

The Board is responsible for determining, by way of discussions at board meetings, the compensation to be paid to the NEOs and directors of the Company. The Board conducts reviews with regard to the compensation of the directors and the executive officers once a year.

Director Compensation

For the financial year ended July 31, 2019, the Company did not employ a nominating committee. All tasks related to developing and monitoring the approach to the nomination of directors to the Board were performed by the members of the Board.

Other than as set forth in the foregoing, no director of the Company who is not a Named Executive Officer has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or
- (c) any arrangement for the compensation of directors for services as consultants or expert.

Named Executive Officer Compensation

For the financial year ended July 31, 2019, the Company did not have a formal compensation program with specific performance goals nor did it employ a compensation committee. All tasks related to developing and monitoring the Company's approach to the compensation of officers were performed by the members of the Board. The compensation of each of the NEOs was reviewed, recommended and approved by the Company's independent directors.

The Board considers the performance of each NEO along with the Company's ability to pay compensation and the Company's results of operation for the period. As the objectives of the Company's compensation procedures are to align the interests of employees with the interests of shareholders, a significant portion of total compensation is based upon overall corporate performance.

Compensation is designed to achieve the following key objectives:

- to support our overall business strategy and objectives;
- to provide market competitive compensation that is substantially performance-based;
- to provide incentives that encourage superior corporate performance and retention of highly skilled and talented NEOs; and
- to align executive compensation with corporate performance and therefore shareholders' interests.

Our compensation package is comprised of short-term compensation in the form of base salary or service fees, medium-term compensation in the form of discretionary cash bonuses and long-term compensation in the form of option-based awards. The Company does not have a formal compensation program which sets benchmarks for performance by NEOs. Base salary is determined by the Board largely based on market standards. In addition, the Board may consider, on an annual basis, an award of bonuses to key executives and senior management. The amount and award of such bonuses is discretionary, depending on, among other factors, the financial performance of the Company and the position of a participant. The Board considers that the payment of such discretionary annual cash bonuses satisfies the medium-term compensation component. No bonuses were awarded for the financial year ended July 31, 2019. Lastly, the Company chooses to grant stock options to executive officers to satisfy the long-term compensation component.

The Board has not directly considered the implications of the risks associated with our compensation policies and practices. The Company does not have a set policy preventing an NEO or director from purchasing financing instruments such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such person. The Company does not use a peer group to determine compensation.

Since the end of the July 31, 2019 financial year, the Board has established a Compensation Committee. The charter of the Compensation Committee is summarized below under “Corporate Governance Disclosure – Compensation Committee”.

Pension Disclosure

The Company does not have a pension plan that provides for payments or benefits to the NEOs or directors at, following, or in connection with retirement. The Company does not have any form of deferred compensation plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers, employees of the Company, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the most recently completed financial year of the Company.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company or any proposed nominee of Management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company’s last financial year in matters to be acted upon at the Meeting, other than the election of directors, the appointment of auditors and the confirmation of the Option Plan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the persons who were directors or executive officers of the Company or a subsidiary at any time during the Company’s last completed financial year, the proposed nominees for election to the Board, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding Shares of the Company, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company.

APPOINTMENT OF AUDITOR

Auditor

Management intends to nominate Manning Elliott LLP, Chartered Accountants, of Vancouver, British Columbia, for re-appointment as auditor of the Company. Forms of proxies given pursuant to this solicitation will, on any poll, be voted as directed and, if there is no direction, for the re-appointment of Manning Elliott LLP, Chartered Accountants, as the auditor of the Company to hold office for the ensuing year with remuneration to be fixed by the directors.

MANAGEMENT CONTRACTS

Other than as disclosed below, no Management functions of the Company are to any substantial degree performed by a person or company other than the directors or NEOs of the Company.

The Company entered into a management agreement (the “**Management Contract**”) with Pender Street Corporate Consulting Ltd. (“**PSCC**”) of Suite 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2 dated for reference January 1, 2018, and subsequently assigned to Partum Advisory Services Corp. (“**Partum**”) on April 3, 2019, as amended on April 1, 2020 to provide certain corporate, accounting and administrative services to the Company in accordance with the terms of the Management Contract for a monthly fee of \$6,000 plus applicable taxes and reimbursement of all out-of-pocket expenses incurred on behalf of the Company. The Management Contract is for an initial term of 12 months, to be automatically renewed for further 12 month periods, unless either

party gives 90 days' notice of non-renewal, in which case the Management Contract will terminate. The Management Contract can be terminated by either party on 90 days' written notice. It can also be terminated by the Company for cause without prior notice or upon the mutual consent in writing of both parties. If there is a take-over or change of control of the Company resulting in the termination of the Management Agreement, Partum is entitled to receive an amount equal to six months of fees payable as a lump sum payment due on the day after the termination date.

Partum was not indebted to the Company during the Company's last completed financial year, and the Management Contract remains in effect.

During the most recently completed financial year, the Company paid or accrued a total \$563,916 in corporate, accounting and administrative service fees.

AUDIT COMMITTEE

The Company is required to have an audit committee (the "**Audit Committee**") comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company.

Audit Committee Charter

The text of the Audit Committee's charter is attached as Schedule "A" to this Circular.

Composition of Audit Committee and Independence

The Company's current Audit Committee consists of Brad Rogers, Brendan Purdy and William Dawson.

National Instrument 52-110 - *Audit Committees* ("**NI 52-110**") provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's Board, reasonably interfere with the exercise of the member's independent judgment. Of the Company's current Audit Committee members, Brendan Purdy and William Dawson are "independent" within the meaning of NI 52-110. Brad Rogers is not "independent" as he is also the CEO of the Company.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. All of the members of the Audit Committee are "financially literate" as that term is defined. The following sets out the Audit Committee members' education and experience that is relevant to the performance of his responsibilities as an audit committee member.

Relevant Education and Experience

Brad Rogers – Mr. Rogers previously served as President of Cannttrust, one of Canada's leading licensed cannabis producers. Under Mr. Roger's direction, Cannttrust created the Canadian cannabis market's Gold Standard by producing quality, pharmaceutically standardized product across flower and extract. A recognized expert in cannabis production and a creative brand-building marketer, Mr. Rogers was instrumental in leading CannTrust into early profitability. He was the driving force behind its capital raises and IPO that peaked at a \$1.5 billion market cap. In addition, Mr. Rogers was part of the team that built one of the first ever commercially scaled cannabis production facilities in the world (for medicinal cannabis use) in 2014. That company (Metrum) was successfully sold in 2016 to Canopy Growth (NYSE:WEED) for over \$450 million. He holds an MBA from the Richard Ivey School of Business.

Brendan Purdy – Mr. Purdy is a practicing securities lawyer, with experience in public companies, and the capital markets. Mr. Purdy received his J.D. from the University of Ottawa, received a Bachelor of Management and Organizational Studies degree from the University of Western Ontario. Mr. Purdy has significant cannabis industry experience, in both his private practice and in his capacity as management and director of public cannabis issuers. Mr. Purdy most recently acted as Director, CEO, and Chairman of High Hampton Holdings Corp. (CSE: HC), a CSE-listed cannabis investment company focused on acquisitions of cannabis distribution companies, branding opportunities, and state licensed producers in California, USA. Mr. Purdy was involved in identifying and facilitating the acquisition of CoachellaGro Corp., a California-based corporation holding 10.8 acres of land within the designated cannabis cultivation zone in Coachella, California.

William Dawson – Mr. Dawson is a Chartered Professional Accountant and Chartered Accountant with more than 40 years of experience in the field. Mr. Dawson has served as the Chief Financial Officer of SBG – Skill Based Games Inc. since 2014 and the President and Chief Executive Officer of Play Games for Fun Limited Since 2013. Mr. Dawson previously served as Chief Financial Officer of Oakshire Holdings Limited from 2011 to 2018, Pong Game Studios Corporation from 2011 to 2018, Caliburger Canada Incorporated from 2015 to 2017 and Blow Canada Inc. from 2014 to 2017. Mr. Dawson holds a BA in economics and finance as well as an MBA from York University.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Audit Committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

- (d) the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110; or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

Audit Fees

The following table sets forth the fees paid by the Company and its subsidiaries to Manning Elliott LLP, Chartered Accountants, for services rendered in the last two fiscal years:

	2019	2018
	(\$)	(\$)
Audit fees ⁽¹⁾	60,375	22,000
Audit related fees ⁽²⁾	525	Nil
<hr/>		
Tax fees ⁽³⁾	5,801.25	2,250
<hr/>		
All other fees ⁽⁴⁾	3,517.50	12,500
<hr/>		
Total	70,218.75	36,750

Notes:

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.
- (2) "Audited related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All other fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

Exemption in Section 6.1

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the "Guidelines") adopted in National Policy 58-201. These Guidelines are not prescriptive, but have

been used by the Company in adopting its corporate governance practices. The Board and Management consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Company's approach to corporate governance is set out below.

Board of Directors

Management is nominating five individuals to the Board, all of whom are current directors of the Company.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as "independent" directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Company. The "material relationship" is defined as a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a director's independent judgement. All of the current members of the Board are considered "independent" within the meaning of NI 52-110, except for Brad Rogers, who is the CEO of the Company and Johannes (Theo) van der Linde who is the CFO of the Company.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to Management, evaluate Management, set policies appropriate for the business of the Company and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Company is delegated by the Board to the CEO and the President. The Board will give direction and guidance through the President and CEO to Management and will keep Management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board recommends nominees to the shareholders for election as directors, and immediately following each annual general meeting appoints an Audit Committee and, going forward, will appoint a Compensation Committee and the chairperson of each committee. The Board establishes and periodically reviews and updates the committee mandates, duties and responsibilities of each committee, elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the CEO, CFO and President of the Company and establishes the duties and responsibilities of those positions and on the recommendation of both the CEO and the President, appoints the senior officers of the Company and approves the senior management structure of the Company.

The Board exercises its independent supervision over management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board. The Board shall meet not less than three times during each year and will endeavour to hold at least one meeting in each fiscal quarter. The Board will also meet at any other time at the call of the President, or subject to the Articles of the Company, of any director.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia) (the "**Act**"), is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees.

Directorships

The following directors of the Company are also directors of other reporting issuers as stated:

- Brendan Purdy is a director of Conscience Capital Inc., Rotonda Ventures Corp., Supreme Metals Corp., and Organic Flower Investments Group Inc.
- Johannes (Theo) van der Linde is a director of MegumaGold Corp., Slam Exploration Ltd., Elcora Advanced Materials Corp., Organic Flower Investments Group Inc. and Boksborg Ventures Inc.

Orientation and Continuing Education

The Board's practice is to recruit for the Board persons with extensive experience in the cannabis sector and in public company matters. Prospective new board members are provided a reasonably detailed level of background information, verbal and documentary, on the Company's affairs and plans prior to obtaining their consent to act as a director.

The Board provides training courses to the directors as needed, to ensure that the Board is complying with current legislative and business requirements.

Ethical Business Conduct

The Board encourages and promotes a culture of ethical business conduct through communication and supervision as part of their overall stewardship responsibility. In addition, the Board has adopted a Corporate Conduct and Code of Ethics Policy (the “Code”) to be followed by the Company’s directors, officers, employees and principal consultants and those of its subsidiaries. The Code is also to be followed, where appropriate, by the Company’s agents and representatives, including consultants where specifically required. The purpose of the Code is to, among other things, promote honest and ethical conduct, avoid conflict of interest, protect confidential information and comply with the applicable government laws and securities rules and regulations.

Nomination of Directors

The Board identifies new candidates for board nomination by an informal process of discussion and consensus-building on the need for additional directors, the specific attributes being sought, likely prospects, and timing. Prospective directors are not approached until consensus is reached. This process takes place among the Chairman and a majority of the non-executive directors.

Compensation Committee

The text of the Compensation Committee’s charter is attached as Schedule “B” to this Circular.

The Compensation Committee will operate under supervision of the Board and will have overall responsibility for reviewing and recommending the compensation of the Company’s CEO, other executive officers and key employees, overseeing the Company’s compensation and benefits policies, plans and programs and general oversight of the Company’s compensation structure. The Compensation Committee will be appointed annually by the Board of Directors and will consist of a minimum of three directors, a majority of whom will be independent.

Meetings of the Compensation Committee shall occur as often as considered necessary or appropriate and shall generally occur without the presence of management. The CEO may not be present for any portion of any meeting at which the compensation of the CEO is being deliberated or voted upon.

Assessments

The Board annually reviews its own performance and effectiveness as well as the effectiveness and performance of its committees. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by other Board members, bearing to mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board monitors the adequacy of information given to directors, communication between Board and Management and the strategic direction and processes of the Board and its committees.

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and operations. The Company’s corporate governance practices allow the Company to operate efficiently, with checks and balances that control and monitor Management and corporate functions without excessive administration burden.

PARTICULARS OF MATTERS TO BE ACTED UPON

APPROVAL AND RATIFICATION OF 20% ROLLING STOCK OPTION INCENTIVE PLAN

At the Meeting, shareholders will be asked to consider, and if thought advisable, to approve by way of ordinary resolution, approval of a 20% rolling stock option plan (the “**2020 Option Plan**”), a copy of which is attached hereto as Schedule “C”.

The Board has, by resolution, adopted the 2020 Option Plan to replace the existing stock option incentive plan (the “**2018 Option Plan**”) and proposes to implement it upon receipt of approval of the 2020 Option Plan by the shareholders. The 2020 Option Plan is substantively similar to the 2018 Option Plan except that it increases the number of Shares reserved under it. The number of Shares proposed to be granted under the 2020 Plan is a maximum of 20% of the issued and outstanding Shares at the time of grant. Upon the 2020 Option Plan receiving shareholder approval, the 2020 Option Plan will be implemented and all of the options presently governed by the 2018 Option Plan will thereafter be governed by the 2020 Option Plan and the 2018 Option Plan will terminate.

Management believes the new 2020 Option Plan will provide the Company with a sufficient number of Shares issuable under the 2020 Option Plan to fulfill the purpose of the 2020 Option Plan, namely, to secure for the Company and its shareholders the benefits of incentive inherent in share ownership by the directors, officers, key employees and consultants of the Company who, in the judgment of the Board, will be largely responsible for its future growth and success.

Approval Requirements

As, in certain circumstances, approval of the 2020 Option Plan by Disinterested Shareholders (as hereafter defined) may be required, we believe it prudent to seek Disinterested Shareholder approval of the 2020 Option Plan at the Meeting.

Shareholders who are not Related Persons (as defined above) entitled to benefit under the 2020 Option Plan (the “**Disinterested Shareholders**”) will be asked at the Meeting to approve implementation of the 2020 Option Plan. As at the date of this Circular and based on the information available to us, votes attaching to an aggregate 5,628,000 Shares and 5,628,000 Series 2 Shares held by the directors and officers of the Company entitled to benefit under the 2020 Option Plan are not eligible to vote on the resolution to approve implementation of the 2020 Option Plan.

Accordingly, at the Meeting, Shareholders are being asked to consider and, if thought advisable, approve an ordinary resolution in the following form:

“BE IT RESOLVED THAT:

- (1) the 2020 Option Plan of the Company, approved by the directors of the Company on July 27, 2020, substantially in the form attached at Schedule “C” to the Circular of the Company dated August 5, 2020, be and the same is hereby ratified, confirmed and approved;
- (2) any director or officer be and is hereby authorized to amend the 2020 Option Plan should such amendments be required by applicable regulatory authorities; and
- (3) any one director or officer of the Company be and is hereby authorized and directed to do all such things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution.”

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the approval of the 2020 Option Plan. The directors of the Company recommend that shareholders vote in favour of the approval of the 2020 Option Plan. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

Following approval of the 2020 Option Plan by the Company’s Disinterested Shareholders, further shareholder approval will not be required for option grants made under the 2020 Option Plan.

APPROVAL AND RATIFICATION OF RESTRICTED SHARE UNIT

On July 27, 2020, the Board implemented and adopted a restricted share unit plan (the “**2020 RSU Plan**”), reserving for issuance, combined with any equity securities granted under all other compensation arrangements adopted by the Company, including the 2020 Option Plan, a maximum of 20% of the issued and outstanding Shares at the time of grant.

At the Meeting, shareholders will be asked to consider, and if thought advisable, to ratify, confirm and approve by way of ordinary resolution, a restricted share unit plan (the “**2020 RSU Plan**”), a copy of which is attached hereto as Schedule “D”.

The Board has, by resolution, adopted the 2020 RSU Plan and proposes to implement it upon receipt of approval of the shareholders.

The Company has reserved for issuance a maximum of 20% of the issued and outstanding Shares at the time of grant, combined with any equity securities granted under all other compensation arrangements adopted by the Company, including the 2020 Option Plan.

Approval Requirements

As, in certain circumstances, approval of the 2020 RSU Plan by Disinterested Shareholders (as hereafter defined) may be required, we believe it prudent to seek Disinterested Shareholder approval of the 2020 RSU Plan at the Meeting.

Shareholders who are not Related Persons (as defined above) entitled to benefit under the 2020 RSU Plan (the “**Disinterested Shareholders**”) will be asked at the Meeting to approve implementation of the 2020 RSU Plan. As at the date of this Circular and based on the information available to us, votes attaching to an aggregate 5,628,000 Shares and 5,628,000 Series 2 Shares held by the directors and officers of the Company entitled to benefit under the 2020 RSU Plan are not eligible to vote on the resolution to approve implementation of the 2020 RSU Plan.

At the Meeting, Disinterested Shareholders will be asked to pass a resolution approving the 2020 RSU Plan, a copy of which is attached hereto as Schedule “D”.

Accordingly, at the Meeting, Disinterested Shareholders are being asked to consider and, if thought advisable, approve an ordinary resolution in the following form:

“BE IT RESOLVED THAT:

- (1) the 2020 RSU Plan, approved by the directors of the Company on July 27, 2020, substantially in the form attached at Schedule “D” to the Circular of the Company dated August 5, 2020, be and the same is hereby ratified, confirmed and approved;
- (2) any director or officer be and is hereby authorized to amend the 2020 RSU Plan of the Company should such amendments be required by applicable regulatory authorities; and
- (3) any one director or officer of the Company be and is hereby authorized and directed to do all such things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution.”

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the approval of the 2020 RSU Plan. The directors of the Company recommend that shareholders vote in favour of the approval of the 2020 RSU Plan. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast by Disinterested Shareholders at the Meeting.

General Matters

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Financial information about the Company is provided in the Company’s comparative annual financial statements to July 31, 2019, copies of which, together with Management’s Discussion and Analysis thereon, can be found on the Company’s SEDAR profile at www.sedar.com. Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company, at Suite 810 - 789 West Pender Street, Vancouver, British Columbia, V6C 1H2 or by telephone at 604-687-2038.

BOARD APPROVAL

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 5th day of August, 2020.

ON BEHALF OF THE BOARD

Signed: "**Brad Rogers**"

Brad Rogers

Chief Executive Officer

RED WHITE & BLOOM BRANDS INC.

Schedule "A"
Audit Committee Charter

(SEE ATTACHED)

RED WHITE & BLOOM BRANDS INC.

**Schedule “B”
Compensation Committee Charter**

(SEE ATTACHED)

RED WHITE & BLOOM BRANDS INC.

Schedule "C"
2020 Stock Option Plan

(SEE ATTACHED)

RED WHITE & BLOOM BRANDS INC.

**Schedule “D”
2020 Restricted Share Unit Plan**

(SEE ATTACHED)

Audit Committee Charter

The following Audit Committee Charter was adopted by the Audit Committee of the Board of Directors and the Board of Directors of RED WHITE & BLOOM BRANDS INC. (the “Company”):

Mandate

The primary function of the audit committee (the “Committee”) is to assist the Company’s Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements;
- review and appraise the performance of the Company’s external auditors; and
- provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors.

Composition

The Committee shall be comprised of a minimum three directors as determined by the Board of Directors. If the Company ceases to be a “venture issuer” (as that term is defined in National Instrument 51-102), then all of the members of the Committee shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

If the Company ceases to be a “venture issuer” (as that term is defined in National Instrument 51-102), then all members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company’s Audit Committee Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports Review
 - (a) review and update Audit Committee Charter annually, and
 - (b) review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.
 2. External Auditors
 - (a) review annually, the performance of the external auditors who shall be ultimately accountable to the Company's Board of Directors and the Committee as representatives of the shareholders of the Company;
 - (b) obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1;
 - (c) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
 - (d) take, or recommend that the Company's full Board of Directors take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
 - (e) recommend to the Company's Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
 - (f) recommend to the Company's Board of Directors the compensation to be paid to the external auditors;
 - (g) at each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
 - (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
 - (i) review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
 - (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
-

- (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided,
- (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services, and
- (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

3. Financial Reporting Processes

- (a) in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;
 - (b) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
 - (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
 - (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;
 - (e) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
 - (f) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
 - (g) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
 - (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
 - (i) review certification process;
-

- (j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

4. Other

- (a) review any related-party transactions;
- (b) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- (c) to set and pay compensation for any independent counsel and other advisors employed by the Committee.

RED WHITE & BLOOM BRANDS INC. (THE "COMPANY")**COMPENSATION COMMITTEE CHARTER****1. PURPOSE**

1.1 The Compensation Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Red White & Bloom Brands Inc. (the "**Company**"), under the supervision of the Board, shall have the overall responsibility for:

- A.** reviewing and recommending the compensation of the Company's Chief Executive Officer ("**CEO**"), other executive officers and key employees (collectively, the "**Management**");
- B.** overseeing the Company's compensation and benefits policies, plans and programs;
- C.** general oversight of the Company's compensation structure; and such other additional specific duties and responsibilities as are set out herein.

The term "compensation" shall include salary, incentive and equity compensation, bonuses, severance arrangements and other compensatory benefits or rights received under the Company's benefit plans.

2. COMMITTEE COMPOSITION

The membership of the Compensation Committee shall be as follows:

The Compensation Committee, appointed annually by members of the Board, shall consist of a minimum of three members of the Board, the majority of whom will be independent.

The Board will elect, by a majority vote, one Committee member to serve as Chairman of the Committee (the "**Chairman**") for a one-year term.

Committee members may serve on the Committee for consecutive terms.

A member may resign from the Committee. Vacancies shall be filled by appointment from among the independent members of the Board.

3. MEETINGS

The Committee shall meet as often as may be considered necessary or appropriate, in its judgment, and will report regularly to the full Board with respect to its activities.

The Committee may meet either in person, by teleconferencing, or by videoconferencing, at such times and place as determined by the Chairman.

A majority of the members of the Committee, present in person, by teleconferencing, or by videoconferencing will constitute a quorum.

Meetings will be generally conducted without the presence of members of management.

The CEO may not be present for any portion of any meeting at which the compensation of the CEO is being deliberated or voted upon.

Minutes of the Committee meetings will be kept, filed in the Company's minute book and distributed to each member of the Committee and the Board.

4. RESPONSIBILITIES

Subject to the powers and duties of the Board, the Board hereby delegates to the Committee the following powers and duties to be performed by the Committee on behalf of and for the Board:

A. Compensation of CEO, Other Executive Officers and Key Employees

On an annual basis, or more frequently, if deemed necessary by the Committee or requested by the Board, review and recommend corporate goals and objectives concerning the CEO and other executive officers' compensation;

Evaluate the CEO's, other executive officers' and key employees' performance against these corporate goals and objectives;

Determine and recommend the CEO's, other executive officers' and key employees' compensation and benefits plans based on this evaluation;

Review and recommend to the Board the overall compensation of each newly elected executive officer and key employee, including all employment related and severance agreements; and

Evaluate on a periodic basis the competitiveness of the remuneration packages for Management.

B. Board of Directors Compensation

Review annually, or more frequently if deemed necessary by the Committee or requested by the Board, and recommend to the Board for its approval, the compensation paid to directors who serve on the Board or its committees, including any retainer, chair fees, and equity compensation, in accordance with regulatory limitations. These recommendations should take into account national and industry-wide compensation practices and trends for comparable companies.

C. Company Compensation

Oversee and evaluate the Company's general compensation structure and policies to attract, award, develop and retain Management and other employees;

Review and approve annually the compensation adjustments for non-Management employees; and

Evaluate on a periodic basis the competitiveness of the compensation plan to non-Management employees.

D. Administration of Plans

Review and administer the Company's stock option plan and other equity-based and incentive compensation plans (the "Plans") and make recommendations to the Board as appropriate;

Evaluate on a periodic basis the competitiveness of the Plans established and make recommendations for improvement as appropriate;

Evaluate the use of the Plans, from time to time, as a form of incentive compensation for external consultants, subject to applicable laws and regulations; and

Monitor the compliance of these plans with applicable laws and regulations.

E. Public Disclosure of Executive Compensation

Review all disclosure of executive compensation, including compensation philosophy, prior to public release; and

Prepare any executive compensation report required by regulatory requirements for inclusion in the Company's annual report, proxy statement, information circular or other regulatory filings.

F. Committee Assessment

Evaluate as required the performance of the Committee in light of the roles and responsibilities outlined in this Charter.

G. Charter Evaluation

Review, discuss and assess annually this Charter and recommend changes to the Board for approval.

H. Experts and Advisors

The Committee may retain or appoint, at the Company's expense, internal or external legal, accounting or other advisors and consultants to assist it in carrying out its duties. The Committee shall have the authority to terminate such arrangements as appropriate.

I. General Authority

The Committee may form and delegate authority to subcommittees as appropriate; and

The Committee shall also have such other powers and duties as are delegated to it by the Board.

RED WHITE & BLOOM BRANDS INC.

20% ROLLING STOCK OPTION PLAN

ADOPTED ON JULY 27, 2020

TABLE OF CONTENTS

ARTICLE I.	DEFINITIONS AND INTERPRETATION	2
1.01	DEFINITIONS.....	2
1.02	CHOICE OF LAW.....	3
1.03	HEADINGS	3
ARTICLE II.	PURPOSE AND PARTICIPATION	4
2.01	PURPOSE	4
2.02	PARTICIPATION	4
2.03	NOTIFICATION OF AWARD	4
2.04	COPY OF PLAN	4
2.05	LIMITATION	4
ARTICLE III.	TERMS AND CONDITIONS OF OPTIONS	4
3.01	BOARD TO ALLOT SHARES	4
3.02	NUMBER OF SHARES	5
3.03	TERM OF OPTION.....	5
3.04	TERMINATION OF OPTION	5
3.05	EXERCISE PRICE	6
3.06	REDUCTION IN EXERCISE PRICE	6
3.07	ASSIGNMENT OF OPTIONS	6
3.08	ADJUSTMENTS	6
3.09	VESTING.....	7
3.10	HOLD PERIODS	7
ARTICLE IV.	EXERCISE OF OPTION	8
4.01	EXERCISE OF OPTION	8
4.02	EXERCISE RESTRICTIONS.....	8
4.03	ISSUE OF SHARE CERTIFICATES.....	8
4.04	CONDITION OF ISSUE	8
ARTICLE V.	ADMINISTRATION	8
5.01	ADMINISTRATION	8
5.02	INTERPRETATION.....	9
ARTICLE VI.	AMENDMENT AND TERMINATION	9
6.01	PROSPECTIVE AMENDMENT	9
6.02	RETROSPECTIVE AMENDMENT	9
6.03	TERMINATION	9
6.04	AGREEMENT	9
ARTICLE VII.	APPROVALS REQUIRED FOR PLAN.....	9
7.01	APPROVALS REQUIRED FOR PLAN	9
7.02	SUBSTANTIVE AMENDMENTS TO PLAN.....	10

ARTICLE I.
DEFINITIONS AND INTERPRETATION

1.01 DEFINITIONS

As used herein, unless anything in the subject matter or context is inconsistent therewith, the following terms shall have the meanings set forth below:

“**Administrator**” means the person as may be designated as Administrator by the Board from time to time;

“**Affiliate**” means a corporation that is affiliated with the Company because (i) one of them is the subsidiary of the other; or (ii) each of them is controlled by the same individual or corporation;

“**Applicable Laws**” means all legal requirements relating to the administration of stock option plans, if any, under applicable corporate laws, any applicable state or provincial securities laws, the rules and regulations promulgated thereunder, and the requirements of the Exchange, and the laws of any foreign jurisdiction applicable to Options granted to residents therein;

“**Award Date**” means the date on which the Board grants a particular Option; “**Board**” means the board of directors of the Company;
“**Company**” means Red White & Bloom Brands Inc. or any “affiliate” thereof (as defined in the Securities Act);

“**Consultant**” means an individual or Consultant Company other than an Employee or a Director of the Company, that (i) provides ongoing consulting, technical, management or other services to the Company or to an Affiliate of the Company; (ii) provides the services under a written contract between the Company or the Affiliate and the individual or the Consultant Company; (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company;

“**Consultant Company**” means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;

“**Director**” means directors, senior officers and Management Company Employees of the Company;

“**Earlier Termination Date**” means the date determined in accordance with section 3.4 after which a particular Option cannot be exercised;

“**Employee**” means (i) an individual considered an employee of the Company or a subsidiary under the *Income Tax Act* (Canada) (i.e. for whom income tax and other deductions are made by the Company); (ii) an individual who works full-time for the Company or a subsidiary providing services normally provided by an employee but for whom income tax and other deductions are not made; (iii) an individual who works for the Company or a subsidiary on a continuing and regular basis for a minimum amount of time per week, but for whom income tax and other deductions are not made; and (iv) other persons who are providing, have provided, or have agreed to provide a service of value to the Company or a subsidiary;

“**Exchange**” means the CSE Exchange or successor stock exchange;

“Exercise Notice” means the notice respecting the exercise of an Option, in the form set out as Schedule

“B” hereto, duly executed by the Option Holder;

“Exercise Period” means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date;

“Exercise Price” means the price at which an Option may be exercised as determined in accordance with section 3.5;

“Expiry Date” means the date determined in accordance with section 3.3 after which a particular Option cannot be exercised;

“Investor Relations Activities” has the same meaning given to it under Policy 1.1 of the CSE Exchange Corporate Finance Manual and Policies;

“Management Company Employee” means an individual employed by a corporation providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person engaged in Investor Relations Activities;

“Option” means an option to acquire Shares awarded pursuant to the Plan;

“Option Certificate” means the certificate, substantially in the form set out as Schedule “A” hereto, evidencing an Option;

“Option Holder” means a person who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person;

“Personal Representative” means (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder;

“Plan” means this amended and restated stock option plan;

“Securities Act” means the *Securities Act* (British Columbia); and

“Share” or **“Shares”** means, as the case may be, one or more common shares without par value in the capital of the Company.

1.02 CHOICE OF LAW

The Plan is established under, and the provisions of the Plan shall be interpreted and construed solely in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

1.03 HEADINGS

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

**ARTICLE II.
PURPOSE AND PARTICIPATION**

2.01 PURPOSE

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate Directors, Employees and Consultants, to reward such of those persons by the grant of Options under the Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such persons to acquire Shares as long term investments.

2.02 PARTICIPATION

The Board shall, from time to time, in its sole discretion determine those Directors, Employees and/or Consultants, if any, to whom Options are to be awarded. If the Board elects to award an Option to a Director or Consultant, the Board shall, in its sole discretion but subject to section 3.2, determine the number of Shares to be acquired on the exercise of such Option. If the Board elects to award an Option to an Employee, the number of Shares to be acquired on the exercise of such Option shall be determined by the Board in its sole discretion but subject to section 3.2, and in so doing the Board may take into account the following criteria:

- (a) the Employee's remuneration as at the Award Date in relation to the total remuneration payable by the Company to all of its Employees as at the Award Date;
- (b) the length of time that the Employee has provided services to the Company;
and
- (c) the nature and quality of work performed by the Employee.

In the case of Options awarded to Employees, Consultants or Management Company Employees, the Company will be deemed to have represented that the recipient is a bona fide Employee, Consultant or Management Company Employee.

**2.03 NOTIFICATION OF
AWARD**

Following the approval by the Board of the awarding of an Option, the Option Holder shall be notified of the award and given an Option Certificate representing the Option so awarded.

**2.04 COPY OF
PLAN**

Each Option Holder, concurrently with the notice of the award of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided to each Option Holder.

2.05 LIMITATION

The Plan does not give any Option Holder the right to continue to be employed or engaged by the Company.

**ARTICLE III.
TERMS AND CONDITIONS OF OPTIONS**

**3.01 BOARD TO ALLOT
SHARES**

The Shares to be issued to Option Holders upon the exercise of Options shall be allotted and authorized for issuance by the Board prior to the exercise thereof.

3.02 NUMBER OF SHARES

The maximum number of Shares reserved for issuance under the Plan at any one time shall not exceed at any time 20% of the then-issued and outstanding Shares.

The total number of Options awarded to any one individual in any 12 month period shall not exceed 5% of the issued and outstanding Shares as at the Award Date (unless the Company becomes a Tier 1 issuer of the Toronto Stock Exchange or Toronto Stock Exchange – Venture (a “**Tier 1 Issuer**”) and has obtained disinterested shareholder approval).

The total number of Options awarded to any one Consultant in a 12 month period shall not exceed 2% of the issued and outstanding Shares as at the Award Date. The total number of Options awarded in any 12 month period to Employees performing investor relations activities for the Company shall not exceed 2% of the issued and outstanding Shares as at the Award Date.

3.03 TERM OF OPTION

Subject to section 3.4, the Expiry Date of an Option shall be the date so fixed by the Board at the time the particular Option is awarded, provided that such date shall not be later than:

- (a) in the case of an Option granted prior to the Shares being listed on the Exchange, the fifth anniversary of the date on which the Shares are listed on the Exchange; or
- (b) in the case of an Option granted after the Shares have been listed on the Exchange, the tenth anniversary of the Award Date of the Option.

3.04 TERMINATION OF OPTION

An Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period provided that, with respect to the exercise of part of an Option, the Board may at any time and from time to time fix a minimum or maximum number of Shares in respect of which an Option Holder may exercise part of any Option held by such Option Holder. Any Option or part thereof not exercised within the Exercise Period shall terminate and become void as of 5:00 p.m. (Vancouver time) on the first to occur of the Expiry Date or the Earlier Termination Date. The Earlier Termination Date shall be the date established, if applicable, in subsections (a) or (b) below.

(a) *Death*

In the event that the Option Holder should die while he or she is still (i) a Director, Consultant or Employee (other than a Consultant or an Employee performing Investor Relations Activities), the Expiry Date shall be 12 months from the date of death of the Option Holder; or (ii) a person performing Investor Relations Activities, the Expiry Date shall be 90 days from the date of death of the Option Holder.

In the event that the Option Holder ceases to be a Director, Employee or Consultant other than by reason of death and ceases to be eligible through another capacity to hold an Option, the Expiry Date of the Option shall be the 30th day following the date the Option Holder ceases to be a Director, Employee or Consultant unless any of the following apply:

- (i) the Option Holder ceases to meet the qualifications for directors prescribed by the corporate legislation to which the Company is then subject and the Option Holder is not eligible through another capacity to hold an Option;
- (ii) the Option Holder ceases to be a director of the Company by reason of a special resolution to that effect having been passed by the members of the Company pursuant to the corporate legislation to which the Company is then subject and the Option Holder is not eligible through another capacity to hold an Option;
- (iii) the Option Holder's relationship with the Company or the Management Company is terminated for cause; or
- (iv) an order of the British Columbia Securities Commission or other regulatory authority having jurisdiction is made prohibiting the Option Holder from holding an Option,

in which case the Earlier Termination Date shall be the date on which any of the above occurs.

3.05 EXERCISE PRICE

The Exercise Price shall be that price per Share, as determined by the Board in its sole discretion, and announced as of the Award Date, at which an Option Holder may purchase a Share upon the exercise of an Option, and if the Shares are then listed on the Exchange, shall not be less than the closing price of the Shares on the Exchange on the day preceding the Award Date, less any discount permitted by the Exchange.

3.06 REDUCTION IN EXERCISE PRICE

Disinterested shareholder approval will be obtained for any reduction in the exercise price of an Option if the Option Holder is an insider of the Company at the time of the proposed amendment.

3.07 ASSIGNMENT OF OPTIONS

Options may not be assigned or transferred, provided however that the Personal Representative of an Option Holder may, to the extent permitted by section 4.1, exercise the Option within the Exercise Period.

3.08 ADJUSTMENTS

If prior to the complete exercise of any Option the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for (collectively the "Event"), an Option, to the extent that it has not been exercised, shall be adjusted by the Board in accordance with such Event in the manner the Board deems appropriate. No fractional Shares shall be issued upon the exercise of the Options and accordingly, if as a result of the Event an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

3.09 VESTING

The following provisions regarding vesting shall apply to the Options:

- (a) For so long as the Company is not classified as a Tier 1 Issuer or equivalent designation on the Exchange, all Options awarded pursuant to the Plan, except in exceptional circumstances as determined by the Board, must contain conditions relating to the vesting of the right to exercise an Option awarded to any Option Holder, which will provide that the right to purchase the Shares under the Option may not be exercised any earlier than six equal quarterly releases over a period of 18 months from the Award Date.

In the event that the classification of the Company on the Exchange is upgraded to that of a Tier 1 Issuer or equivalent designation, or the Shares are no longer listed on the Exchange, the Board may, in its sole discretion at the time the Option is awarded, but will not be required to, impose conditions relating to the vesting of the right to exercise an Option awarded to any Option Holder. The Board may (but will not be required to) accelerate or remove the vesting provisions applying to previously granted Options.

- (b) The Board may grant Options bearing vesting provisions less favourable than those specified in subsections 3.9(a). Notwithstanding the provisions of subsections 3.9(a) and subject to Exchange acceptance, the Board may grant Options bearing vesting provisions more favourable than those specified in subsections 3.9(a).
- (c) Option Certificates will disclose vesting conditions which are as specified by the Board.
- (d) The vesting schedule in subsection 3.9(a) shall be automatically and immediately accelerated such that all remaining Options will then be available for exercise upon the occurrence of a *take over bid* which is a *formal bid*, as those terms are defined under the Securities Act.

3.10 HOLD PERIODS

- (a) If required by Applicable Laws, any Options will be subject to a hold period expiring on the date that is four months and a day after the Date of Grant, and the Option Agreements and the certificates representing any Shares issued prior to the expiry of such hold period will bear a legend in substantially the following form:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITIES REPRESENTED HEREBY MUST NOT TRADE THE SECURITIES BEFORE [INSERT THE DATE THAT IS FOUR MONTHS AND ONE DAY AFTER THE DATE OF GRANT].”

- (b) In addition to any resale restrictions under any Applicable Laws, if the Option Price is set at a Discounted Market Price rather than the Market Price (as defined in Exchange Policies), the Option Agreements and the certificates representing any Shares realized on the exercise thereof will bear the following legend:

“WITHOUT COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [INSERT THE DATE THAT IS FOUR MONTHS AND ONE DAY AFTER THE DATE OF GRANT].”

**ARTICLE IV.
EXERCISE OF OPTION**

**4.01 EXERCISE OF
OPTION**

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part, subject to any applicable exercise restrictions, at any time or from time to time during the Exercise Period up to 5:00 p.m. (Vancouver time) on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft (or other payment method acceptable to the Company) payable to the Company in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

**4.02 EXERCISE
RESTRICTIONS**

The Board may, at the time an Option is awarded or upon renegotiation of the same, attach restrictions relating to the exercise of the Option in addition to the vesting provisions specified in section 3.9. Any such restrictions shall be recorded on the applicable Option Certificate.

**4.03 ISSUE OF SHARE
CERTIFICATES**

As soon as practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares so purchased bearing such legends denoting trading restrictions as may be required by applicable securities laws and/or the Exchange. It is the Option Holder's responsibility to comply with any such trading restrictions. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall forward a new Option Certificate to the Option Holder concurrently with delivery of the aforesaid share certificate for the balance of the Shares available under the Option.

**4.04 CONDITION OF
ISSUE**

The issue of Shares by the Company pursuant to the exercise of an Option is subject to this Plan and compliance with the laws, rules and regulations of all regulatory bodies applicable to the issuance and distribution of such Shares and to the listing requirements of any stock exchange or exchanges on which the Shares may be listed. The Option Holder agrees to comply with all such laws, rules and regulations and agrees to furnish to the Company any information, report and/or undertakings required to comply with and to fully cooperate with the Company in complying with such laws, rules and regulations.

**ARTICLE V.
ADMINISTRATION**

**5 0 1
ADMINISTRATION**

The Plan shall be administered by the Administrator on the instructions of the Board or such committee of the Board authorized to act in respect of matters relating to the Plan. The Board or such committee may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations shall form part of the Plan. The Board may delegate to the Administrator or any other person such administrative duties and powers as it may see fit.

5.02 INTERPRETATION

The interpretation by the Board or its authorized committee of any of the provisions of the Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by the Board hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

ARTICLE VI. AMENDMENT AND TERMINATION

6.01 PROSPECTIVE AMENDMENT

Subject to applicable regulatory approval, the Board may from time to time amend the Plan and the terms and conditions of any Option thereafter to be awarded and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any relevant law, rule or regulation applicable to the Plan, any Option or the Shares, or for any other purpose which may be permitted by all relevant laws, rules and regulations, provided always that any such amendment shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to such amendment.

6.02 RETROSPECTIVE AMENDMENT

Subject to applicable regulatory approval, the Board may from time to time retrospectively amend the Plan and may also, with the consent of the affected Option Holders, retrospectively amend the terms and conditions of any Options which have been previously awarded.

6.03 TERMINATION

The Board may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination and notwithstanding such termination the Company, such Options and such Option Holders shall continue to be governed by the provisions of the Plan.

6.04 AGREEMENT

The Company and every person to whom an Option is awarded hereunder shall be bound by and subject to the terms and conditions of the Plan.

ARTICLE VII. APPROVALS REQUIRED FOR PLAN

7.01 APPROVALS REQUIRED FOR PLAN

The Plan is subject to shareholder and regulatory approvals if required.

7.02 SUBSTANTIVE AMENDMENTS TO PLAN

For as long as the Company is listed on the Exchange, any substantive amendments to the Plan shall be subject to the Company first obtaining the necessary approvals of:

- (a) the shareholders of the Company; and
- (b) the Exchange.

Schedule A

RED WHITE & BLOOM BRANDS INC.

STOCK OPTION PLAN
OPTION
CERTIFICATE

[If the Option is granted at a discount to the Market Price, insert the following hold period legend: Without compliance with all applicable securities legislation, the securities issued upon the exercise of the Option granted herein may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of a Canadian Stock Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until (four months and one day after the date of grant).]

[If the Option is granted to an Insider, insert the following hold period legend: Unless permitted under securities legislation, the holder of the securities represented hereby must not trade the securities before (four months and one day after the date of grant)].

This certificate is issued pursuant to the provisions of the RED WHITE & BLOOM BRANDS INC. (the "Company") Stock Option Plan (the "Plan") and evidences that _____ is the holder of an option (the "Option") to purchase up to _____ common shares (the "Shares") in the capital stock of the Company at a purchase price of \$____per Share. Subject to the provisions of the Plan:

(a) the Award Date of this Option is _____, and

(b) the Expiry Date of this Option is _____.

Applicable Vesting or Other Restrictions

The Options will vest to the Optionee, and be eligible to be exercised on the basis of not more than one-sixth of the number of Options granted every three months following the Award Date (expiring 18 months from the Award Date).

This Option may be exercised in accordance with its terms at any time and from time to time from and including the Award Date through to and including up to 5:00 p.m. (Vancouver time) on the Expiry Date, by delivering to the Administrator of the Plan an Exercise Notice, in the form provided in the Plan, together with this certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

RED WHITE & BLOOM BRANDS
INC.

by its authorized
signatory:

NAME, TITLE

**Schedule B
EXERCISE
NOTICE**

To: The Administrator, Stock Option
Plan

RED WHITE & BLOOM BRANDS INC.

The undersigned hereby irrevocably gives notice, pursuant to the RED WHITE & BLOOM BRANDS INC. (the "Company") Stock Option Plan (the "Plan"), of the exercise of the Option to acquire and hereby subscribes for **(cross out inapplicable item)**:

- (a) all of the Shares; or
- (b) _____ of the Shares, which are the subject of the Option Certificate attached hereto.

Calculation of total Exercise
Price:

- | | | |
|------|--|--------------|
| (i) | number of Shares to be acquired on exercise: | _____ Shares |
| (ii) | times the Exercise Price per Share: | \$ _____ |
| | TOTAL EXERCISE PRICE, enclosed herewith: | \$ _____ |

The undersigned tenders herewith a certified cheque or bank draft **(circle one)** in the amount of \$ _____ payable to the Company in an amount equal to the total Exercise Price of theaforesaid Shares, as calculated above, and directs the Company to issue the share certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address:

DATED the day of , 20 .

Signature of Witness

Signature of Option Holder

Name of Witness (please print)

Name of Option Holder (please print)

**RESTRICTED SHARE UNIT PLAN OF
RED WHITE & BLOOM BRANDS INC. (effective as of July 27, 2020)
PART 1
GENERAL PROVISIONS**

Establishment and Purpose

1.1 The Company hereby establishes a Restricted Share Unit plan, in this document referred to as the “Plan”.

1.2 The purpose of the Plan is to secure for the Company and its shareholders the benefits of incentive inherent in share ownership by Eligible Persons who, in the judgment of the Board, will be responsible for its future growth and success. The Board also contemplates that through the Plan, the Company will be better able to compete for and retain the services of the individuals needed for the continued growth and success of the Company.

1.3 Restricted Share Units granted pursuant to this Plan will be used to compensate Eligible Persons who have forgone salary to assist the Company in cash management in exchange for the grant of Restricted Share Units and incentive stock options under the Company’s stock option plan.

Definitions

1.4 In this Plan:

- (a) “Applicable Withholding Tax” means any and all taxes and other source deductions or other amounts which the Company is required by Applicable Law to withhold from any amounts paid or credited to a Participant under the Plan, which the Company determines to withhold in order to fund remittance obligations;
 - (b) “Award” means an award of Restricted Share Units under this Plan represented by a Restricted Share Unit Notice;
 - (c) “Award Payout” means the applicable Share issuance in respect of a vested Restricted Share Unit pursuant and subject to the terms and conditions of this Plan and the applicable Award;
 - (d) “Board” means the board of directors of the Company;
 - (e) “Business Day” means means a day upon which the Canadian Securities Exchange is open for trading;; (f) “Code” means the U.S. Internal Revenue Code of 1986, as amended;
 - (g) “Committee” means the Compensation Committee of the Board or other committee of the Board, consisting of not less than three directors, to whom the authority of the Board is delegated in accordance with Section 1.8 hereof;
 - (h) “Consultant” means an individual or Consultant Company other than an Employee or a Director of the Company, that (i) provides ongoing consulting, technical, management or other services to the Company or to an Affiliate of the Company; (ii) provides the services under a written contract between the Company or the Affiliate and the individual or the Consultant Company; (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company;
 - (i) “Company” means Red White & Bloom Brands Inc., and includes any successor Company thereto; (j) “Director” means a member of the Board;
 - (k) “Eligible Person” means any person who is an Employee, Officer, Director or a Management Company Employee or a Consultant;
 - (l) “Employee” means an employee of the Company or of a Related Entity;
 - (m) “Expiry Date” means the earlier of (i) five (5) years from the date of vesting of a Restricted Share Unit, and (ii) ten (10) years from the Grant Date;
 - (n) “Grant Date” means the date of grant of any Restricted Share Unit;
 - (o) “Insider” means has the meaning ascribed to that term pursuant to the British Columbia Securities Act;
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- (p) “Management Company Employee” means an individual employed by a corporation providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person engaged in Investor Relations Activities;
- (q) “Officer” means an individual who is an officer of the Company or of a Related Entity as an appointee of the Board or the board of directors of the Related Entity, as the case may be;
- (r) “Outstanding Issue” means the number of Shares outstanding on a non-diluted basis;
- (s) “Participant” means an Eligible Person who may be granted Restricted Share Units from time to time under this Plan;
- (t) “Plan” means this Restricted Share Unit Plan, as amended from time to time;
- (u) “Restricted Share Unit” means a right granted under this Plan to receive the Award Payout on the terms contained in this Plan as more particularly described in Section 4.1 hereof;
- (v) “Related Entity” means a person that is controlled by the Company. For the purposes of this Plan, a person (first person) is considered to control another person (second person) if the first person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of
 - (i) ownership of or direction over voting securities in the second person, (ii) a written agreement or indenture,
 - (iii) being the general partner or controlling the general partner of the second person, or
 - (iv) being a trustee of the second person;
- (w) “Required Approvals” has the meaning contained in Section 64.1 hereof;
- (x) “Securities Act” means the *Securities Act* (Ontario), as amended from time to time;
- (y) “Share” means a common share in the capital of the Company as from time to time constituted;
- (z) “Total Disability” means, with respect to a Participant, that, solely because of disease or injury, within the meaning of the long-term disability plan of the Company, the Participant, is deemed by a qualified physician selected by the Company to be unable to work at any occupation which the Participant, is reasonably qualified to perform;
- (aa) “Trigger Date” means the date a Participant requests the issuance of Shares, pursuant to a Trigger Notice, issuable upon vesting of an Award and prior to the Expiry Date;
- (bb) “Trigger Notice” means the notice respecting the issuance of Shares pursuant to vested Restricted Share Unit(s), substantially in the form attached to Restricted Share Unit Notice, duly executed by the Participant; and

Interpretation

- 1.5 For all purposes of this Plan, except as otherwise expressly provided or unless the context otherwise requires:
- (a) any reference to a statute shall include and shall, unless otherwise set out herein, be deemed to be a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulations that may be passed which has the effect of supplementing or superseding such statute or such regulations;
 - (b) the singular includes the plural and vice-versa, and a reference to any of the feminine, masculine or neuter includes the other two;
 - (c) any reference to “consent” or “discretion” of any person shall be construed as meaning that such person may withhold such consent arbitrarily or grant it, if at all, on such terms as the person sees fit, and may exercise all discretion fully and in unfettered manner; and
 - (d) any reference to “including” or “inclusive” shall be construed as not restricting the generality of any foregoing or other provision.

Effective Date

- 1.6 This Plan will be effective on July 27, 2020. The Board may, in its discretion, at any time, and from time to time, issue Restricted Share Units to Eligible Persons as it determines appropriate under this Plan. However, any
-

such issued Restricted Share Units may not be paid out until receipt of the necessary approvals from shareholders of the Company and any applicable regulatory bodies (the “**Required Approvals**”).

Administration

1.7 The Board is authorized to interpret this Plan from time to time and to adopt, amend and rescind rules and regulations for carrying out the Plan. The interpretation and construction of any provision of this Plan by the Board shall be final and conclusive. Administration of this Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

Delegation to Committee

1.8 All of the powers exercisable hereunder by the Board may, to the extent permitted by law and as determined by a resolution of the Board, be delegated to a Committee including, without limiting the generality of the foregoing, those referred to under §1.7 and all actions taken and decisions made by the Committee or by such officers in this regard will be final, conclusive and binding on all parties concerned, including, but not limited to, the Company, the Eligible Person, and their legal representatives.

Incorporation of Terms of Plan

1.9 Subject to specific variations approved by the Board all terms and conditions set out herein will be incorporated into and form part of each Restricted Share Unit granted under this Plan.

Maximum Number of Shares

1.10 The aggregate number of Shares that may be reserved for issuance, at any time, under this Plan and under any other share compensation arrangement adopted by the Company, including the Company’s incentive stock option plan(s), shall not exceed up to a maximum of 20% of the issued and outstanding Shares at the time of grant pursuant to awards granted under the 2020 Plans;

1.11 Any Shares subject to a Restricted Share Unit which has been granted under the Plan and which is cancelled or terminated in accordance with the terms of the Plan without being paid out in Shares as provided for in this Plan shall again be available under the Plan.

PART 2 **AWARDS UNDER THIS PLAN**

Eligibility

2.1 Awards will be granted only to Eligible Persons. If any Eligible Person is (pursuant to the terms of his or her employment, engagement or otherwise) subject to a requirement that he or she not benefit personally from an Award, the Committee may (in its discretion, taking into account relevant corporate, securities and tax laws) grant any Award to which such Person would otherwise be entitled to the Person’s employer or to any other entity designated by them that directly or indirectly imposes such requirement on the Person. The Committee shall have the power to determine other eligibility requirements with respect to Awards or types of Awards.

Limitation on Issuance of Shares to Insiders

2.2 Notwithstanding anything in this Plan, the Company shall not issue Shares under this Plan to any Eligible Person who is an Insider of the Company where such issuance would result in:

- (a) the total number of Shares issuable at any time under this Plan to Insiders, or when combined with all other Shares issuable to Insiders under any other equity compensation arrangements then in place, exceeding 10% of the total number of issued and outstanding equity securities of the Company on a non-diluted basis; and
-

- (b) the total number of Shares that may be issued to Insiders during any one year period under this Plan, or when combined with all other Shares issued to Insiders under any other equity compensation arrangements then in place, exceeding 10% of the total number of issued and outstanding equity securities of the Company on a non diluted basis.

PART 3 RESTRICTED SHARE UNITS

Participants

3.1 Restricted Share Units that may be granted hereunder to a particular Eligible Person in a calendar year will (subject to any applicable terms and conditions and the Board's discretion) represent a right to a bonus or similar payment to be received for services rendered by such Eligible Person to the Company or a Related Entity, as the case may be, in the Company's or the Related Entity's fiscal year ending in, or coincident with, such calendar year.

Grant

3.2 The Board may, in its discretion, at any time, and from time to time, grant Restricted Share Units to Eligible Persons as it determines is appropriate, subject to the limitations set out in this Plan, and shall be as set forth in a Restricted Share Unit Notice delivered to such Participant. In making such grants the Board may, in its sole discretion but subject to Section 3.3 hereof, in addition to Performance Conditions set out below, impose such conditions on the vesting of the Awards as it sees fit, including imposing a vesting period on grants of Restricted Share Units.

Vesting

3.3 Except as provided in this Plan, Restricted Share Units issued under this Plan will vest and become subject to a Trigger Notice, only upon the date determined by the Board, or if applicable the Committee, which shall be as set forth in a Restricted Share Unit Notice delivered to such Participant.

Forfeiture and Cancellation Upon Expiry Date

3.4 Restricted Share Units which do not vest and have not been issued on or before the Expiry Date of such Restricted Share Unit will be automatically deemed cancelled, without further act or formality and without compensation.

Account

3.5 Restricted Share Units issued pursuant to this Plan (including fractional Restricted Share Units, computed to three digits) will be credited to a notional account maintained for each Participant by the Company for the purposes of facilitating the determination of amounts that may become payable hereunder. A written confirmation of the balance in each Participant's account will be sent by the Company to the Participant upon request of the Participant.

Adjustments and Reorganizations

3.6 In the event of any dividend paid in shares, share subdivision, combination or exchange of shares, merger, consolidation, spin-off or other distribution of Company assets to shareholders, or any other change in the capital of the Company affecting Shares, the Board, in its sole and absolute discretion, will make, with respect to the number of Restricted Share Units outstanding under this Plan, any proportionate adjustments as it considers appropriate to reflect that change.

Notice and Acknowledgement

3.7 No certificates will be issued with respect to the Restricted Share Units issued under this Plan. Each Participant will, prior to being granted any Restricted Share Units, deliver to the Company a signed acknowledgement substantially in the form of Schedule "A" to this Plan.

PART 4
PAYMENTS UNDER THE RESTRICTED SHARE UNITS

Payment of Restricted Share Units

4.1 Subject to the terms of this Plan and, without limitation, Section 3.3 hereof, the Company will pay out vested Restricted Share Units issued under this Plan and credited to the account of a Participant by issuing (net of any Applicable Withholding Tax) to such Participant, on or before the 10th Business Day following the Trigger Date but no later than the Expiry Date of such vested Restricted Share Unit, an Award Payout of, subject to receipt of the Required Approvals, one Share for such whole vested Restricted Share Unit. Fractional Shares shall not be issued and where a Participant would be entitled to receive a fractional Share in respect of any fractional vested Restricted Share Unit, the Company shall pay to such Participant, in lieu of such fractional Share, cash equal to the Vesting Date Value as at the Trigger Date of such fractional Share. Each Share issued by the Company pursuant to this Plan shall be issued as fully paid and non-assessable.

Award Payout

4.2 Upon the vesting of Restricted Share Units, no Shares will be issued by the Company to the Participant, until the receipt by the Company, on or before 5:00 p.m. (PT) on the Expiry Date of a Trigger Notice.

Effect of Termination of Employment or Engagement, Death or Disability

4.3 If a Participant shall die while employed or retained by the Company, or while an Officer or Director, the Expiry Date of any vested or unvested Restricted Share Units held by the Participant at the date of death, which have not yet been subject to a Trigger Notice and subsequent Award Payout, shall be amended to the earlier of (i) one (1) year after the date of death, and (ii) the Expiry Date of such Award, except that in the event the expiration of the Award is earlier than one (1) year after the date of death, with Required Approvals, the Expiry Date shall be up to one (1) year after the date of death as determined by the Board. Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the Restricted Share Units held by a Participant at the date of death which have not yet vested shall vest immediately upon death.

4.4 If the employment or engagement of a Participant shall terminate with the Company due to Total Disability while the Participant is employed or retained by the Company, the Expiry Date of any vested or unvested Restricted Share Units held by the Participant at the date of his or her termination due to Total Disability, which have not yet been subject to a Trigger Notice and subsequent Award Payout, shall be amended to the earlier of (i) one (1) year after the date of his or her termination due to Total Disability, and (ii) the Expiry Date of such Award, except that in the event the expiration of the Award is earlier than one (1) year after the date of his or her termination due to Total Disability, with Required Approvals, the Expiry Date shall be up to one (1) year after the date of his or her termination due to Total Disability as determined by the Board. Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the Restricted Share Units held by a Participant at the date of his or her termination due to Total Disability which have not yet vested shall vest immediately upon death.

4.5 Subject to Section 4.16 hereof, if a Participant ceases to be an Eligible Person (other than as provided in Section 4.3 or 4.4), the Expiry Date of any vested or unvested Restricted Share Units held by the Participant at the date such Participant ceased to be an Eligible Person, which have not yet been subject to a Trigger Notice and subsequent Award Payout, shall be amended to the earlier of (i) one (1) year after the date such Participant ceased to be an Eligible Person, and (ii) the Expiry Date of such Award. Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the Restricted Share Units held by a Participant on the date the Participant ceased to be an Eligible Person which have not yet vested shall vest immediately upon such date.

4.6 If the employment of an Employee or Consultant is terminated for cause (as determined by the Board) no Restricted Share Units held by such Participant may be subject to a Trigger Notice following the date upon which termination occurred.

Tax Matters and Applicable Withholding Tax

4.7 The Company does not assume any responsibility for or in respect of the tax consequences of the grant to Participants of Restricted Share Units, or payments received by Participants pursuant to this Plan. The Company or relevant Related Entity, as applicable, is authorized to deduct any Applicable Withholding Tax, in such manner (including, without limitation, by selling Shares otherwise issuable to Participants, on such terms as the Company determines) as it determines so as to ensure that it will be able to comply with the applicable provisions of any

federal, provincial, state or local law relating to the withholding of tax or other required deductions, or the remittance of tax or other obligations. The Company or relevant Related Entity, as applicable, may require Participants, as a condition of receiving amounts to be paid to them under this Plan, to deliver undertakings to, or indemnities in favour of, the Company or Related Entity, as applicable, respecting the payment by such Participant's applicable income or other taxes.

4.8 To the extent required by law, the Company shall make adjustments to, and interpret, the Restricted Share Units as required by the U.S. Uniformed Services Employment and Reemployment Rights Act.

PART 5 MISCELLANEOUS

Compliance with Applicable Laws

5.1 The issuance by the Company of any Restricted Share Units and its obligation to make any payments hereunder is subject to compliance with all applicable laws. As a condition of participating in this Plan, each Participant agrees to comply with all such applicable laws and agrees to furnish to the Company all information and undertakings as may be required to permit compliance with such applicable laws. The Company will have no obligation under this Plan, or otherwise, to grant any Restricted Share Unit or make any payment under this Plan in violation of any applicable laws.

The Company intends that the Awards and payments provided for in this Plan either be exempt from Section 409A of the Code, or be provided in a manner that complies with Section 409A of the Code, and any ambiguity herein shall be interpreted so as to be consistent with the intent of this Section 5.1. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on the any person by Section 409A of the Code or damages for failing to comply with Section 409A. Notwithstanding anything contained herein to the contrary, all payments under this Plan to paid or provided at the time of a termination of employment or service will be paid at a termination of employment or service that constitutes a "separation from service" from the Company within the meaning of Section 409A of the Code and the regulations and guidance promulgated thereunder (determined after applying the presumptions set forth in Treas. Reg. Section 1.409A-1(h)(1)). Further, if at the time of a Participant's termination of employment with the Company, the Participant is a "specified employee" as defined in Section 409A of the Code as determined by the Company in accordance with Section 409A of the Code, and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent any accelerated or additional tax under Section 409A of the Code, then the Company will defer the payment hereunder until the date that is at least six (6) months following the Participant's termination of employment with the Company (or the earliest date permitted under Section 409A of the Code).

Non-Transferability

5.2 Restricted Share Units and all other rights, benefits or interests in this Plan are non-transferable and may not be pledged or assigned or encumbered in any way and are not subject to attachment or garnishment, except that if a Participant dies the legal representatives of the Participant will be entitled to receive the amount of any payment otherwise payable to the Participant hereunder in accordance with the provisions hereof.

No Right to Service

5.3 Neither participation in this Plan nor any action under this Plan will be construed to give any Eligible Person or Participant a right to be retained in the service or to continue in the employment of the Company or any Related Entity, or affect in any way the right of the Company or any Related Entity to terminate his or her employment at any time.

Applicable Trading Policies

5.4 The Board and each Participant will ensure that all actions taken and decisions made by the Board or the Participant, as the case may be, pursuant to this Plan comply with any applicable securities laws and policies of the Company relating to insider trading or "blackout" periods.

Successors and Assigns

5.5 This Plan will enure to the benefit of and be binding upon the respective legal representatives of the Eligible Person or Participants.

Plan Amendment

5.6 The Board may amend this Plan as it deems necessary or appropriate, subject to the requirements of applicable laws, but no amendment will, without the consent of any Eligible Person or unless required by law (or for compliance with applicable corporate, securities or tax law requirements or related industry practice), adversely affect the rights of an Eligible Person or Participant with respect to Restricted Share Units to which the Eligible Person or Participant is then entitled under this Plan.

Plan Termination

5.7 The Board may terminate this Plan at any time, but no termination will, without the consent of the Participant or unless required by law, adversely affect the rights of a Participant respect to Restricted Share Units to which the Participant is then entitled under this Plan. In no event will a termination of this Plan accelerate the vesting of Restricted Share Units or the time at which a Participant would otherwise be entitled to receive any payment in respect of Restricted Share Units hereunder.

Governing Law

5.8 This Plan and all matters to which reference is made in this Plan will be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein.

Reorganization of the Company

5.9 The existence of this Plan or Restricted Share Units will not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or to create or issue any bonds, debentures, Shares or other securities of the Company or to amend or modify the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Company, or any amalgamation, combination, merger or consolidation involving the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

No Shareholder Rights

5.10 Restricted Share Units are not considered to be Shares or securities of the Company, and a Participant who is granted Restricted Share Units will not, as such, be entitled to receive notice of or to attend any shareholders' meeting of the Company, nor entitled to exercise voting rights or any other rights attaching to the ownership of Shares or other securities of the Company, and will not be considered the owner of Shares by virtue of such issuance of Restricted Share Units.

No Other Benefit

5.11 No amount will be paid to, or in respect of, an Eligible Person under this Plan to compensate for a downward fluctuation in the fair market value or price of a Share, nor will any other form of benefit be conferred upon, or in respect of, an Eligible Person for such purpose.

Unfunded Plan

5.12 For greater certainty, the crediting of any Award to the notional accounts set out in this Plan for any Participant does not confer any entitlement, benefits, or any rights of a similar nature or otherwise, aside from the rights expressly set out in this Plan, and this Plan will be an unfunded plan, including for tax purposes and for purposes of the *Employee Retirement Income Security Act* (United States). Any Participant to which Restricted Share Units are credited to his or her account or holding Restricted Share Units or related accruals under this Plan will have the status of a general unsecured creditor of the Company with respect to any relevant rights that may arise thereunder.

SCHEDULE "A"
RED WHITE & BLOOM BRANDS INC.
RESTRICTED SHARE UNIT PLAN
RESTRICTED SHARE UNIT NOTICE

Red White & Bloom Brands Inc. (the "**Company**") hereby confirms the grant to the undersigned (the "**Participant**") of Restricted Share Units ("**Units**") described in the table below pursuant to the Company's Restricted Share Unit Plan (the "**Plan**"), a copy of which Plan has been provided to the undersigned Participant.

Capitalized terms not specifically defined in this Notice have the respective meanings ascribed to them in the Plan.

Grant Date	No. of Units	Vesting	Expiry Date

The Participant may elect to have Shares issued pursuant to the foregoing Units at any time and from time to time from and including the date Units vest through to 5:00 p.m. (PT) on the date that is the earlier of (i) five (5) years from the date of vesting, and (ii) ten (10) years from the Grant Date, by delivering to the Company the form of Trigger Notice attached as Appendix "I" hereto.

No Shares shall be issuable by the Company to the Participant in the event vesting does not occur prior to ten (10) years from the Grant Date.

DATED _____, 20____.

RED WHITE & BLOOM BRANDS INC.

Per: _____
Authorized Signatory

The undersigned hereby accepts such grant, acknowledges being a Participant under the Plan, agrees to be bound by the provisions thereof and agrees that the Plan will be effective as an agreement between the Company and the undersigned with respect to the Units granted or otherwise issued to it.

[If the Units are being issued to a U.S. Participant, include the following additional provisions:]

The undersigned acknowledges and agrees that:

1. The Units and any Shares that may be issued in respect of vested Units pursuant to the Plan have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and will constitute "restricted securities" as such term is defined in Rule 144 under the U.S. Securities Act;
2. The certificate(s) representing the Shares will be endorsed with the following or a similar legend until such time as it is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY, THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE

EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO SUCH EFFECT. THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE."

provided, that if the Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act ("**Regulation S**") and the Shares were issued at a time when the Company is a "foreign issuer" as defined in Regulation S, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Company, in such form as the Company may prescribe from time to time and, if requested by the Company or the transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Company and the transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S; and provided, further, that, if any Shares are being sold otherwise than in accordance with Regulation S and other than to the Company, the legend may be removed by delivery to the registrar and transfer agent and the Company of an opinion of counsel, of recognized standing reasonably satisfactory to the Company, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws; and

3. The Company may be deemed to be an issuer that at a previous time has been an issuer with no or nominal operations and no or nominal assets other than cash and cash equivalents (a "**Shell Company**"), and if the Company is deemed to have been a Shell Company at any time previously, Rule 144 under the U.S. Securities Act may not be available for resales of the Shares except in very limited circumstances, and the Company is not obligated to make Rule 144 under the U.S. Securities Act available for resales of the Shares.
4. If the undersigned is resident in the State of California on the effective date of the grant of the Units, then, in addition to the terms and conditions contained in the Plan and in this Notice, the undersigned acknowledges that the Company, as a reporting issuer under the securities legislation in certain Provinces of Canada, is required to publicly file with the securities regulators in those jurisdictions continuous disclosure documents, including audited annual financial statements and unaudited quarterly financial statements (collectively, the "**Financial Statements**"). Such filings are available on the System for Electronic Document Analysis and Retrieval (SEDAR), and documents filed on SEDAR may be viewed under the Company's profile at the following website address: www.sedar.com. Copies of Financial Statements will be made available to the undersigned by the Company upon the undersigned's request.

DATED _____, 20____.

DATED _____, 20____.

Witness (Signature)

Name (please print)

Address

City, Province/State

Occupation

Participant's Signature

Name of Participant (print)

APPENDIX "I"

**RED WHITE & BLOOM BRANDS INC.
RESTRICTED SHARE UNIT PLAN
TRIGGER NOTICE**

TO: RED WHITE & BLOOM BRANDS INC. (the "Company")

1. The undersigned (the "**Participant**"), being the holder of vested Restricted Share Units to purchase _____ Shares, hereby irrevocably gives notice, pursuant to the Plan, of the request to issue to the Participant _____ Shares.
2. By executing this Trigger Notice, the Participant hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Trigger Notice shall have the meanings given to them under the Plan or the attached Restricted Share Unit Notice.
4. The Participant is resident in _____ [name of country/province/state].
5. The Participant hereby represents, warrants, acknowledges and agrees that there may be material tax consequences to the Participant of a request for Shares pursuant to vested Restricted Share Units. The Company gives no opinion and makes no representation with respect to the tax consequences to the Participant under applicable, federal, local or foreign tax law of the Participant's acquisition or disposition of such securities.
7. The Participant hereby represents, warrants, acknowledges and agrees that the certificate(s) representing the Shares may be subject to applicable hold periods and legending pursuant to applicable securities laws.

DATED _____, 20 ____.

Witness (Signature)

Name (please print)

Address

City, Province

Occupation

Participant's Signature

Name of Participant (print)

RED WHITE & BLOOM BRANDS INC.

Security Class: Common Shares

FORM OF PROXY**Annual General & Special Meeting to be held on Wednesday September 9, 2020**

This Form of Proxy is solicited by and on behalf of Management.

Notes to proxy

Every holder has the right to appoint some other person or company of their choice, who need not be a holder, to attend and act on their behalf at the meeting or any adjournment or postponement thereof. If you wish to appoint a person or company other than the persons whose names are printed herein, please insert the name of your chosen proxyholder in the space provided (see reverse).

If the securities are registered in the name of more than one owner (for example, joint ownership, trustees, executors, etc.), then all those registered should sign this proxy. If you are voting on behalf of a corporation or another individual you must sign this proxy with signing capacity stated, and you may be required to provide documentation evidencing your power to sign this proxy.

This proxy should be signed in the exact manner as the name(s) appear(s) on the proxy.

If this proxy is not dated, it will be deemed to bear the date on which it is mailed by Management to the holder.

If you appoint the Management Nominees to vote your securities, they will vote in accordance with your instructions or, if no instructions are given, in accordance with the Management Voting Recommendations highlighted for each Resolution overleaf. If you appoint someone else to vote your securities, they will also vote in accordance with your instructions or, if no instructions are given, as they in their discretion choose.

This proxy confers discretionary authority in respect of amendments or variations to matters identified in the Notice of Meeting or other matters that may properly come before the meeting or any adjournment or postponement thereof.

This proxy should be read in conjunction with the accompanying documentation provided by Management.

Proxies submitted must be received by 11:00 am, Pacific Daylight Savings Time, on Monday September 7, 2020, or in the case of any adjournment or postponement of the Meeting not less than 48 hours (Saturdays, Sundays and holidays excepted) before the time of the adjourned or postponed meeting.

VOTING METHODS	
MAIL or HAND DELIVERY	National Securities Administrators Ltd. 702 – 777 Hornby Street Vancouver, BC V6Z 1S4
FACSIMILE – 24 Hours a Day	604-559-8908
EMAIL	proxy@transferagent.ca
ONLINE	As listed on Form of Proxy or Voter Information Card

If you vote by FAX, EMAIL or On-Line, DO NOT mail back this proxy.

Voting by mail may be the only method for securities held in the name of a corporation or securities being voted on behalf of another individual.

Voting by mail, fax or by email are the only methods by which a holder may appoint a person as proxyholder other than the Management nominees named on the reverse of this proxy.

RED WHITE & BLOOM BRANDS INC.

Appointment of Proxyholder

I/We, being holder(s) of RED WHITE & BLOOM BRANDS INC. hereby appoint: Brad Rogers, Chief Executive Officer and a Director, or, failing him, Johannes (Theo) van der Linde, Chief Financial Officer and a Director

OR Print the name of the person you are appointing if this person is someone other than the Management Nominee listed herein.

as my/our proxyholder with full power of substitution and to attend, act and to vote for and on behalf of the shareholder in accordance with the following direction (or if no directions have been given, as the proxyholder sees fit) and all other matters that may properly come before the Annual General and Special Meeting of shareholders of RED WHITE & BLOOM BRANDS INC. to be held at Suite 810, 789 West Pender Street, Vancouver, BC on September 9, 2020 at 11:00 am, Pacific Daylight Savings Time, and at any adjournment or postponement thereof.

VOTING RECOMMENDATIONS ARE INDICATED BY HIGHLIGHTED TEXT OVER THE BOXES.

1. Number of Directors

The number of Directors shall be set to 5 (five);

For	Against
<input type="checkbox"/>	<input type="checkbox"/>

2. Election of Directors

i) BRAD ROGERS

For	Withheld
<input type="checkbox"/>	<input type="checkbox"/>

ii) JOHANNES (THEO) VAN DER LINDE

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

iii) MICHAEL MARCHESE

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

iv) WILLIAM DAWSON

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

v) BRENDAN PURDY

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

3. Appointment of Auditor

To appoint MANNING ELLIOTT LLP as auditor of the Company for the ensuing year and to authorize the directors to fix their remuneration;

For	Withheld
<input type="checkbox"/>	<input type="checkbox"/>

4. Stock Option Plan

To consider, and if thought appropriate, to pass, with or without variation, an ordinary resolution ratifying, confirming and approving the 2020 Option Plan, as more particularly described in the information circular;

For	Against
<input type="checkbox"/>	<input type="checkbox"/>

5. RSU Plan

To consider, and if thought appropriate, to pass, with or without variation, an ordinary resolution ratifying, confirming and approving the 2020 RSU Plan, as more particularly described in the information circular;

For	Against
<input type="checkbox"/>	<input type="checkbox"/>

6. Other Matters

To transact such other business that may be brought properly before the Meeting and any adjournment or postponement of the Meeting.

For	Against
<input type="checkbox"/>	<input type="checkbox"/>

Authorized Signature(s) – This section must be completed for your instructions to be executed. Signature(s)

I/We authorize you to act in accordance with my/our instructions set out above. I/We hereby revoke any proxy previously given with respect to the Meeting. If no voting instructions are indicated above, this Proxy will be voted as recommended by Management.

Print Name(s) & Signing Capacity(ies), if applicable

Date (MM-DD-YY)
THIS PROXY MUST BE DATED

RED WHITE & BLOOM BRANDS INC.

Security Class: Series 2 Convertible
Preferred Shares

FORM OF PROXY**Annual General & Special Meeting to be held on Wednesday September 9, 2020**

This Form of Proxy is solicited by and on behalf of Management.

Notes to proxy

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If the securities are registered in the name of more than one owner (for example, joint ownership, trustees, executors, etc.), then all those registered should sign this proxy. If you are voting on behalf of a corporation or another individual you must sign this proxy with signing capacity stated, and you may be required to provide documentation evidencing your power to sign this proxy.

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This proxy confers discretionary authority in respect of amendments or variations to matters identified in the Notice of Meeting or other matters that may properly come before the meeting or any adjournment or postponement thereof.

This proxy should be read in conjunction with the accompanying documentation provided by Management.

Proxies submitted must be received by 11:00 am, Pacific Daylight Savings Time, on Monday September 7, 2020, or in the case of any adjournment or postponement of the Meeting not less than 48 hours (Saturdays, Sundays and holidays excepted) before the time of the adjourned or postponed meeting.

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If you vote by FAX, EMAIL or On-Line, DO NOT mail back this proxy.

Voting by mail may be the only method for securities held in the name of a corporation or securities being voted on behalf of another individual.

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RED WHITE & BLOOM BRANDS INC.

Appointment of Proxyholder

I/We, being holder(s) of RED WHITE & BLOOM BRANDS INC. hereby appoint: Brad Rogers, Chief Executive Officer and a Director, or, failing him, Johannes (Theo) van der Linde, Chief Financial Officer and A Director

OR Print the name of the person you are appointing if this person is someone other than the Management Nominee listed herein.

as my/our proxyholder with full power of substitution and to attend, act and to vote for and on behalf of the shareholder in accordance with the following direction (or if no directions have been given, as the proxyholder sees fit) and all other matters that may properly come before the Annual General and Special Meeting of shareholders of RED WHITE & BLOOM BRANDS INC. to be held at Suite 810, 789 West Pender Street, Vancouver, BC on September 9, 2020 at 11:00 am, Pacific Daylight Savings Time, and at any adjournment or postponement thereof.

VOTING RECOMMENDATIONS ARE INDICATED BY HIGHLIGHTED TEXT OVER THE BOXES.

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For	Withheld
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ii) JOHANNES (THEO) VAN DER LINDE

<input type="checkbox"/>	<input type="checkbox"/>
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iii) MICHAEL MARCHESE

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

iv) WILLIAM DAWSON

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

v) BRENDAN PURDY

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

3. Appointment of Auditor

To appoint MANNING ELLIOTT LLP as auditor of the Company for the ensuing year and to authorize the directors to fix their remuneration;

For	Withheld
<input type="checkbox"/>	<input type="checkbox"/>

4. Stock Option Plan

To consider, and if thought appropriate, to pass, with or without variation, an ordinary resolution ratifying, confirming and approving the 2020 Option Plan, as more particularly described in the information circular;

For	Against
<input type="checkbox"/>	<input type="checkbox"/>

5. RSU Plan

To consider, and if thought appropriate, to pass, with or without variation, an ordinary resolution ratifying, confirming and approving the 2020 RSU Plan, as more particularly described in the information circular;

For	Against
<input type="checkbox"/>	<input type="checkbox"/>

6. Other Matters

To transact such other business that may be brought properly before the Meeting and any adjournment or postponement of the Meeting.

For	Against
<input type="checkbox"/>	<input type="checkbox"/>

Authorized Signature(s) – This section must be completed for your instructions to be executed. Signature(s)

I/We authorize you to act in accordance with my/our instructions set out above. I/We hereby revoke any proxy previously given with respect to the Meeting. If no voting instructions are indicated above, this Proxy will be voted as recommended by Management.

Print Name(s) & Signing Capacity(ies), if applicable

Date (MM-DD-YY)
THIS PROXY MUST BE DATED



RED WHITE & BLOOM BRANDS INC.
(Formerly Tidal Royalty Corp.)

**RED WHITE & BLOOM ANNOUNCES DELAY IN FILING ITS
INTERIM FINANCIAL STATEMENTS**

Toronto, Ontario, August 18, 2020 – [Red White & Bloom Brands Inc.](#) (CSE: RWB) (OTC: RWBYF) (“**RWB**” or the “**Company**”, formerly, Tidal Royalty Corp.) announced today that in accordance with BCI 51-517- *Temporary Exemption from Certain Corporate Finance Requirements with Deadlines during the Period from June 2 to August 31, 2020* of the British Columbia Securities Commission (and similar exemptions provided by the securities commissions of other provincial and territorial regulators) (collectively, the “**Blanket Exemption Order**”), which was adopted for the purpose of providing certain filing and other relief to issuers in light of the challenges posed by the COVID-19 pandemic, that the Company will be delaying the filing and delivery of certain of its continuous disclosure documents due to delays caused by the COVID-19 pandemic.

The Company is relying on the Blanket Exemption Order in delaying: (i) the filing of its interim financial statements and related management's discussion and analysis for the period ended June 30, 2020 (collectively, the “**Required Interim Filings**”); and (ii) compliance with the delivery requirements of applicable securities laws relating to the Required Interim Filings. The Company's officers and directors and certain other persons will remain subject to a trading black-out pursuant to which such persons are prohibited from trading any securities of the Company until the end of the second full trading day following the day on which the Required Interim Filings are filed on SEDAR and a corresponding new release is issued by the Company. The Company currently intends to make the Required Interim Filings on or before October 15, 2020 in accordance with the Blanket Exemption Order.

The Company confirms that, other than disclosed in prior press releases and the Form 7 Monthly Progress Reports filed on the Company's profile with the Canadian Securities Exchange, there have been no material business developments since the filing on March 31, 2020 of the Company's interim financial report for the period ended January 31, 2020.

Please view the company's SEDAR profile at www.sedar.com for further information.

About Red White & Bloom Brands Inc.

The Company is positioning itself to be one of the top three multi-state cannabis operators active in the U.S. legal cannabis and hemp sector. RWB is predominately focusing its investments on the major US markets, including Michigan, Illinois, Massachusetts, California, and Florida with respect to cannabis, and the US and Internationally for hemp-based CBD products.

For more information about Red White & Bloom Brands Inc., please contact:

Tyler Troup, Managing Director Circadian Group IR
IR@RedWhiteBloom.com

Visit us on the web: www.RedWhiteBloom.com

Follow us on social media:

Twitter: @rwbbbrands

Facebook: @redwhitebloombrands

Instagram: @redwhitebloombrands

Neither the CSE nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

FORWARD LOOKING INFORMATION

This press release contains forward-looking statements and information that are based on the beliefs of management and reflect the Company's current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release includes information relating to the implementation of Red White & Bloom's business plan. Such statements and information reflect the current view of the Company with respect to risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: risks associated with the implementation of Red White & Bloom's business plan and matters relating thereto, risks associated with the cannabis industry, competition, regulatory change, the need for additional financing, reliance on key personnel, the potential for conflicts of interest among certain officers or directors, and the volatility of the Company's common share price and volume. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

There are a number of important factors that could cause the Company's actual results to differ materially from those indicated or implied by forward-looking statements and information. Such factors include, among others, risks related to Red White & Bloom's proposed business, such as failure of the business strategy and government regulation; risks related to Red White & Bloom's operations, such as additional financing requirements and access

to capital, reliance on key and qualified personnel, insurance, competition, intellectual property and reliable supply chains; risks related to Red White & Bloom and its business generally. The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. While the Company may elect to, it does not undertake to update this information at any particular time.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS PRESS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.

Red White & Bloom Secures USD \$20 Million Dollar Supply Agreement with Critical 39 for Fiscal 2020

Agreement allows for RWB's Illinois facility to provide thousands of pounds of premium and proprietary smokable hemp flower from 2020 harvests

Toronto, Ontario – August 19, 2020 – Red White & Bloom Brands Inc. (CSE: RWB) (OTC: RWBYF) (“RWB” or “Red White & Bloom”) is pleased to announce that they have entered into a Growing and Sales Agreement (the “Offtake”) with 39 Industries, LLC operating as Critical 39 (“Critical 39”), a Spokane, Washington based company focused on delivering premium products throughout the US.

Anne Hyde, President of Mid-American Growers, a wholly owned subsidiary of RWB, stated: “This Agreement with Critical 39 reflects our ability to attract partners that recognize our ability to provide indoor grown, ultra-premium products all year round. The combination of the robust genetics provided by Critical 39 and the skilled team at our Illinois facility will allow us to deliver finished goods that will command a premium price point and deliver on consumer demand for top shelf products.”

Under terms of the agreement, Critical 39 has already delivered 100,000 seeds to the 3.6 million square foot facility in Granville, Illinois where they are being cultivated in accordance with Good Agricultural Practices (“GAP”) and will be processed into finished whole hemp flower. The initial crop is expected to utilize a fraction of the facility's capacity. The offtake has provisions for the parties to extend the relationship into the year 2022.

Lawrence Sowell, CEO of Critical 39 Stated “We are proud to partner with RWB to fulfill whole flower demand from our CPG distributors and end user consumers. This partnership allows us to further monetize on our premium genetics with a partner that has the greatest scale within the indoor premium hemp and CBD market. We anticipate this is just the first step of an expanding relationship.”

About Critical 39

Critical 39 is focused on the quality Cultivars and derivatives thereof. Our innovative technology platform called Groji, allows farmers, extractors, processors, CMOs, and CPG distributors to track genetic cultivars through to the end consumer, enhancing the transparency, safety, and brand story of the product throughout the value chain. This increases sell-through and ensures premium market price for products.

About Red White & Bloom Brands Inc.

The Company is positioning itself to be one of the top three multi-state cannabis operators active in the U.S. legal cannabis and hemp sector. RWB is predominately focusing its investments on the major US markets, including Michigan, Illinois, Massachusetts, California, and Florida with respect to cannabis, and the US and internationally for hemp-based CBD products.

For more information about Red White & Bloom Brands Inc., please contact:

Brad Rogers, CEO

Red White & Bloom

(604) 687-2038

Tyler Troup, Managing Director

Circadian Group IR

IR@RedWhiteBloom.com

Visit us on the web: www.RedWhiteBloom.com

Follow us on social media:

Twitter: @rwbbands

Facebook: @redwhitebloombrands

Instagram: @redwhitebloombrands

Cautionary Note Regarding Forward-Looking Information and Statements

This news release contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information contained in this press release may be identified by the use of words such as, "may", "would", "could", "will", "likely", "expect", "anticipate", "believe", "intend", "plan", "forecast", "project", "estimate", "outlook" and other similar expressions, and includes statements with respect to the ability of Critical 39 or RWB to perform under the agreement, the manufacturing of the products, the shipping and delivery of the products to customers in the United States and worldwide, and the appropriate education and marketing efforts. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors relevant in the circumstances, including assumptions in respect of current and future market conditions, the current and future regulatory environment; and the availability of licenses, approvals and permits.

Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct. Actual results and developments may differ materially from those contemplated by these statements. Forward-looking information is subject to a variety of risks and uncertainties that could cause actual events or results to differ materially from those projected in the forward-looking information. Such risks and uncertainties include, but are not limited to current and future market conditions, including the market price of the common shares of the Company, the delay or failure to receive regulatory approvals, and the risk factors set out in the Company's annual information form dated August 7, 2020, filed with the Canadian securities regulators and available under the Company's profile on SEDAR at www.sedar.com.

The statements in this press release are made as of the date of this release. The Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Red White & Bloom Brands Inc. Announces \$15 Million Bought Deal Public Offering of Units

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

Toronto, Ontario, August 19, 2020 – Red White and Bloom Brands Inc. (CSE: RWB and OTC:RWBYF) (“**RWB**” or the “**Company**”) is pleased to announce that it has entered into an agreement with PI Financial Corp. and Eight Capital to act as co-lead underwriters, on behalf of a syndicate of underwriters (collectively the “**Underwriters**”), pursuant to which the Underwriters will purchase, on a bought deal basis, an aggregate of 20,000,000 units of RWB (the “**Units**”) at a price of \$0.75 per Unit (the “**Offering Price**”) for aggregate gross proceeds of \$15,000,000 (the “**Offering**”). The net proceeds of the Offering will be used for working capital and general corporate purposes.

The Units will be offered by way of a short-form prospectus in all provinces of Canada except Quebec, and such other additional jurisdictions in Canada as agreed to by the Company and the Underwriter.

The Company has also granted the Underwriter an option to cover over-allotments (the “**Over-Allotment Option**”), which will allow the underwriters to offer up to an additional 15% of the Offering, on the same terms as the Units. The Over-Allotment Option may be exercised in whole or in part at any time up to 30 days following the closing date of the Offering, for any number of Units, Unit Shares, Warrants, or any combination thereof at a price equal to the Offering Price for a Unit and a price to be agreed upon for the Unit Shares and / or Warrants. If the Over-Allotment Option is exercised in full, the Company will receive an additional \$2,250,000 in gross proceeds for total aggregate gross proceeds of \$17,250,000.

Terms of the Offering

Each Unit shall consist of one common share of the Company (each, a “**Unit Share**”) and one transferable common share purchase warrant (each such warrant, a “**Warrant**”). Each Warrant shall be exercisable into one common share at an exercise price of \$1.00 per common share for a period of 24 months from the Closing Date (the “**Warrant Shares**” or together with the Unit Shares, “**Shares**”). Following the Closing Date, if the daily volume weighted average trading price of the common shares of the Company on the Exchange (as defined below) for any 10 consecutive days equals or exceeds \$1.50, the Company may, upon providing written notice to the holders of the Warrants, accelerate the expiry date of the Warrants to the date that is 30 days following the date of such written notice.

The Offering is expected to close on or about September 15, 2020, or such other date as agreed between the Company and the Underwriter, and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals including the approval of the CSE.

The Company has agreed to pay a cash commission of 6.0% of the gross proceeds of the Offering and will issue to the Underwriters compensation options (the “**Compensation Options**”) equal to 6.0% of the aggregate number of Units sold under the Offering (the “**Underwriting Fee**”). The Compensation Options will be exercisable into Units of the Company at a price per Compensation Options equal to the Offering Price for a period of 24 months from the closing of the Offering.

In light of the Offering, the Company no longer intends to rely on the blanket exemption order set out in BCI 51-517 – *Temporary Exemption from Certain Corporate Finance Requirements with Deadlines during the Period from June 2 to August 31, 2020* of the British Columbia Securities Commission (and similar exemptions provided by the securities commissions of other provincial and territorial regulators) with respect to the filing of the Company's interim financial statements and management's discussion and analysis for the period ended June 30, 2020. The Company anticipates it will file such financial information in the normal time frame.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

About Red White & Bloom Brands Inc.

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By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such factors include, among others, the following risks: risks associated with the implementation of RWB's business plan and matters relating thereto, risks associated with the cannabis industry, competition, regulatory change, the need for additional financing, reliance on key personnel, the potential for conflicts of interest among certain officers or directors, and the volatility of the Company's common share price and volume. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

There are a number of important factors that could cause the Company's actual results to differ materially from those indicated or implied by forward-looking statements and information. Such factors include, among others, risks related to RWB's proposed business, such as failure of the business strategy and government regulation; risks related to RWB's operations, such as additional financing requirements and access to capital, reliance on key and qualified personnel, insurance, competition, intellectual property and reliable supply chains; risks related to RWB and its business generally. The Company cautions that the foregoing list of material factors is not exhaustive.

When relying on the Company's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. While the Company may elect to, it does not undertake to update this information at any particular time.

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**Red White & Bloom Brands Inc. Announces
Upsized \$25 Million Bought Deal Public Offering Inclusive of Full Exercise
of Over-Allotment Option**

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES
OR FOR DISSEMINATION IN THE UNITED STATES

Toronto, Ontario, August 21, 2020 – Red White and Bloom Brands Inc. (CSE: RWB and OTC:RWBYF) (“**RWB**” or the “**Company**”) is pleased to announce that, in connection with its previously announced bought deal offering, RWB and a syndicate of underwriters, co-led by PI Financial Corp. and Eight Capital (collectively the “**Underwriters**”), have agreed to increase the size of the offering. The Underwriters will now place, on an underwritten bought deal basis, 29,000,000 units of the RWB (the “**Units**”) at an issue price of \$0.75 per Unit (the “**Offering Price**”) for aggregate gross proceeds of \$21.75 million (the “**Offering**”). In connection with Offering, the Company has granted the Underwriters an option, exercisable in whole or in part at any time for a period of 30 days following the closing date of the Offering, to increase the Offering by up to an additional 4,350,000 Units for additional gross proceeds of up to \$3.26 million for total aggregate gross proceeds of \$25.01 million, assuming the full exercise of the over-allotment option. The Company has agreed to pay a cash commission of 6.0% of the gross proceeds of the Offering and will issue to the Underwriters compensation options (the “**Compensation Options**”) equal to 6.0% of the aggregate number of Units sold under the Offering (the “**Underwriting Fee**”). The Compensation Options will be exercisable into Units at a price per Compensation Option equal to the Offering Price for a period of 24 months from the closing of the Offering.

The Units will be offered by way of a short-form prospectus in all provinces of Canada except Quebec, and such other additional jurisdictions in Canada as agreed to by the Company and the Underwriter.

The Offering is expected to close on or about September 15, 2020, or such other date as agreed between the Company and the Underwriter, and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals including the approval of the CSE.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

About Red White & Bloom Brands Inc.

The Company is positioning itself to be one of the top three multi-state cannabis operators active in the U.S. legal cannabis and hemp sector. RWB is predominately focusing its investments on the major US markets, including Michigan, Illinois, Massachusetts, California, and Florida with respect to cannabis, and the US and Internationally for hemp-based CBD products.

For more information about Red White & Bloom Brands Inc., please contact:

Tyler Troup, Managing Director

Circadian Group IR

IR@RedWhiteBloom.com

Visit us on the web: www.RedWhiteBloom.com

Follow us on social media

Twitter: @rwbbbrands

Facebook: @redwhitebloombrands

Instagram: @redwhitebloombrands

Neither the CSE nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Information

This press release contains forward-looking statements and information that are based on the beliefs of management and reflect the Company's current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release includes information relating to the Offering and the exercise of the over-allotment option. Such statements and information reflect the current view of the Company with respect to risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: risks associated with the implementation of RWB's business plan and matters relating thereto, risks associated with the cannabis industry, competition, regulatory change, the need for additional financing, reliance on key personnel, the potential for conflicts of interest among certain officers or directors, and the volatility of the Company's common share price and volume. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

There are a number of important factors that could cause the Company's actual results to differ materially from those indicated or implied by forward-looking statements and information. Such factors include, among others, risks related to RWB's proposed business, such as failure of the business strategy and government regulation; risks related to RWB's operations, such as additional financing requirements and access to capital, reliance on key and qualified personnel, insurance, competition, intellectual property and reliable supply chains; risks related to RWB and its business generally. The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. While the Company may elect to, it does not undertake to update this information at any particular time.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS PRESS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.

**RED WHITE & BLOOM BRANDS
INC.
NOTICE OF CHANGE OF AUDITOR**

TO: Manning Elliott LLP

AND TO: Smythe LLP, Chartered Professional Accountants

TAKE NOTICE THAT:

- (a) Manning Elliott LLP, the former auditors (the "Former Auditors") of Red White & Bloom Brands Inc. (the "Corporation") have been requested to tender their resignation as the auditors of the Corporation effective August 20, 2020 and the directors of the Corporation on August 20, 2020 appointed Smythe LLP, Chartered Professional Accountants (the "Successor"), as the Corporation's successor auditors;
- (b) the Former Auditors were requested to resign by the Corporation;
- (c) the resignation of the Former Auditors and the appointment of the Successor has been approved by the audit committee and confirmed by the board of directors of the Corporation;
- (d) there have been no reservations contained in the Former Auditor's reports on any of the previous financial statements of the Corporation; and
- (e) there are no reportable events (as defined in National Instrument 51-102).

DATED at Vancouver, British Columbia, Canada this 20th day of August, 2020.

BY ORDER OF THE BOARD

"Johannes van der Linde"

Johannes van der Linde, Director



17th floor, 1030 West Georgia St., Vancouver, BC, Canada V6E 2Y3

Tel: 604.714.3600 Fax: 604.714.3669 Web: manningelliott.com

August 21, 2020

British Columbia Securities Commission
701 West Georgia Street
P.O. Box 10142, Pacific Centre
Vancouver, BC V7Y 1L2

Ontario Securities Commission
20 Queen Street West
20th Floor
Toronto, ON M5H 3S8

Dear Sirs/Mesdames:

Re: Red White & Bloom Brands Inc. (formerly Tidal Royalty Corp.) – Change of Auditor

We have read the statements made by Red White & Bloom Brands Inc. (the "Company") in its Notice of Change of Auditors dated August 20, 2020 (the "Notice of Change"), which has been filed pursuant to Section 4.11 of National Instrument 51-102.

We agree with the statements in the Notice of Change.

Yours truly,

MANNING ELLIOTT LLP

Manning Elliott LLP



August 20, 2020

British Columbia Securities
Commission Ontario Securities
Commission Canadian Securities
Exchange

Dear Sirs:

Re: Red White & Bloom Brands Inc. (formerly Tidal Royalty Corp.)(the "Company")
Change of Auditor

We are writing in accordance with Section 4.11(6)(a)(ii)(B) of National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102"). We wish to confirm that we have read the Notice of Change of Auditor of the Company dated August 20, 2020 and that based on our current knowledge we are in agreement with the information contained in such Notice.

Yours very truly,

Smythe LLP

Chartered Professional Accountants

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Red White & Bloom Brands Inc. (formerly, Tidal Royalty Corp.) (the “Company” or “RWB”)
810-789 West Pender Street
Vancouver, B.C. V6C 1H2

Item 2 Date of Material Change

August 11, 2020, July 24, 2020, July 21, 2020 and July 16, 2020.

Item 3 News Release

The new releases were filed on SEDAR, disseminated through the facilities of GlobeNewswire and posted to the Issuer’s disclosure hall with the CSE.

Item 4 Summary of Material Change

On August 11, 2020, the Company entered into a distribution agreement for the exclusive distribution of Avicanna Inc.’s (“Avicann”) advanced and clinically backed CBD-based cosmetic and topical products Pura H&W™ by RWB in the US and certain other markets. RWB will pay Avicanna an upfront licensing fee in the amount of two hundred fifty thousand Canadian dollars (CAD\$250,000) in cash, along with minimum purchase requirements for the rights to be the exclusive distributor of Avicanna’s Pura H&W branded cosmetics products in the US. Under the agreement, RWB also has the right to purchase Avicanna’s cosmetics products for distribution into the US and certain other territories under brands of RWB’s choosing. The initial product offerings under the agreement will include body and face lotions, cosmetic creams, gels and serums, as well as soaps and bath bombs

On July 24, 2020, the Company’s wholly owned subsidiary, Mid American Growers Inc. entered into a growing and sales agreement with 39 Industries, LLC (“39 Hemp”) to grow genetics provided by 39 Hemp for ultra-premium hemp at the Company’s facility located in Granville, IL.

On July 24, 2020, the Company provided notice to PharmCo Inc. (“PharmCo”) of its intent to exercise the Company’s right to acquire 100% of PharmCo. The all-share remuneration under the call option allows the Company to acquire PharmaCo in exchange for 37,000,000 units of the Company, subject to certain adjustments and regulatory approvals.

On July 21, 2020, the Company entered into a binding letter of intent (“LOI”) to acquire 100% of the issued and outstanding shares of Platinum Vape. Under the terms of the LOI, RWB and the securityholders of Platinum Vape will enter into a definitive agreement (the “Definitive Agreement”) pursuant to which RWB will acquire all of the ownership interests in Platinum Vape and Platinum Vape will become a wholly owned subsidiary of RWB in exchange for a total cash payment of US\$35 million, consisting of US\$7 million in cash payable at closing, a further US\$13 million in cash payable within 120 days of closing and a US\$15 million convertible note, only convertible after 12 months, payable on the third anniversary of closing. Additionally, the selling securityholders of Platinum Vape will be entitled to receive up to a further US\$25 million

on the first anniversary of closing, contingent on Platinum Vape achieving certain financial milestones.

On July 16, 2020, the Company announced that it appointed Steven Grasso as a business advisor to the Company.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The material change with respect to the distribution agreement with Avicanna is fully described in the news release attached hereto as Schedule "A".

The material change with respect to the growing and sales agreement with 39 Hemp is fully described in the news release attached hereto as Schedule "B".

The material change with respect to the notice given to PharmCo is fully described in the news release attached hereto as Schedule "C".

The material change with respect to the letter of intent to acquire 100% of the issued and outstanding shares of Platinum Vape is fully described in the news release attached hereto as Schedule "D".

The material change with respect to the appointment of Steven Grasso as a business advisor is fully described in the news release attached hereto as Schedule "E".

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Theo van der Linde, Chief Financial Officer
Phone: 604-687-2038

Item 9 Date of Report

August 24, 2020

Schedule "A"

Red White & Bloom and Avicanna enter into exclusive partnership for the
distribution and commercialization of Pura H&W CBD-based Topical Products in
the United States

**Red White & Bloom Secures USD \$20 Million Dollar Supply Agreement with Critical
39 for Fiscal 2020**

RED WHITE & BLOOM BRANDS EXERCISES RIGHT TO ACQUIRE PHARMACO OF
ISCHIGAN

Schedule “D”

RED WHITE & BLOOM BRANDS SIGNS BINDING LETTER OF INTENT TO
ACQUIRE 100% OF PLATINUM VAPE

Schedule "E"

**RED WHITE & BLOOM APPOINTS CNBC MARKET ANALYST STEVEN GRASSO
AS BUSINESS ADVISOR**



August 25, 2020

VIA SEDAR

British Columbia Securities Commission
701 West Georgia Street
P.O. Box 10142, Pacific Centre
Vancouver, British Columbia V7Y 1L2

Alberta Securities Commission Suite 600, 250–5th St.
SW
Calgary, Alberta T2P 0R4

Ontario Securities Commission
20 Queen Street West
20th Floor
Toronto, Ontario M5H 3S8

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8

Prince Edward Island Securities Office
95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8

**Government of Newfoundland and Labrador
Financial Services Regulation Division**
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities

Dear Sirs/Mesdames:

**Re: Red White & Bloom Brands Inc. (the “Company”)
Adding Recipient Agencies to SEDAR Filings in Connection With the Filing of a Short Form Prospectus**

We wish to advise that, in connection with the filing of a short form prospectus, we are hereby adding Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador as a recipient agency to the following filings:

1. SEDAR Project #03093532 – the Company’s annual information form dated August 7, 2020 (the “**Annual Information Form**”) in respect of the fiscal year ended July 31, 2019;
2. SEDAR Project #03068335 – the Company’s CSE Form 2A listing statement dated June 1, 2020 respecting the business combination transaction (the “**Business Combination Transaction**”) involving the Company (formerly Tidal Royalty Corp. (“**Tidal**”)) and MichiCann Medical Inc. (“**MichiCann**”) (excluding Tidal’s interim financial statements and management’s discussion and analysis thereon and the pro forma financial statements) (the “**Listing Statement**”);
3. SEDAR Project #02994192 – the Company’s audited consolidated financial statements and the notes thereto as at and for the years ended July 31, 2019 and 2018, together with the auditor’s report thereon (the “**Annual Financial Statements**”);

4. SEDAR Project #00004092 – the Company’s management’s discussion and analysis for the years ended July 31, 2019 and 2018 (the “**Annual MD&A**”);
5. SEDAR Project #03013895 – the Company’s statement of executive compensation for the financial years ended July 31, 2019 and 2018;
6. SEDAR Project #03058757 – the Company’s audited consolidated financial statements in respect of MichiCann and the notes thereto as at and for the years ended December 31, 2019 and 2018, together with the auditor’s report thereon;
7. SEDAR Project #03058758 – the Company’s management’s discussion and analysis of financial conditions and operations in respect of MichiCann for the years ended December 31, 2019 and 2018;
8. SEDAR Project #03039982 – the Company’s unaudited condensed interim consolidated financial statements and the notes thereto as at and for the three and six months ended January 31, 2020 and 2019;
9. SEDAR Project #03039983 – the Company’s management’s discussion and analysis for the six month period ended January 31, 2020 and 2019;
10. SEDAR Project #03080177 – the Company’s unaudited interim financial statements in respect of MichiCann and the notes thereto as at and for the three months ended March 31, 2020 and 2019;
11. SEDAR Project #03097058 – the Company’s management information circular dated August 5, 2020 respecting an annual and special meeting of shareholders of the Company;
12. SEDAR Project #03100674 - the material change report dated August 24, 2020 respecting: (i) the entering into by the Company on July 24, 2020 of a growing and sales agreement with Critical 39 (the “**Critical 39 Agreement**”); (ii) the entering into by the Company on August 11, 2020 of a distribution agreement with Avicanna for the exclusive distribution of Avicanna’s advanced and clinically backed CBD-based cosmetic and topical products Pura H&W™ in the United States and certain other markets (the “**Avicanna Distribution Agreement**”); (iii) the Company’s providing of notice to PharmaCo shareholders (the “**PharmaCo Shareholders**”) on July 24, 2020 of its intent to exercise its right to acquire 100% of the issued and outstanding shares of PharmaCo pursuant to the put/call option agreement dated January 4, 2019 between MichiCann, PharmaCo and PharmaCo Shareholders (the “**PharmaCo Put/Call Agreement**”); (iv) the entering into by the Company in July 21, 2020 of a binding letter of intent to acquire 100% of the issued and outstanding shares of Platinum Vape (the “**Platinum Vape LOI**”); and (v) the appointment of CNBC Market Analyst Steven Grasso as Business Advisor;
13. SEDAR Project #03080836 – the material change report dated July 7, 2020 respecting a debt settlement subscription agreement with an arm-length investor entered into on June 30, 2020 to settle advances made by the investor to PharmaCo Inc.;
14. SEDAR Project #03069746 and Project #03070977 – the material change reports dated June 8, 2020 and June 11, 2020 respecting the Company’s acquisition on June 10, 2020 of 1251881 B.C. Ltd. (“**Newco**”), being the entity holding the licensing rights for the branding of High Times® (“**High Times**”) dispensaries and High Times cannabis-based CBD and THC products in the States of Michigan, Illinois and Florida and branding of High Times hemp-derived CBD products nationally in the United States carrying the Culture® brand pursuant to a retail license agreement and a product license agreement with HT (as defined below), which transactions were completed by way of a three-cornered amalgamation under the Business Corporations Act (British Columbia), whereby

1252034

B.C. Ltd., a wholly-owned British Columbia subsidiary of RWB, amalgamated with 1251881 B.C. Ltd. to form RWB Licensing Inc. (“**RWB Licensing**”) in exchange for the issuance to 1252240 B.C. Ltd. (the “**Seller**”), a wholly-owned subsidiary of HT Retail Licensing, LLC (“**HT**”) of: (i) 13,500,000 Common Shares issued at a deemed price of \$1.50 per Common Share; and (ii) a special warrant of the Company that is exercisable into 4,500,000 additional Common Shares if the volume weighted average price of the Common Shares on the CSE, for the first 180 days following June 10, 2020 is below \$1.50, all pursuant to an acquisition agreement between the Company, HT, the Seller and Newco dated June 4, 2020 (the “**RWB Licensing Acquisition**”);

15. SEDAR Project #03069744 – the material change report dated June 8, 2020 respecting the resumption of trading of the Company’s shares on the CSE;

16. SEDAR Project #03050500 – the material change report dated April 29, 2020 respecting the completion of the Company’s Business Combination Transaction with MichiCann on April 24, 2020 whereby (i) the Company changed its name from “Tidal Royalty Corp.” to “Red White & Bloom Brands Inc.” and completed a 16:1 share consolidation including common shares, series I convertible preferred shares (the “**Series I Preferred Shares**”), options and warrants; (ii) the Company fixed the number of directors at five and appointed Brad Rogers, Johannes (Theo) van der Linde, Brendan Purdy, Michael Marchese and Bill Dawson; (iii) appointed Brad Rogers as Chief Executive Officer and Johannes (Theo) van der Linde as Chief Financial Officer; (iv) the Company issued Common Shares, series II convertible preferred shares (the “**Series II Preferred Shares**”), warrants and options to former holders of MichiCann common shares, warrants and options; (v) certain shareholders entered into voluntary escrow agreements; and (vi) the Company agreed to guarantee certain obligations of PharmaCo, Mid-American Growers, Inc. (“**MAG**”) and RWB Illinois, Inc. (“**RWB Illinois**”) pursuant to an amended and restated credit agreement with Bridging Finance Inc. (“**Bridging**”) dated January 10, 2020;

17. SEDAR Project #03029041 – the material change report dated March 13, 2020 respecting the entering into of an amended and restated business combination agreement with MichiCann in respect of the Business Combination Transaction;

18. SEDAR Project #03058725 – the notice of change in corporate structure dated May 14, 2020 whereby, effective as of April 24, 2020, the Company changed its year end to December 31, 2020;

19. SEDAR Project #02917011 – The Business Combination Agreement between MichiCann Medical Inc. and Tidal Royalty Corp. and 2690229 Ontario Inc. dated of May 8, 2019, whereby the parties entered into an agreement to carry out a proposed business combination by way of a statutory amalgamation under the provisions of the OBCA;

20. SEDAR Project #03029046 – The Amended and Restated Business Combination Agreement between MichiCann Medical Inc. and Tidal Royalty Corp. and 2690229 Ontario Inc. dated as of March 12, 2020, whereby the parties entered into an amended and restated agreement to carry out a proposed business combination by way of a statutory amalgamation under the provisions of the OBCA; and

21. SEDAR Project #02881809 – The Debenture Purchase Agreement dated February 25, 2019 between Tidal Royalty Corp. and MichiCann Medical Inc. whereby Tidal Royalty Corp. advanced \$15,000,000 to MichiCann Medical Inc. pursuant to a senior secured convertible debenture.

Please do not hesitate to contact me at 604.687.2038 if you require any further information and we look forward to your response.

Regards

RED WHITE & BLOOM BRANDS INC.

“Johannes van der Linde”

Per:

Johannes van der Linde

Director and Chief Financial Officer

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada, except Québec, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by the persons permitted to sell such securities.

The securities offered under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States (as such term is defined in Regulation S under the U.S. Securities Act) (the “**United States**”), and may not be offered or sold within the United States, or to, or for the account or benefit of a U.S. Person (as defined in Rule 902(k) of Regulation S under the U.S. Securities Act) or a person in the United States, except as permitted by the Underwriting Agreement (as defined herein) and in transactions exempt from registration under the U.S. Securities Act and applicable U.S. state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, U.S. persons.

Information has been incorporated by reference in this preliminary short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Company at our head office located at 789 West Pender Street, Suite 810, Vancouver, BC, V6C 1H2, Telephone 604-687-2038, and are also available electronically at www.sedar.com.

New Issue

August 25, 2020

PRELIMINARY SHORT FORM PROSPECTUS



RED WHITE & BLOOM BRANDS INC.

**\$21,750,000
29,000,000 UNITS**

This preliminary short form prospectus (the “**Prospectus**”) qualifies the distribution and offering (the “**Offering**”) of 29,000,000 units (the “**Offered Units**”) of Red White & Bloom Brands Inc. (“**RWB**” or the “**Company**”) at a price of \$0.75 per Offered Unit (the “**Offering Price**”) for total gross proceeds of \$21,750,000, pursuant to the terms of an underwriting agreement (the “**Underwriting Agreement**”) dated August 25, 2020 between the Company, PI Financial Corp. and Eight Capital as co-lead underwriters (the “**Co-Lead Underwriters**”), together with Canaccord Genuity Corp. and Echelon Wealth Partners Inc. (collectively, the “**Underwriters**”). See “*Plan of Distribution*”.

Each Offered Unit consists of one common share (“**Common Share**”) in the capital of the Company (each a “**Unit Share**”) and one transferable Common Share purchase warrant of the Company (each such warrant, a “**Warrant**”). Each Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one Common Share (each, a “**Warrant Share**”) at an exercise price equal to \$1.00 per Warrant Share (the “**Exercise Price**”) for a period of twenty-four (24) months following the Closing Date (as defined herein). If, at any time prior to the expiry date of the Warrants, the volume-weighted average price of the Common Shares on the Canadian Securities Exchange (the “**CSE**”) (or such other stock exchange where the majority of the trading volume occurs) exceeds \$1.50 for 10 consecutive trading days, the Company may provide written notice to the holders of the Warrants by way of a news release advising that the Warrants will expire at 5:00 p.m. (Vancouver time) on the 30th day following the date of such notice unless exercised by the holders prior to such date (the “**Accelerated Exercise Period**”). The Warrants will be governed by a warrant indenture (the “**Warrant Indenture**”) to be entered into on the Closing Date between the Company and National Securities Administrators Ltd., as warrant agent. See “*Description of Securities Being Distributed*”.

The Underwriters have agreed to act as, and the Company has appointed the Underwriters as, the sole and exclusive underwriters of the Company to offer the Offered Units for sale in accordance with the conditions contained in the Underwriting Agreement.

The Common Shares are listed and posted for trading on the CSE under the trading symbol "RWB" and trade in the United States on the OTCQX under the trading symbol "RWBYF". On August 18, 2020, the last trading day prior to the announcement of the Offering, the closing prices of the Common Shares listed on the CSE and the OTCQX were \$0.88 and US\$0.67, respectively, and on August 24, 2020, the last trading day prior to the date of this Prospectus, the closing prices of the Common Shares listed on the CSE and the OTCQX were \$0.70 and US\$0.53, respectively.

The Company has applied to list the Unit Shares, the Warrants and the Warrant Shares (including those underlying the Over-Allotment Units (each as defined herein)), the Compensation Shares, the Compensation Warrants and the Compensation Warrant Shares (each as defined herein) on the CSE. Listing will be subject to the Company fulfilling all listing requirements of the CSE. There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under this Prospectus. See "Risk Factors" and "Plan of Distribution".

PRICE: \$0.75 per Offered Unit

	Price to the Public⁽¹⁾	Underwriter's Fee⁽²⁾	Net Proceeds to the Company⁽³⁾
Per Offered Unit	\$0.75	\$0.045	\$0.705
Total ⁽⁴⁾	\$21,750,000	\$1,305,000	\$20,445,000

Notes:

- (1) The Offering Price was determined by arm's length negotiation between the Company and the Co-Lead Underwriters on behalf of the Underwriters, with reference to the prevailing market price of the Common Shares.
- (2) The Company has agreed to pay to the Underwriters a cash fee equal to 6.0% of gross proceeds raised in respect of the Offering (including any gross proceeds raised on exercise of the Over-Allotment Option (as defined herein)) (collectively, the "Underwriters' Fee"). As additional consideration for the services rendered in connection with the Offering, the Company has agreed to issue to the Underwriters such number of non-transferable compensation options (the "Compensation Options") to acquire that number of units of the Company on the same terms as the Offered Units (the "Compensation Units") as is equal to 6.0% of the number of Offered Units sold under the Offering (including upon the exercise of the Over-Allotment Option). Each Compensation Option shall be exercisable into one Compensation Unit consisting of one Common Share (a "Compensation Share") and one Warrant (a "Compensation Warrant") at the Offering Price for a period of 24 months following the Closing Date, subject to adjustment in certain customary events. Each Compensation Warrant will entitle the holder thereof to acquire one Common Share (each, a "Compensation Warrant Share") at the Exercise Price for a period of twenty-four (24) months following the Closing Date, subject to acceleration on the same terms as the Warrants. This Prospectus qualifies the distribution of the Compensation Options, the Compensation Shares, the Compensation Warrants and the Compensation Warrant Shares to the Underwriters. See "Plan of Distribution".
- (3) After deducting the Underwriters' Fee, but before deducting the expenses of the Offering, estimated to be \$450,000 (excluding taxes and disbursements), which, together with the Underwriters' Fee, will be paid out of the gross proceeds of the Offering.
- (4) The Underwriters have been granted an over-allotment option exercisable in whole or in part, at the sole discretion of the Underwriters by giving notice to the Company at any time, and from time to time, on or before 5:00 p.m. (EDT) on the 30th day following the Closing Date, to purchase up to an additional 15% of the number of Offered Units sold under the Offering, being up to 4,350,000 Offered Units (the "Over-Allotment Units") and/or up to 4,350,000 Unit Shares ("Over-Allotment Unit Shares") and/or up to 4,350,000 Warrants ("Over-Allotment Warrants"), to cover the Underwriters' over-allocation position, if any, and for market stabilization purposes (the "Over-Allotment Option"). The Over-Allotment Option may be exercised by the Underwriters to acquire: (a) Over-Allotment Units at the Offering Price; (b) Over-Allotment Unit Shares at a price of \$0.67 per Over-Allotment Unit Share; (c) Over-Allotment Warrants at a price of \$0.08 per Over-Allotment Warrant; or (d) any combination of Over-Allotment Units, Over-Allotment Unit Shares and Over-Allotment Warrants, so long as the aggregate number of Over-Allotment Unit Shares and Over-Allotment Warrants which may be issued under the Over-Allotment Option does not exceed 4,350,000 Over-Allotment Unit Shares and 4,350,000 Over-Allotment Warrants. If the Over-Allotment Option is exercised in full, the total "Price to the Public", "Underwriters' Fee" and "Net Proceeds to the Company" will be \$25,012,500, \$1,500,750 and \$23,511,750, respectively. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Units issuable upon exercise of the Over-Allotment Option. A purchaser who acquires Over-Allotment Units, Over-Allotment Unit Shares or Over-Allotment Warrants forming part of the Underwriters' over-allocation position acquires those Over-Allotment Units, Over-Allotment Unit Shares or Over-Allotment Warrants under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

The following table sets out information relating to the Over-Allotment Option and the Compensation Options:

Underwriters' Position	Maximum Number of Securities Available	Exercise Period	Exercise Price
Over-Allotment Option	Up to 4,350,000 Over-Allotment Units, Over-	For a period of 30 days from and including the Closing	\$0.75 per Over-Allotment Unit, \$0.67 per Over-

	Allotment Unit Shares and/or Over- Allotment Warrants	Date	Allotment Unit Share and \$0.08 per Over- Allotment Warrant
Compensation Options	2,001,000 Compensation Options (including upon exercise of the Over- Allotment Option)	24 months from the Closing Date	\$0.75 per Compensation Option

Unless the context otherwise requires, when used herein, all references to “**Offering**” include the exercise of the Over-Allotment Option and all references to “**Offered Units**”, “**Unit Shares**”, “**Warrants**” and “**Warrant Shares**” include the securities underlying the exercise of the Over-Allotment Units.

The Underwriters, as principals, conditionally offer the Offered Units, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “*Plan of Distribution*” and subject to the approval of certain legal matters on behalf of the Company by Gowling WLG (Canada) LLP and on behalf of the Underwriters by Borden Ladner Gervais LLP. **An investment in the Offered Units involves a high degree of risk and should only be made by persons who can afford the total loss of their investment. Before purchasing the Offered Units, prospective purchasers should carefully review and evaluate the risk factors described under “Risk Factors” in this Prospectus and in the Annual Information Form (as defined herein), which can be found on the Company’s profile on SEDAR at www.sedar.com. Prospective purchasers are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of the Offered Units, Unit Shares, Warrants and/or Warrant Shares. See “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors”.**

Prospective purchasers should rely only on the information contained or incorporated by reference in this Prospectus. The Company and the Underwriters have not authorized anyone to provide prospective purchasers with information different from that contained or incorporated by reference in this Prospectus. The Underwriters are offering to sell and seeking offers to buy the Offered Units only in jurisdictions where, and to persons to whom, offers and sales are lawfully permitted. Prospective purchasers should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the cover page of this Prospectus.

Subscriptions for the Offered Units will be received subject to rejection or allotment, in whole or in part, and the Underwriters reserve the right to close the subscription books at any time without notice. Closing of the Offering (the “**Closing**”) is expected to take place on or about September 15, 2020 or such other date as the Underwriters and the Company may mutually agree (the “**Closing Date**”), acting reasonably, provided that the Offered Units are to be taken up by the Underwriters on or before the date that is not later than 42 days after the date of the receipt for the (final) short form prospectus relating to the Offering. See “*Plan of Distribution*”.

In connection with the Offering, and subject to applicable laws, the Underwriters may over-allot or effect transactions that are intended to stabilize or maintain the market price of the Unit Shares at levels other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. The Underwriters may offer the Offered Units at a lower price than stated above. See “*Plan of Distribution*”.

It is anticipated that the Offered Units will be delivered under the book-based system through CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee and deposited in electronic form. A purchaser of Offered Units will receive only a customer confirmation from the Underwriters or another registered dealer from or through which the Offered Units are purchased and who is a CDS depository service participant (a “**Participant**”). CDS will record the Participants who hold Unit Shares and Warrants comprising the Offered Units on behalf of owners who have purchased Offered Units in accordance with the book-based system. No certificates evidencing the Unit Shares or Warrants comprising the Offered Units will be issued to subscribers, except in certain limited circumstances, and registration will be made in the name of the nominee of CDS. Notwithstanding the foregoing, all Offered Units, Unit Shares and Warrants and any Warrant Shares, offered and sold in the United States or to or for the account or benefit of U.S. Persons who are institutional “accredited investors” as such term is defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the U.S. Securities Act (the “**U.S. Accredited Investors**”), and who are not “qualified institutional buyers,” as such term is defined in Rule 144A under the U.S. Securities Act (“**Qualified Institutional Buyers**”), and together with the U.S. Accredited Investors, the “**U.S. Purchasers**”) will be issued in certificated, individually registered form. See “*Plan of Distribution*”.

A controlling shareholder of PI Financial Corp. is concurrently an influential shareholder of Bridging Finance Inc. ("Bridging"), which is a lender to certain subsidiaries of the Company (being Mid-American Growers, Inc. ("MAG") and RWB Illinois, Inc. ("RWB Illinois")) pursuant to the Amended Facility (as defined below) under which such subsidiaries are currently indebted and which the Company has guaranteed. Consequently, the Company may be considered to be a "connected issuer" (within the meaning of National Instrument 33-105 – *Underwriting Conflicts*) of PI Financial Corp. under applicable Canadian securities legislation. See "*Relationship Between the Company and Certain Underwriters*".

In this Prospectus, references to "RWB", the "Company", "we", "us" and "our" refer to Red White & Bloom Brands Inc. and/or, as applicable, one or more of its subsidiaries. The Company's head office and registered office is located at 789 West Pender Street, Suite 810, Vancouver, BC, V6C 1H2.

This Prospectus qualifies the distribution of securities of an entity that currently derives and intends to derive, directly, a substantial portion of its revenues from the cannabis industry in certain U.S. states, which industry is illegal under U.S. Federal law and enforcement of relevant laws is a significant risk. The Company is directly involved through its investees and expects to be directly involved through its subsidiaries and proposed acquisition targets in the medical and adult-use cannabis industry in the States of Michigan, Illinois, California and Massachusetts which states have regulated such industries. Currently, the Company is directly engaged in, or pursuing operations regarding, the cultivation, possession, use, sale and distribution of medical and adult-use cannabis in such states.

The United States federal government regulates drugs, in part, through the Controlled Substances Act (21 U.S.C. § 811) (the "Controlled Substances Act"), which places controlled substances, including cannabis, in a schedule. Cannabis is classified as a Schedule I drug. Under United States federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. The United States Food and Drug Administration has not approved marijuana as a safe and effective drug for any indication.

In the United States, marijuana is regulated at both the federal and state level, however these regulations are in direct conflict. State laws regulating cannabis are in direct conflict with the federal Controlled Substances Act, which makes cannabis use and possession federally illegal. Although certain states authorize medical or adult-use cannabis production and distribution by licensed or registered entities, under U.S. federal law, the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal, and any such acts are criminal acts under federal law. The Supremacy Clause of the United States Constitution establishes that the United States Constitution and federal laws made pursuant to it are paramount and, in case of conflict between federal and state law, the federal law shall apply. Third party service providers could suspend or withdraw services as a result of the Company operating in an industry that is illegal under United States federal law.

On January 4, 2018, then United States Attorney General Sessions issued a memorandum (the "Sessions Memo") to all United States Attorneys which rescinded previous guidance from the U.S. Department of Justice specific to cannabis enforcement in the United States, including the Cole Memo (as defined herein). With the Cole Memo rescinded, and United States federal prosecutors having no further guidance relating to prosecution of cannabis-related violations of U.S. federal law, discretion on whether or not to prosecute such alleged violations has reverted to each respective U.S. Attorney to make such a determination. In the absence of such uniform federal guidance, as had been established by the Cole Memo, numerous United States Attorneys with state-legal marijuana programs within their jurisdictions have announced enforcement priorities for their respective offices. For instance, Andrew Lelling, United States Attorney for the District of Massachusetts, stated that while his office would not immunize any businesses from federal prosecution, he anticipated focusing the office's marijuana enforcement efforts on: (1) overproduction; (2) targeted sales to minors; and (3) organized crime and interstate transportation of drug proceeds. Other United States Attorneys provided less assurance, promising to enforce federal law, including the Controlled Substances Act in appropriate circumstances. United States Attorney General Sessions resigned on November 7, 2018. He was replaced by William Barr on February 14, 2019. It is unclear what specific impact this

development will have on U.S. federal government enforcement policy as the Department of Justice under Mr. Barr has not taken a formal position on federal enforcement of laws relating to cannabis. However, during his confirmation, and in response to written inquiries by U.S. Senators, Mr. Barr stated that “[he does] not intend to go after parties who have complied with state law in reliance on the Cole Memorandum.” Mr. Barr has also stated that, while his preference would be to have a uniform federal rule addressing cannabis; absent such a uniform position, his preference would be to permit the existing federal approach of allowing individual states or territories to determine cannabis policy and to trust the judgment of U.S. prosecutors on how to enforce U.S. federal law. If the Department of Justice policy under Attorney General Barr was to prosecute cannabis-related business, including but not limited to any investors, financiers, employees, officers and managers, and United States Attorneys followed such Department of Justice policies through pursuing prosecutions, then the Company could face (i) seizure of its cash and other assets used to support or derived from its cannabis operations; (ii) the arrest of its employees, directors, officers and managers; and (iii) the barring of its employees, directors, officers, managers and investors who are not United States citizens from entry into the United States. There is no guarantee that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Unless and until the United States Congress amends U.S. federal law with respect to cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current U.S. federal law. If the United States federal government begins to enforce United States federal laws relating to cannabis in states where the sale and use of cannabis is currently legal under state law, or if existing applicable state laws are repealed or curtailed, the Company’s business, results of operations, financial condition and prospects would be materially adversely affected.

Although the Cole Memo has been rescinded, one legislative safeguard for the medical marijuana industry remains in place: Congress has passed a so-called “rider” provision in the FY 2015, 2016, 2017 and 2018 Consolidated Appropriations Acts to prevent the federal government from using congressionally appropriated funds to enforce federal marijuana laws against regulated medical marijuana actors operating in compliance with state and local law. The rider is known as the “Rohrabacher-Farr” Amendment after its original lead sponsors (it is also sometimes referred to as the “Rohrabacher-Blumenauer” or “Joyce-Leahy” Amendment, but it is referred to in this Prospectus as “Rohrabacher-Farr”). Most recently, the Rohrabacher-Farr Amendment was included in the Consolidated Appropriations Act of 2019, which was signed by President Donald Trump on February 14, 2019 and funds the departments of the federal government through the fiscal year ending September 30, 2019. In signing the Act, President Trump issued a signing statement noting that the Act “provides that the Department of Justice may not use any funds to prevent implementation of medical marijuana laws by various States and territories,” and further stating “I will treat this provision consistent with the President’s constitutional responsibility to faithfully execute the laws of the United States.” While the signing statement can fairly be read to mean that the executive branch intends to enforce the Controlled Substances Act and other federal laws prohibiting the sale and possession of medical marijuana, the President did issue a similar signing statement in 2017 and no major federal enforcement actions followed. On December 20, 2019, President Trump signed the 2020

Fiscal Year Appropriations Bill which included the Rohrabacher-Farr Amendment, which prohibits the funding of federal prosecutions with respect to medical cannabis activities that are legal under state law, extending its application until September 30, 2020. There can be no assurances that the Rohrabacher/Blumenauer Amendment will be included in future appropriations bills. See “Regulatory Overview – U.S. Federal Regulatory Landscape”.

There is no guarantee that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Unless and until the United States Congress amends the Controlled Substances Act with respect to marijuana (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current U.S. federal law. If the United States federal government begins to enforce United States federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing applicable state laws are repealed or curtailed, the Company’s business, results of

operations, financial condition and prospects would be materially adversely affected.

Marijuana remains a Schedule I controlled substance at the federal level, and neither the Cole Memo nor its rescission nor the continued passage of the Rohrabacher-Farr Amendment has altered that fact. The federal government of the United States has always reserved the right to enforce federal law in regard to the sale and disbursement of medical or adult-use marijuana, even if state law sanctions such sale and disbursement. If the United States federal government begins to enforce United States federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing applicable state laws are repealed or curtailed, the Company's business, results of operations, financial condition and prospects would be materially adversely affected.

Additionally, under United States federal law, it may potentially be a violation of federal anti-money laundering statutes for financial institutions to take any proceeds from the sale of any Schedule I controlled substance. Due to the Controlled Substances Act categorization of marijuana as a Schedule I drug, federal law makes it illegal for financial institutions that depend on the Federal Reserve's money transfer system to take any proceeds from marijuana sales as deposits. Banks and other financial institutions could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses under the United States Currency and Foreign Transactions Reporting Act of 1970 (the "Bank Secrecy Act") as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001. Therefore, under the Bank Secrecy Act, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be charged with money laundering or conspiracy. Despite the absence of express banking protections under U.S. federal law, the FinCEN Guidance (as described herein), which was adopted by the U.S. Department of the Treasury in 2014 and remains in place presently, advised prosecutors not to focus their enforcement efforts on banks and other financial institutions that serve marijuana-related businesses so long as that business is legal in their state and none of the federal enforcement priorities referenced in the Cole Memo are being violated.

The Company's objective is to capitalize on the opportunities presented as a result of the changing regulatory environment governing the cannabis industry in the United States. Accordingly, there are a number of significant risks associated with the business of the Company. Unless and until the U.S. Congress amends the Controlled Substances Act with respect to adult-use cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current federal law, and the business of the Company may be deemed to be producing, cultivating, extracting, or dispensing cannabis or aiding or abetting or otherwise engaging in a conspiracy to commit such acts in violation of federal law in the United States.

In light of the political and regulatory uncertainty surrounding the treatment of United States cannabis related activities, on February 8, 2018, the Canadian Securities Administrators published CSA Staff Notice 51-352 – (Revised) Issuers with U.S. Marijuana-Related Activities (the "Staff Notice 51-352") setting out the Canadian Securities Administrator's disclosure expectations for specific risks facing issuers with cannabis related activities in the United States. Staff Notice 51-352 includes additional disclosure expectations that apply to all issuers with United States cannabis-related activities, including those with direct and indirect involvement in the cultivation and distribution of cannabis, as well as issuers that provide goods and services to third parties involved in the United States cannabis industry. The Company is directly involved through its investees in the cultivation and distribution of cannabis in the United States for purposes of Staff Notice 51-352.

For these reasons, the Company's involvement in the U.S. cannabis market may subject the Company to heightened scrutiny by regulators, stock exchanges, clearing agencies and other U.S. and Canadian authorities. There can be no assurances that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to operate in the United States or any other jurisdiction. There are a number of risks associated with the business of the Company. See the sections entitled "Regulatory Overview" and "Risk Factors" in this Prospectus, and the sections entitled "General Development of the Business – Trends, Commitments, Events or Uncertainties" and "Risk Factors" in the Listing Statement (as defined herein).

TABLE OF CONTENTS

GENERAL MATTERS.....	1
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS.....	1
MARKET AND INDUSTRY DATA	3
MARKETING MATERIALS	3
ELIGIBILITY FOR INVESTMENT	3
DOCUMENTS INCORPORATED BY REFERENCE	4
THE COMPANY.....	6
RECENT DEVELOPMENTS	7
REGULATORY OVERVIEW.....	8
CONSOLIDATED CAPITALIZATION	27
USE OF PROCEEDS	30
MARKET FOR SECURITIES.....	30
DESCRIPTION OF SECURITIES BEING DISTRIBUTED	32
PLAN OF DISTRIBUTION	35
RELATIONSHIP BETWEEN THE COMPANY AND CERTAIN UNDERWRITERS	38
RISK FACTORS	39
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	49
STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION.....	53
INTEREST OF EXPERTS	53
AUDITORS, TRANSFER AGENT AND REGISTRAR.....	53
CERTIFICATE OF THE COMPANY.....	C-1
CERTIFICATE OF THE UNDERWRITERS.....	C-2

GENERAL MATTERS

Purchasers should rely only on the information contained in or incorporated by reference into this Prospectus and are not entitled to rely on parts of the information contained in this Prospectus to the exclusion of others. The Company and the Underwriters have not authorized anyone to provide purchasers with additional or different information. **Information contained on the Company's website shall not be deemed to be a part of this Prospectus or incorporated by reference herein and may not be relied upon by prospective purchasers for the purpose of determining whether to invest in the securities qualified for distribution under this Prospectus.** The Offered Units are not being offered or sold in any jurisdiction where the offer or sale is not permitted. Prospective purchasers should assume that the information appearing or incorporated by reference in this Prospectus is accurate only as at the respective dates thereof, regardless of the time of delivery of the Prospectus or of any sale of the Offered Units. The Company's business, financial condition, results of operations and prospects may have changed since that date. The Company does not undertake to update the information contained or incorporated by reference herein except as required by applicable Canadian securities laws.

This Prospectus shall not be used for any purpose other than in connection with the Offering.

Except as otherwise indicated, references to "Canadian dollars" or "\$" are to the currency of Canada.

This Prospectus, including the documents incorporated by reference herein, contains company names, product names, trade names, trademarks and service marks of the Company and other organizations, all of which are the property of their respective owners.

The documents incorporated or deemed to be incorporated by reference herein contain meaningful and material information relating to the Company and prospective purchasers should review all information contained in this Prospectus and the documents incorporated or deemed to be incorporated by reference herein.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus, including the documents incorporated by reference herein, contains forward-looking statements or information (collectively "**forward-looking statements**") which are based upon the Company's current internal expectations, estimates, projections, assumptions and beliefs. In some cases, these forward-looking statements can be identified by words or phrases such as "may", "believes", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues", "plans", "aim", "seek" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on current expectations and projections about future events and financial trends that they believe may affect the Company's financial condition, results of operations, business strategy and financial needs, as the case may be.

Forward-looking statements relating to the Company include, among other things, statements relating to:

- the completion of the Offering and the receipt of all regulatory and CSE approvals in connection therewith;
 - the listing on the CSE of the Unit Shares, the Warrants and Warrant Shares (including the Compensation Shares, the Compensation Warrants and the Compensation Warrant Shares)
 - the Company's use of proceeds and business objectives and milestones and the anticipated timing of execution, see "Use of Proceeds";
 - the performance of the Company's business and operations;
 - the successful completion of the Company's previously announced transactions, including, but not limited to, the Company's proposed acquisition of Platinum Vape, LLC ("Platinum Vape"), the Company's proposed acquisition of PharmaCo Inc. ("PharmaCo"), the Company's exclusive partnership for the distribution and commercialization of Avicanna Inc. ("Avicanna") products, the Company's growing and sales agreement with 39 Industries, LLC (operating as Critical 39) ("Critical 39");
 - the intention to expand the business, operations and potential activities of the Company;
-

- current legislation in the United States and various states thereof pertaining to the production, distribution, sale and use of medical and recreational cannabis;
- future prices and demand for cannabis in the United States and the supply of cannabis and the production of products derived therefrom;
- development of projects in which the Company invests being on time and on budget;
- the accuracy and veracity of information and projections sourced from third parties respecting, among other things, future industry conditions and demand for cannabis;
- the competitive conditions of the cannabis industry;
- the competitive and business strategies of the Company;
- the Company's anticipated operating cash requirements and future financing needs;
- the anticipated future gross revenues and profit margins of the Company's operations;
- the Company's expectations regarding its revenue, expenses and operations;
- impacts of potential litigation;
- the Company's intention to build brands and develop cannabis products targeted to specific segments of the market;
- the ongoing and proposed expansion of the Company's facilities, products or services, including associated costs and any applicable licencing;
- the current political, legal and regulatory landscape surrounding medical and recreational cannabis and expected developments in any jurisdiction in which the Company operates or may operate;
- the receipt of any regulatory and stock exchange approvals required at any given time;
- the applicable laws, regulations and any amendments thereof;
- medical benefits, viability, safety, efficacy and dosing of cannabis;
- the expected growth in the number of patients;
- the expected number of grams of medical cannabis used by each patient;
- expectations with respect to the advancement and adoption of new product lines and ingredients;
- the acceptance by customers and the marketplace of new products and solutions;
- the ability to attract new customers and develop and maintain existing customers;
- expectations with respect to future production costs and capacity;
- expectations and anticipated impact of the COVID-19 pandemic;
- expectations with respect to the receipt, renewal, amendment and/or extension of the Company's permits and licences;
- the ability to protect, maintain and enforce the Company's intellectual property rights;
- the ability to successfully leverage current and future strategic partnerships and alliances;
- the ability to attract and retain personnel;
- anticipated labour and materials costs;
- the Company's competitive condition and expectations regarding competition, including pricing and demand expectations and the regulatory environment in which the Company operates; and
- anticipated trends and challenges in the Company's business and the markets and jurisdictions in which the Company operates or may operate.

Forward-looking statements are based on certain key assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments and other factors the Company believes are appropriate and are subject to risks and uncertainties and include assumptions made by the Company about its business, the economy and the cannabis industry in general, particularly in light of the impact of the COVID-19 virus ("**COVID-19**"). Although management believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect. Given these risks, uncertainties and assumptions, shareholders and prospective purchasers of the Company's securities should not place undue reliance on these forward-looking statements. The above list of forward-looking statements is not exhaustive and whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any forward-looking statement to

reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events.

Certain of the forward-looking statements contained herein concerning cannabis, the general expectations of the Company related thereto, and the Company's business and operations are based on estimates prepared by the Company using data from publicly available governmental sources, as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise. While the Company is not aware of any misstatement regarding any industry or government data presented herein, the current cannabis industry involves risks and uncertainties that are subject to change based on various factors. It is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. **Readers are cautioned that actual future results may differ materially from management's current expectations and the forward-looking statements contained in this Prospectus and the documents incorporated by reference herein are expressly qualified in their entirety by this cautionary statement. For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this Prospectus, please see "Risk Factors" in this Prospectus and in the Company's Annual Information Form for the period ended July 31, 2019, filed under the Company's profile on SEDAR and available at www.sedar.com.**

MARKET AND INDUSTRY DATA

Market and industry data contained and incorporated by reference in this Prospectus concerning economic and industry trends is based upon good faith estimates of our management or derived from information provided by industry sources. The Company believes that such market and industry data is accurate and that the sources from which it has been obtained are reliable. However, we cannot guarantee the accuracy of such information and we have not independently verified the assumptions upon which projections of future trends are based.

MARKETING MATERIALS

Any "template version" of "marketing materials" (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements*) will be incorporated by reference into the (final) short form prospectus. However, any such template version of marketing materials will not form part of the (final) short form prospectus to the extent that the contents of the template version of marketing materials are modified or superseded by a statement contained in the (final) short form prospectus. Any template version of marketing materials filed after the date of this Prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, the Marketing Materials (as defined herein)) is deemed to be incorporated in this Prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of Gowling WLG (Canada) LLP, counsel to the Company, and Borden Ladner Gervais LLP, counsel to the Underwriters, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**") as of the date hereof, the Unit Shares, the Warrants and the Warrant Shares, if issued on the date hereof, would be "qualified investments" under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans and tax-free savings accounts, each as defined in the Tax Act (collectively "**Registered Plans**") and trusts governed by deferred profit sharing plans ("**DPSPs**"), provided that:

- (i) in the case of Unit Shares and Warrant Shares, the Common Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the CSE) or the Company qualifies as a "public corporation" (as defined in the Tax Act); and
- (ii) in the case of Warrants, the Warrants, once listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the CSE), or the Warrant Shares are qualified

investments as described in (i) above and neither the Company, nor any person with whom the Company does not deal at arm's length, is an annuitant, a beneficiary, an employer or subscriber under or a holder of such Registered Plan or DPSP.

Notwithstanding the foregoing, holders, annuitants or subscribers of Registered Plans (each a "**Controlling Individual**") will be subject to a penalty tax in respect of the Unit Shares, Warrants and Warrant Shares held in a trust governed by a Registered Plan if such Unit Shares, Warrants or Warrant Shares, as the case may be, are a "prohibited investment" under the Tax Act for the particular Registered Plan. Unit Shares, Warrants or Warrant Shares will generally not be a "prohibited investment" for a Registered Plan unless the Controlling Individual of the Registered Plan (i) does not deal at arm's length with the Company for purposes of the Tax Act; or (ii) has a "significant interest", as defined in the Tax Act, in the Company. In addition, the Unit Shares and Warrant Shares will not be a "prohibited investment" if such securities are "excluded property" (as defined in the Tax Act for purposes of the prohibited investment rules) for trusts governed by a Registered Plan.

Persons who intend to hold Unit Shares, Warrants or Warrant Shares in a Registered Plan or DPSP, should consult their own tax advisors in regard to the application of these rules in their particular circumstances.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Company at 789 West Pender Street, Suite 810, Vancouver, BC, V6C 1H2, Telephone 604-687-2038, and are also available electronically on SEDAR at www.sedar.com.

The following documents of the Company filed with the securities commissions or similar authorities in Canada are incorporated by reference in this Prospectus:

1. the Company's annual information form dated August 7, 2020 (the "**Annual Information Form**") in respect of the fiscal year ended July 31, 2019;
2. the Company's CSE Form 2A listing statement dated June 1, 2020 respecting the business combination transaction (the "**Business Combination Transaction**") involving the Company (formerly Tidal Royalty Corp. ("**Tidal**")) and MichiCann Medical Inc. ("**MichiCann**") (excluding Tidal's interim financial statements and management's discussion and analysis thereon and the pro forma financial statements) (the "**Listing Statement**");
3. the Company's audited consolidated financial statements and the notes thereto as at and for the years ended July 31, 2019 and 2018, together with the auditor's report thereon (the "**Annual Financial Statements**");
4. the Company's management's discussion and analysis for the years ended July 31, 2019 and 2018 (the "**Annual MD&A**");
5. the Company's statement of executive compensation for the financial years ended July 31, 2019 and 2018;
6. the Company's audited consolidated financial statements in respect of MichiCann and the notes thereto as at and for the years ended December 31, 2019 and 2018, together with the auditor's report thereon;
7. the Company's management's discussion and analysis of financial conditions and operations in respect of MichiCann for the years ended December 31, 2019 and 2018;
8. the Company's unaudited condensed interim consolidated financial statements and the notes thereto as at and for the three and six months ended January 31, 2020 and 2019;
9. the Company's management's discussion and analysis for the six month period ended January 31, 2020 and 2019;

10. the Company's unaudited interim financial statements in respect of MichiCann and the notes thereto as at and for the three months ended March 31, 2020 and 2019;
11. the Company's management information circular dated August 5, 2020 respecting an annual and special meeting of shareholders of the Company;
12. the material change report dated August 24, 2020 respecting: (i) the entering into by the Company on July 24, 2020 of a growing and sales agreement with Critical 39 (the "**Critical 39 Agreement**"); (ii) the entering into by the Company on August 11, 2020 of a distribution agreement with Avicanna for the exclusive distribution of Avicanna's advanced and clinically backed cannabidiol ("**CBD**") based cosmetic and topical products Pura H&W™ in the United States and certain other markets (the "**Avicanna Distribution Agreement**"); (iii) the Company's providing of notice to PharmaCo shareholders (the "**PharmaCo Shareholders**") on July 24, 2020 of its intent to exercise its right to acquire 100% of the issued and outstanding shares of PharmaCo pursuant to the put/call option agreement dated January 4, 2019 between MichiCann, PharmaCo and PharmaCo Shareholders (the "**PharmaCo Put/Call Agreement**"); (iv) the entering into by the Company on July 21, 2020 of a binding letter of intent to acquire 100% of the issued and outstanding shares of Platinum Vape (the "**Platinum Vape LOI**"); and (v) the appointment of CNBC Market Analyst Steven Grasso as Business Advisor.
13. the material change report dated July 7, 2020 respecting a debt settlement subscription agreement with an arm-length investor entered into on June 30, 2020 to settle advances made by the investor to PharmaCo;
14. the material change reports dated June 8, 2020 and June 11, 2020 respecting the Company's acquisition on June 10, 2020 of 1251881 B.C. Ltd. ("**Newco**"), being the entity holding the licensing rights for the branding of High Times® ("**High Times**") dispensaries and High Times cannabis-based CBD and THC products in the states of Michigan, Illinois and Florida and branding of High Times hemp-derived CBD products nationally in the United States carrying the Culture® brand pursuant to a retail license agreement and a product license agreement with HT (as defined below), which transactions were completed by way of a three-cornered amalgamation under the *Business Corporations Act* (British Columbia), whereby 1252034 B.C. Ltd., a wholly-owned British Columbia subsidiary of RWB, amalgamated with 1251881 B.C. Ltd. to form RWB Licensing Inc. ("**RWB Licensing**") in exchange for the issuance to 1252240 B.C. Ltd. (the "**Seller**"), a wholly-owned subsidiary of HT Retail Licensing, LLC ("**HT**") of: (i) 13,500,000 Common Shares issued at a deemed price of \$1.50 per Common Share; and (ii) a special warrant of the Company that is exercisable into 4,500,000 additional Common Shares if the volume weighted average price of the Common Shares on the CSE, for the first 180 days following June 10, 2020 is below \$1.50, all pursuant to an acquisition agreement between the Company, HT, the Seller and Newco dated June 4, 2020 (the "**RWB Licensing Acquisition**");
15. the material change report dated June 8, 2020 respecting the resumption of trading of the Company's shares on the CSE;
16. the material change report dated April 29, 2020 respecting the completion of the Company's Business Combination Transaction with MichiCann on April 24, 2020 whereby (i) the Company changed its name from "Tidal Royalty Corp." to "Red White & Bloom Brands Inc." and completed a 16:1 share consolidation including common shares, series I convertible preferred shares (the "**Series I Preferred Shares**"), options and warrants; (ii) the Company fixed the number of directors at five and appointed Brad Rogers, Johannes (Theo) van der Linde, Brendan Purdy, Michael Marchese and William Dawson; (iii) appointed Brad Rogers as Chief Executive Officer and Johannes (Theo) van der Linde as Chief Financial Officer; (iv) the Company issued Common Shares, series II convertible preferred shares (the "**Series II Preferred Shares**"), warrants and options to former holders of MichiCann common shares, warrants and options; (v) certain shareholders entered into voluntary escrow agreements; and (vi) the Company agreed to guarantee certain obligations of PharmaCo, MAG and RWB Illinois pursuant to an amended and restated credit agreement with Bridging dated January 10, 2020;
17. the material change report dated March 13, 2020 respecting the entering into of an amended and restated business combination agreement with MichiCann in respect of the Business Combination Transaction;

18. the notice of change in corporate structure dated May 14, 2020 whereby, effective as of April 24, 2020, the Company changed its year end to December 31, 2020; and
19. the template version of the term sheet for the Offering dated August 21, 2020 (the “**Marketing Materials**”).

Any documents of the type referred to above or similar material and any documents required to be incorporated by reference herein pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions*, including any annual information form, all material change reports (excluding confidential reports, if any), all annual and interim financial statements and management’s discussion and analysis relating thereto, or information circular or amendments thereto that the Company files with any securities commission or similar regulatory authority in Canada after the date of this Prospectus and prior to the termination of this Offering will be deemed to be incorporated by reference in this Prospectus and will automatically update and supersede information contained or incorporated by reference in this Prospectus.

Any statement contained in this Prospectus or a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies, replaces or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded.

THE COMPANY

Summary of the Business

RWB focuses on investing in and financing businesses that pertain in any way to cannabis and which are carried out in compliance with applicable United States state laws (the “**U.S. legal cannabis industry**”). The Company actively seeks financing arrangements involving royalties, debt and other forms of investments and acquisitions in private and public companies in the U.S. legal cannabis industry. It is anticipated that the Company will predominately focus its investments, with the strength of its world-class team, on major markets in the United States, including Michigan, Illinois, California, Massachusetts and Florida in respect to cannabis and the entire United States for legal hemp CBD based products.

The Company’s business objective is to provide capital solutions to companies in the U.S. legal cannabis industry with large-scale potential and a highly-skilled and experienced management team across multiple industry verticals, including cultivation, processing and distribution. The Company is actively pursuing opportunities to provide expansion capital to licensed, qualified operators across multiple industry verticals including cultivation, processing and distribution.

The nature and timing of the Company’s investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Company. The Company expects its investment activities will be primarily focused on enterprises located in the United States, although investments may extend globally (including the purchase of securities listed on foreign stock exchanges). The Company expects to invest solely in the cannabis sector. The Company believes that any risk of limited diversification may be mitigated by closely monitoring its investments. The actual composition of the Company’s investment portfolio will vary over time depending on its assessment of a number of factors, including the performance of United States cannabis markets and credit risk.

The Company’s current material subsidiaries and investees are MichiCann, PharmaCo, RWB Illinois, MAG, RWB Licensing, RLTY USA Corp., RLTY Development MA 1 LLC, RLTY Development Springfield LLC, RLTY

Development Orange LLC, RLTY Beverage LLC, and VLF Holdings LLC d/b/a Diem, the financing transactions in respect of each are described in the Listing Statement. The Company has also entered into the Platinum Vape LOI to acquire 100% of the issued and outstanding shares of Platinum Vape.

For a detailed description of the business of the Company, prospective purchasers should refer to the Company's Annual Information Form incorporated by reference into this Prospectus and available on the Company's SEDAR profile at www.sedar.com.

Inter-Corporate Relationships

The following chart illustrates the Company's material subsidiaries, the percentage of voting securities of each that are held by RWB either directly or indirectly, and their respective jurisdiction of incorporation, continuance, formation or organization:

Subsidiary Name	Ownership by RWB	Jurisdiction of Incorporation, Continuance, Formation or Organization
RLTY USA Corp.	100%	Delaware
RLTY Beverage 1 LLC	100%	Delaware
RLTY Development MA 1 LLC	100%	Delaware
RLTY Development Springfield LLC	100%	Massachusetts
RLTY Development Orange LLC	100%	Massachusetts
Michicann Medical Inc.	100%	Ontario
Mid-American Growers, Inc.	100%	Delaware
RWB Illinois, Inc.	100%	Delaware
RWB Licensing Inc.	100%	British Columbia

RECENT DEVELOPMENTS

The following are material recent developments of the Company since the filing of the Annual Information Form. On August 11, 2020, RWB entered into the Avicanna Distribution Agreement for the exclusive distribution of Avicanna's advanced and clinically backed Pura H&W™ CBD-based cosmetic and topical products by RWB in the United States and certain other markets.

Under the Avicanna Distribution Agreement, which has an initial five-year term, RWB will exclusively distribute the Pura H&W™ brand and certain other white label brands at RWB's direction. RWB will pay Avicanna an upfront cash licensing fee in the amount of \$250,000, along with minimum purchase requirements for the rights to be the exclusive distributor of Avicanna's Pura H&W™ branded cosmetics products in the United States. Under the Avicanna Distribution Agreement, RWB also has the right to purchase Avicanna's cosmetics products for distribution into the United States and certain other territories under brands of RWB's choosing. The initial product offerings under the agreement will include body and face lotions, cosmetic creams, gels and serums, as well as soaps and bath bombs.

On August 19, 2020, RWB announced it has entered into the Critical 39 Agreement with Critical 39, a Spokane, Washington based company focused on delivering premium products throughout the United States.

Under terms of the Critical 39 Agreement, Critical 39 has already delivered 100,000 seeds to RWB's 3.6 million square foot facility in Granville, Illinois where they are being cultivated in accordance with good agricultural practices and will be processed into finished whole hemp flower. The initial crop is expected to utilize a small portion of the facility's capacity. The Critical 39 Agreement has provisions for the parties to extend the relationship into the year 2022.

REGULATORY OVERVIEW

In accordance with Staff Notice 51-352, below is a discussion of the federal and state-level U.S. regulatory regimes in those jurisdictions where the Company is directly involved through its investees and expects to be directly involved through its subsidiaries in the cannabis industry. Pursuant to Staff Notice 51-352, issuers with U.S. cannabis-related activities are expected to clearly and prominently disclose certain prescribed information in prospectus filings and other required disclosure documents, such as this Prospectus. The Company is, through its investees, and intends to be, directly or indirectly, through its subsidiaries and proposed acquisition targets, directly engaged in the cultivation, processing, sale and distribution of cannabis in the cannabis marketplaces in Michigan, Illinois, California and Massachusetts. As such, the Company is subject to Staff Notice 51-352. Although the Company's and its investees' business activities are compliant with applicable U.S. state and local law, strict compliance with state and local laws with respect to cannabis may neither absolve the Company of liability under U.S. federal law, nor may it provide a defense to any federal proceeding which may be brought against the Company or its investees. In accordance with Staff Notice 51-352, the Company will evaluate, monitor and reassess this disclosure, and any related risks, on an ongoing basis and the same will be supplemented and amended to investors in public filings, including in the event of government policy changes or the introduction of new or amended guidance, laws or regulations regarding cannabis regulation. Any non-compliance, citations or notices of violation which may have an impact on the Company's licenses, business activities or operations will be promptly disclosed by the Company.

In accordance with the Staff Notice 51-352, below is a table of concordance that is intended to assist readers in identifying those parts of this Prospectus that address the disclosure expectations outlined in Staff Notice 51-352.

Industry Involvement	Specific Disclosure Necessary to Fairly Present all Material Facts, Risks and Uncertainties	Cross-Reference (Prospectus or Documents Incorporated by Reference)
All Issuers with U.S. Marijuana-Related Activities	Describe the nature of the issuer's involvement in the U.S. marijuana industry and include the disclosures indicated for at least one of the direct, indirect and ancillary industry involvement types noted in this table.	<p><i>"The Company – Summary of the Business"</i> and <i>"Recent Developments"</i> in this Prospectus</p> <p><i>"General Development of the Business"</i> and <i>"Description of the Business"</i> in the Annual Information Form</p> <p><i>"General Development of the Business"</i> and <i>"Narrative Description of the Business"</i> in the Listing Statement</p>
	Prominently state that marijuana is illegal under U.S. federal law and that enforcement of relevant laws is a significant risk	Pages iv to vi (disclosure in bold typeface), <i>"Regulatory Overview"</i> and <i>"Risk Factors"</i> in this Prospectus

"Risk Factors – Risks Related to the Cannabis Industry" in the Annual Information Form

"Narrative Description of the Business – Market Information, Trends, Commitments, Events and Uncertainties", "Risk Factors – Risks Related to the Cannabis Industry" in the Listing Statement

Discuss any statements and other available guidance made by federal authorities or prosecutors regarding the risk of enforcement action in any jurisdiction where the issuer conducts U.S. marijuana-related activities.

Pages iv to vi (disclosure in bold typeface), *"Regulatory Overview"* and *"Risk Factors"* in this Prospectus

"Risk Factors – Risks Related to the Cannabis Industry" in the Annual Information Form

"Narrative Description of the Business – Market Information, Trends, Commitments, Events and Uncertainties" in the Listing Statement

Outline related risks including, among others, the risk that third party service providers could suspend or withdraw services and the risk that regulatory bodies could impose certain restrictions on the issuer's ability to operate in the U.S.

"Risk Factors" in this Prospectus

"Risk Factors – Risks Related to the Cannabis Industry" in the Annual Information Form

"Narrative Description of the Business – Market Information, Trends, Commitments, Events and Uncertainties" and *"Risk Factors – Risks Related to the Cannabis Industry"* in the Listing Statement

Given the illegality of marijuana under U.S. federal law, discuss the issuer's ability to access both public and private capital and indicate what financing options are / are not available in order to support continuing operations.

"Regulatory Overview" and *"Risk Factors"* in this Prospectus

"Risk Factors – Risks Related to the Cannabis Industry" in the Annual Information Form

"Risk Factors – Risks Related to the Cannabis Industry" in the Listing Statement

Quantify the issuer's balance sheet and operating statement exposure to U.S. marijuana-related activities

"The Company" and *"Recent Developments"* in this Prospectus

"Description of the Business" in the Annual Information Form

		<i>"Narrative Description of the Business"</i> in the Listing Statement
	Disclose if legal advice has not been obtained, either in the form of a legal opinion or otherwise, regarding (a) compliance with applicable state regulatory frameworks and (b) potential exposure and implications arising from U.S. federal law.	The Company and its subsidiaries have received and continue to receive legal input regarding (a) compliance with applicable state regulatory frameworks and (b) potential exposure and implications arising from U.S. federal law in certain respects.
U.S. Marijuana Issuers with direct involvement in cultivation or distribution	Outline the regulations for U.S. states in which the issuer operates and confirm how the issuer complies with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state.	<i>"Regulatory Overview"</i> in this Prospectus
	Discuss the issuer's program for monitoring compliance with U.S. state law on a n ongoing basis, outline internal compliance procedures and provide a positive statement indicating that the issuer is in compliance with U.S. state law and the related licensing framework. Promptly disclose any non-compliance, citations or notices of violation which may have an impact on the issuer's licence, business activities or operations.	<i>"Regulatory Overview"</i> in this Prospectus
	Outline the regulations for U.S. states in which the issuer's investee(s) operate.	<i>"Regulatory Overview"</i> in this Prospectus
	Provide reasonable assurance, through either positive or negative statements, that the investee's business is in compliance with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state. Promptly disclose any noncompliance, citations or notices of violation, of which the issuer is aware, that may have an impact on the investee's licence, business activities or operations.	<i>"The Company – Summary of the Business"</i> , <i>"Regulatory Overview"</i> and <i>"Risk Factors"</i> in this Prospectus <i>"Description of the Business"</i> and <i>"Risk Factors"</i> in the Annual Information Form <i>"Narrative Description of the Business"</i> and <i>"Risk Factors"</i> in the Listing Statement
U.S. Marijuana Issuers with material ancillary involvement	Provide reasonable assurance, through either positive or negative statements, that the applicable customer's or investee's business is in compliance with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state.	<i>"Regulatory Overview"</i> in this Prospectus

U.S. Federal Regulatory Landscape

Under U.S. federal law, marijuana is currently classified as a Schedule I drug under the Controlled Substances Act. As such, the federal Drug Enforcement Agency (“**DEA**”) considers marijuana to have a high potential for abuse, no currently accepted medical use in treatment in the United States, and a lack of accepted safety for use of the drug under medical supervision.

State laws that permit and regulate the production, distribution and use of cannabis for adult-use or medical purposes are in direct conflict with the Controlled Substances Act, which makes cannabis use and possession federally illegal. Although certain states and territories of the U.S. authorize medical or adult-use cannabis production and distribution by licensed or registered entities, under U.S. federal law, the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal and any such acts are criminal acts under federal law under any and all circumstances under the Controlled Substances Act. Although the Company’s activities are believed to be compliant with applicable United States state and local law, strict compliance with state and local laws with respect to cannabis may neither absolve the Company of liability under United States federal law, nor may it provide a defense to any federal proceeding which may be brought against the Company.

As of August 25, 2020, 33 states and the District of Columbia have passed laws legalizing marijuana for medicinal use by eligible patients. In the District of Columbia, Puerto Rico, the U.S. Virgin Islands, the Northern Mariana Islands, and Guam and 11 of these states – Alaska, California, Colorado, Illinois, Maine, Massachusetts, Michigan, Nevada, Oregon, Vermont and Washington – marijuana is legal for adult-use regardless of medical condition, although Washington D.C. has not legalized commercial sale of cannabis.

As states increasingly legalized medical and/or adult-use cannabis, the federal government attempted to provide clarity on the incongruity between federal prohibition under the Controlled Substances Act and these state-legal regulatory frameworks. Until 2018, the federal government provided guidance to federal law enforcement agencies and banking institutions through a series of United States Department of Justice (“**DOJ**”) memoranda. The most recent such memorandum was drafted by former Deputy Attorney General James Cole in 2013 (the “**Cole Memo**”).

The Cole Memo offered guidance to federal enforcement agencies as to how to prioritize civil enforcement, criminal investigations and prosecutions regarding marijuana in all states. The memo put forth eight prosecution priorities:

1. Preventing the distribution of cannabis to minors;
2. Preventing revenue from the sale of cannabis from going to criminal enterprises, gangs and cartels;
3. Preventing the diversion of cannabis from states where it is legal under state law in some form to other states;
4. Preventing state-authorized cannabis activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;
5. Preventing the violence and the use of firearms in the cultivation and distribution of cannabis;
6. Preventing drugged driving and the exacerbation of other adverse public health consequences associated with cannabis use;
7. Preventing the growing of cannabis on public lands and the attendant public safety and environmental dangers posed by cannabis production on public lands; and
8. Preventing cannabis possession or use on federal property.

On January 4, 2018, then United States Attorney General Jeff Sessions rescinded the Cole Memo and a number of other cannabis-related memoranda by issuing a new memorandum to all United States Attorneys (the “**Sessions Memo**”). Rather than establish national enforcement priorities particular to marijuana-related crimes in jurisdictions where certain marijuana activity was legal under state law, the Sessions Memo instructs that “[i]n deciding which marijuana activities to prosecute... with the [DOJ’s] finite resources, prosecutors should follow the well-established principles that govern all federal prosecutions.” Namely, these include the seriousness of the offense, history of criminal activity, deterrent effect of prosecution, the interests of victims, and other principles.

Then U.S. Attorney General Jeff Sessions resigned on November 7, 2018 and was replaced by Matthew Whitaker as interim Attorney General. On February 14, 2019, William Barr was sworn in as Attorney General. It is unclear what position the new Attorney General will take on the enforcement of federal laws with regard to the U.S. cannabis industry. However, in a written response to questions from U.S. Senator Cory Booker made as a nominee, Attorney General Barr stated “I do not intend to go after parties who have complied with state law in reliance on the Cole Memorandum.”

Due to the Controlled Substances Act’s categorization of cannabis as a Schedule I drug, federal law also makes it illegal for financial institutions that depend on the Federal Reserve’s money transfer system to take any proceeds from marijuana sales as deposits. Banks and other financial institutions could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses under the United States Currency and Foreign Transactions Reporting Act of 1970 as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the “**Bank Secrecy Act**”). Therefore, under the Bank Secrecy Act, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be charged with money laundering or conspiracy.

While there has been no change in U.S. federal banking laws to accommodate businesses in the large and increasing number of U.S. states that have legalized medical and/or adult-use marijuana, the Department of the Treasury Financial Crimes Enforcement Network (“**FinCEN**”), in 2014, issued guidance to financial institutions who may conduct transactions with cannabis-related businesses (the “**FinCEN Guidance**”). Issued simultaneously with the FinCEN Guidance was a memorandum from the Department of Justice that advised prosecutors not to focus their enforcement efforts on banks and other financial institutions that serve marijuana-related businesses so long as that business is legal in their state and none of the federal enforcement priorities referenced in the Cole Memo are being violated (such as keeping marijuana away from children and out of the hands of organized crime). This memorandum was also rescinded by former Attorney General Sessions on January 4, 2018. The FinCEN Guidance, however, remains in effect and clarifies how financial institutions can provide services to marijuana-related businesses consistent with their Bank Secrecy Act obligations, including thorough customer due diligence, but makes it clear that they are doing so at their own risk. Under the FinCEN Guidance, financial institutions must submit a suspicious activity report (“**SAR**”) in connection with all cannabis-related banking activities by any client of such financial institution, in accordance with federal money laundering laws. These cannabis-related SARs are divided into three categories – cannabis limited, cannabis priority, and cannabis terminated – based on the financial institution’s belief that the business in question follows state law, is operating outside of compliance with state law, or where the banking relationship has been terminated, respectively. With respect to information regarding state licensure obtained in connection with such customer due diligence, a financial institution may reasonably rely on the accuracy of information provided by state licensing authorities, where states make such information available.

Because most banks and other financial institutions are unwilling to provide any banking or financial services to marijuana businesses, these businesses can be forced into becoming “cash-only” businesses. While the FinCEN Guidance decreased some risk for banks and financial institutions considering serving the industry, in practice it has not increased banks’ willingness to provide services to marijuana businesses. This is because, as described above, the current law does not guarantee banks immunity from prosecution, and it also requires banks and other financial institutions to undertake time-consuming and costly due diligence on each marijuana business they accept as a customer. In fact, some banks that had been servicing marijuana businesses have been closing the marijuana businesses’ accounts and are now refusing to open accounts for new marijuana businesses due to cost, risk, or both.

The few state-chartered banks and/or credit unions that have agreed to work with marijuana businesses are limiting those accounts to small percentages of their total deposits to avoid creating a liquidity risk. Since, theoretically, the federal government could change the banking laws as it relates to marijuana businesses at any time and without notice, these credit unions must keep sufficient cash on hand to be able to return the full value of all deposits from marijuana businesses in a single day, while also keeping sufficient liquid capital on hand to serve their other customers. Those state-chartered banks and credit unions that do have customers in the marijuana industry charge marijuana businesses high fees to pass on the added cost of ensuring compliance with the FinCEN Guidance.

Unlike the Cole Memo, however, the FinCEN Guidance from 2014 has not been rescinded. The Secretary of the U.S. Department of the Treasury, Stephen Mnuchin, has publicly stated that the Department was not informed of any plans to rescind the Cole Memo. Secretary Mnuchin stated that he does not have a desire to rescind the FinCEN Guidance.⁹

In recent years, certain temporary federal legislative enactments that protect the medical marijuana and hemp industries have also been in effect. For instance, certain marijuana businesses receive a measure of protection from federal prosecution by operation of temporary appropriations measures that have been enacted into law as amendments (or “riders”) to federal spending bills passed by Congress and signed by both Presidents Obama and Trump. For instance, in the Appropriations Act of 2015, Congress included the Rohrabacher-Farr Amendment that prohibits the DOJ from expending any funds to enforce any law that interferes with a state’s implementation of its own medical marijuana laws.

The Rohrabacher-Farr Amendment (now known colloquially as the “Joyce/Leahy Amendment” after its most recent sponsors) was included in the Fiscal Year Appropriations Bill, which was signed by President Trump on December 20, 2019 and funds the departments of the federal government through the fiscal year ending September 30, 2020. In signing the Act, President Trump issued a signing statement noting that the Act “provides that the Department of Justice may not use any funds to prevent implementation of medical marijuana laws by various states and territories,” and further stating “I will treat this provision consistent with the President’s constitutional responsibility to faithfully execute the laws of the United States.” While the signing statement can fairly be read to mean that the executive branch intends to enforce the Controlled Substances Act and other federal laws prohibiting the sale and possession of medical marijuana, the president did issue a similar signing statement in 2017 and no federal enforcement actions followed. The ongoing inclusion of the Rohrabacher-Farr Amendment in future U.S. legislation is subject to political change.

CBD is a product that often is derived from hemp, which contains only trace amounts of THC, the psychoactive substance found in marijuana. On December 20, 2018, President Trump signed the Agriculture Improvement Act of 2018 (popularly known as the 2018 Farm Bill) into law. Until the 2018 Farm Bill became law, hemp and products derived from it, such as CBD, fell within the definition of “marijuana” under the Controlled Substances Act and the DEA classified hemp as a Schedule I controlled substance because hemp is part of the cannabis plant.

The 2018 Farm Bill defines hemp as the plant *Cannabis sativa* L. and any part of the plant with a delta-9 THC concentration of not more than 0.3 percent by dry weight and removes hemp from the Controlled Substances Act. The 2018 Farm Bill also allows states to create regulatory programs allowing for the licensed cultivation of hemp and production of hemp-derived products. Hemp and products derived from it, such as CBD, may then be sold into commerce and transported across state lines provided that the hemp from which any product is derived was cultivated under a license issued by an authorized state program and otherwise meets the definition of hemp removed from the Controlled Substances Act. Notwithstanding the 2018 Farm Bill, the FDA has maintained that infusion of CBD into food products and beverages or making health claims for hemp-derived products remains unlawful when introduced into interstate commerce pursuant to the U.S. federal Food, Drug and Cosmetic Act.

An additional challenge to marijuana-related businesses is that the provisions of the U.S. Internal Revenue Code, Section 280E, are being applied by the IRS to businesses operating in the medical and adult-use marijuana industry. Section 280E of the Internal Revenue Code prohibits marijuana businesses from deducting their ordinary and necessary business expenses, forcing them to pay higher effective federal tax rates than

similar companies in other industries. The effective tax rate on a marijuana business depends on how large its ratio of non-deductible expenses is to its total revenues. Therefore, businesses in the U.S. legal cannabis industry may be less profitable than they would otherwise be.

Despite the recent rescission of the Cole Memo, the Company intends to implement the following to ensure compliance with the guidance provided by the Cole Memo, the FinCEN Guidance, and other best industry practices:

- The Company, its subsidiaries and its investees intend to operate in compliance with licensing requirements that are set forth with regards to cannabis operation by the applicable state, county, municipality, town, township, borough, and other political/administrative divisions;
- The Company's, its subsidiaries' and its investees' cannabis-related activities will adhere to the scope of the licensing obtained;
- The Company, its subsidiaries and its investees will put in place procedures to perform due diligence on contractors or anyone provided access to secure areas of its facilities to prevent products from being distributed to minors;
- The Company, its subsidiaries and its investees will work to ensure that the licensed operators have an adequate inventory tracking system and adequate procedures in place so that their compliance system can track inventory effectively. This will be implemented to ensure that there is no diversion of cannabis or cannabis products into states where cannabis is not permitted by state law, or across state lines in general;
- The Company, its subsidiaries and its investees will conduct background checks as required by applicable state law;
- The Company, its subsidiaries and its investees will conduct reviews of activities of the cannabis businesses, the premises on which they operate, and the policies and procedures that are related to possession of cannabis or cannabis products outside of its licensed premises (including the cases where such possession is permitted by regulation – e.g. transfer of products between licensed premises). These reviews will ensure that licensed operators do not possess or use cannabis on federal property or engage in manufacturing or cultivation of cannabis on federal lands; and
- The Company's, its subsidiaries' and its investees' product packaging will comply with applicable regulations and contain necessary disclaimers about the contents of the products to prevent adverse public health consequences from cannabis use and prevent impaired driving.

The following sections describe the legal and regulatory landscape in the states in which the Company may, through its subsidiaries, operate or distribute products: Michigan, Illinois, California and Massachusetts. While the Company and its subsidiaries, to the Company's knowledge, work to ensure that their operations comply with applicable state laws, regulations, and licensing requirements, for the reasons described above and the risks further described under the heading "*Risk Factors*", there are significant risks associated with the business of the Company. Readers are strongly encouraged to carefully read and consider all of the risk factors contained under the heading "Risk Factors" below and in the documents incorporated by reference in this Prospectus, including those risks identified and discussed under the heading "*Risk Factors*" in the Listing Statement, the Annual Information Form, the Annual Financial Statements and the Annual MD&A, all of which are incorporated by reference into this Prospectus.

California

California Regulatory Landscape

In 1996, California was the first state to effectively legalize medical marijuana through Proposition 215, the Compassionate Use Act of 1996. The Compassionate Use Act provided a defense to laws criminalizing the use,

possession and cultivation of marijuana for medical patients with a physician recommendation for the use of medical cannabis in the treatment of cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which marijuana provides relief.

In 2003, Senate Bill 420 was signed into law establishing an optional identification card system for medical marijuana patients.

In September 2015, the California legislature passed three bills collectively known as the Medical Cannabis Regulation and Safety Act (“**MCRSA**”). The MCRSA established a licensing and regulatory framework for medical marijuana businesses in California. The system created multiple license types for dispensaries, infused products and concentrates manufacturers, cultivation facilities, testing laboratories, and distributors. Product manufacturers would require either volatile solvent or non-volatile solvent manufacturing licenses depending on their specific extraction methodology. Multiple agencies would oversee different aspects of the program and businesses would require a state license and local approval to operate. However in November 2016, voters in California overwhelmingly passed Proposition 64, the Adult-Use of Marijuana Act (“**AUMA**”) creating an adult-use marijuana program for adults 21 years of age or older. AUMA had some conflicting provisions with MCRSA, so in June 2017, the California State Legislature passed Senate Bill No. 94, known as the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“**MAUCRSA**”), which amalgamates MCRSA and AUMA to provide a unified set of regulations to govern a medical and adult-use licensing regime for cannabis businesses in California. The four agencies that regulate marijuana at the state level are the Bureau of Cannabis Control (“**BCC**”), California Department of Food and Agriculture, California Department of Public Health, and California Department of Tax and Fee Administration. MAUCRSA went into effect on January 1, 2018.

One of the central features of MAUCRSA is known as “local control.” In order to legally operate a medical or adult-use marijuana business in California, an operator must have both a local and state license or permit. This requires license holders to operate in cities or counties with marijuana licensing programs. Cities and counties in California are allowed to determine the number of licenses they will issue to marijuana operators, or can choose to outright ban marijuana.

California Licensing Regime

Once an operator obtains local approval, the operator must obtain state licenses before conducting any commercial marijuana activity. There are 13 different license types that cover all commercial activity. License types 1-3 and 5 authorize the cultivation of medical and/or adult-use marijuana plants. Type 4 licenses are for nurseries that cultivate and sell clones and “teens” (immature marijuana plants that have established roots but require further vegetation prior to being sent into the flowering period). Type 6 and 7 licenses authorize manufacturers to process marijuana biomass into certain value-added products such as infused edibles, shatter or marijuana distillate oil with the use of volatile or non-volatile solvents, depending on the license type. Type 8 licenses are held by testing facilities who test samples of marijuana products and generate “certificates of analysis,” which include important information regarding the potency of products and whether products have passed or failed certain threshold tests for pesticide and microbiological contamination. Type 9 licenses are issued to “non-storefront” retailers, commonly called delivery services, who bring marijuana products directly to customers and patients at their residences or other chosen delivery location. Type 10 licenses are issued to storefront retailers, or dispensaries, which are open to the public and sell marijuana products onsite. Type 11 licenses are issued to distributors who move marijuana and marijuana products to all license types, including retailers, and ensure batch testing of all cannabis goods by testing facilities prior to distribution. Type 12 licenses are issued to microbusinesses which allow the licensee to engage in at least three of four specified commercial cannabis business activities (i.e., cultivation in an area of less than 10,000 square feet, distribution, type 6 (non- volatile) manufacturing and retail). Type 13 licenses are known as “Transport-Only” distribution licenses, and they allow the distributor to transport marijuana and marijuana products between licensees, but not to retailers.

California Agencies Regulating the Commercial Cannabis Industry

Three California state agencies are tasked with regulating the marijuana industry. The California Department of Food and Agriculture (“**CDFA**”) oversees nurseries and cultivators; the California Department of Public Health (“**CDPH**”) oversees manufacturers, and the BCC oversees distributors, retailers, delivery services, and testing

laboratories. Operators apply to one or more of these agencies for their licenses and each agency has released specific regulations in respect of the types of businesses they oversee. The BCC has a number of regulations that apply to all licensees, but the CDFA and CDPH regulations only apply to the licensees under their purview.

California Recordkeeping and Reporting

In California, depending on a local government's own marijuana ordinances, plants may be cultivated outdoors, using mixed-light methods, or fully indoors. Cultivators must initially acquire seeds, clones, teens, or other immature plants from nurseries.

The cultivation, processing, and movement of marijuana within the state is tracked by the METRC system, into which all licensees are required to input their track and trace data (either manually or using another software that automatically uploads to METRC). Immature plants are assigned a Unique Identifier number (UID), and this number follows the flowers and biomass resulting from that plant through the supply chain, all the way to the consumer. Each licensee in the supply chain is required to meticulously log any processing, packaging, and sales associated with that UID.

California Security Requirements

Each local government in California has its own security requirements for cannabis businesses, which usually include comprehensive video surveillance, intrusion detection and alarms, and limited access areas in the dispensary. The state also has similar security requirements, including that there be limited-access areas where only employees and other authorized individuals may enter. All licensee employees must wear employee badges. The limited access areas must be locked with "commercial-grade, non-residential door locks on all points of entry and exit to the licensed premises."

Each licensed premises must have a digital video surveillance system that can "effectively and clearly" record images of the area under surveillance. Cameras must be "in a location that allows the camera to clearly record activity occurring within 20 feet of all points of entry and exit on the licensed premises." The regulations list specific areas which must be under surveillance, including places where cannabis goods are weighed, packed, stored, loaded, and unloaded, security rooms, and entrances and exits to the premises. Retailers must record point of sale areas on the video surveillance system.

California Transportation

Marijuana in California may only be transported by licensed distributors. Some cultivators and manufacturers have their own distribution licenses, and others contract with third-party distributors. Distributors may or may not take possession of the marijuana and marijuana products. How this is evolving in California currently is that, similar to the alcohol distribution model, retailers are choosing from a portfolio of products carried by the distributors they work with. Brands are doing some direct marketing to retailers, but many brands target their marketing to distributors.

California Inspections

Distributors are the point in the supply chain where final quality assurance testing is performed on products before they go to a retailer. Retailers may not accept product without an accompanying certificate of analysis ("COA"). Distributors must hold product to be tested on their premises in "quarantine" and arrange for an employee of a licensed testing laboratory to come to their premises and obtain samples from any and all goods proposed to be shipped to a retailer. Marijuana and marijuana products are issued either a "pass" or "fail" by the testing laboratory. Under some circumstances, the BCC's regulations allow for failing product to be "remediated" or to be re-labeled to more accurately reflect the COA.

U.S. Attorney Statements in California

California is divided into four federal districts, each with its own appointed United States Attorney.

The office of McGregor Scott, U.S. attorney for the Eastern District of California, issued the following statement in January 2018: “The cultivation, distribution and possession of marijuana has long been and remains a violation of federal law for all purposes,” and that the office “will evaluate violations of those laws in accordance with our district’s federal law enforcement priorities and resources.”

Illinois

Illinois Regulatory Landscape

The Compassionate Use of Medical Cannabis Pilot Program Act (the “IL Act”) was signed into law in August 2013 and took effect on January 1, 2014. The IL Act provides medical cannabis access to registered patients who suffer from a list of over 40 medical conditions including epilepsy, cancer, HIV/AIDS, Crohn’s disease and post-traumatic stress disorder. As of April 9, 2019, approximately 61,200 patients have been registered under the IL Act and are qualified to purchase cannabis and cannabis products from registered dispensaries. On August 12, 2019 changes to this IL Act were effective, including making the medical program a permanent program and removing the pilot designation attached to the program. In addition to making the program permanent, new conditions were added as qualifying conditions.

Illinois Licensing Regime

The IL Act requires prospective cannabis business license holders to adhere to a thorough application process. Applicants for cannabis business licenses must meet, among others, the following requirements: (a) the proposed location for a dispensary must be suitable for public access, (b) the proposed location must not pose a detrimental impact to the surrounding community, (c) demonstrate compliance with safety procedures for dispensary employees, patients, and caregivers, and safe delivery and storage of cannabis and currency, (d) provide an adequate plan for recordkeeping, tracking and monitoring inventory, quality control, destruction and disposal of cannabis, and procedures to discourage unlawful activity, (e) develop a business plan specifying products to be sold, and (f) demonstrate knowledge of, experience, and proven record of ensuring optimal safety and accuracy in the dispensing and sale of cannabis. Once a license is granted, licensees have a continuing obligation to ensure no cannabis is sold, delivered, transported, or distributed to a location outside of Illinois.

Under the IL Act, dispensary, grower, and processing licenses are valid for one year. After the initial term, licensees are required to submit renewal applications. Pursuant to the IL Act, registration renewal applications must be received 45 days prior to expiration and may be denied if the licensee has a history of non-compliance and penalties.

Illinois Agencies Regulating the Commercial Cannabis Industry

Oversight and implementation under the IL Act are divided among three Illinois state departments: the Department of Public Health (the “IL DPH”), the Department of Agriculture (the “IL DA”), and the Department of Financial and Professional Regulation (the “IL DFPR”). The IL DPH oversees the following IL Act mandates: (a) establish and maintain a confidential registry of caregivers and qualifying patients authorized to engage in the medical use of cannabis, (b) distribute educational materials about the health risks associated with the abuse of cannabis and prescription medications, (c) adopt rules to administer the patient and caregiver registration program, and (d) adopt rules establishing food handling requirements for cannabis-infused products that are prepared for human consumption. It is the responsibility of the IL DA to enforce the provisions of the IL Act relating to the registration and oversight of cultivation centers and the responsibility of the IL DFPR to enforce the provisions of the IL Act relating to the registration and oversight of dispensing organizations. The IL DPH, IL DA and IL DFPR may enter into inter-governmental agreements, as necessary, to carry out the provisions of the IL Act.

On June 25, 2019, Illinois Gov. J.B. Pritzker signed into law the Cannabis Regulation & Tax Act, which as of January 1, 2020, permits persons 21 years of age or older to possess, use, and purchase limited amounts of cannabis for personal/recreational use, beginning on January 1, 2020. In summary the act allows possession for Illinois residents of no more than 30 grams of cannabis flower; 5 grams of cannabis concentrate; no more than 500 milligrams of THC contained in a cannabis infused product; and patients registered under the medical

cannabis program may possess more than 30 grams of cannabis if it is grown in their residence, in a secure location under the conditions set forth in the IL Act. The IL Act also contains possession limits for non-Illinois residents. The Act IL contains very clear social equity language and requirements in order to qualify for a license.

Illinois has issued a limited amount of dispensary, producer/grower, and processing licenses. There are currently over 60 licensed dispensaries and 22 licensed cultivators.

Illinois Recordkeeping and Reporting

Illinois uses the BioTrack THC T&T system to manage the flow of reported data between each licensee and the state. NCC also uses the T&T system to ensure all reporting requirements are met. Information processed through the T&T system must be maintained in a secure location at the dispensing organization for five years.

Licensees are mandated by the IL Act to maintain records electronically and make them available for inspection by the IL DFPD upon request. Records that must be maintained and made available, as described in the IL Act, include: (a) operating procedures, (b) inventory records, policies, and procedures, (c) security records, and (d) staffing plans. All dispensing organization records, including business records such as monetary transactions and bank statements, must be kept for a minimum of three years. Records of destruction and disposal of all cannabis not sold, including notification to the IL DFPD and State Police, must be retained at the dispensary organization for a period of not less than five years.

Illinois Inventory and Storage

An organization's agent-in-charge has primary oversight of the dispensing organization's medical cannabis inventory control system. Under the IL Act, a dispensary's inventory control system must be real-time, web-based, and accessible by the IL DFPD 24 hours a day, seven days a week. The T&T system used by NCC complies with such requirements.

The inventory control system of a dispensing organization must record all cannabis sales, waste, and acquisitions. Specifically, the inventory system must track and reconcile through the T&T system each day's cannabis beginning inventory, acquisitions, sales, disposal and ending inventory. Tracked information must include (a) product descriptions including the quantity, strain, variety and batch number of each product received, (b) the name and registry identification number of the permitted cultivation center providing the medical cannabis, (c) the name and registry identification number of the permitted cultivation center agent delivering the medical cannabis, (d) the name and registry identification number of the dispensing organization agent receiving the medical cannabis, and (e) the date of acquisition. Dispensary managers are tasked with conducting and documenting monthly audits of the dispensing organization's daily inventory according to generally accepted accounting principles.

The inventory control system of a cultivator and processing organization must conduct a weekly inventory of cannabis stock, which includes at a minimum, the date of the inventory, a summary of the inventory findings, the name, signature and title of the individuals who conducted the inventory and the agent-in-charge who oversaw the inventory, and the product name and quantity of cannabis plants or cannabis-infused products at the facility. The record of all medical cannabis sold must include the date of sale, the name of the dispensary facility to which the medical cannabis was sold and the batch number, product name and quantity of cannabis sold.

Storage of cannabis and cannabis product inventory is also regulated by the IL Act. Inventory must be stored on the dispensary's licensed premises in a restricted access area. Appropriate storage temperatures, containers, and lighting are required to ensure the quality and purity of cannabis inventory is not adversely affected.

Illinois Security Requirements

Under the IL Act, dispensaries must implement security measures to deter and prevent entry into and theft from restricted access areas containing either cannabis or currency. Mandated security measures include security systems, panic alarms, and locked doors or barriers between the facility's entrance and limited access areas. Admission to the limited access areas must be restricted to only registered qualifying patients, designated

caregivers, principal officers, and agents conducting business with the dispensing organization. Visitors and persons conducting business with the licensee in limited access areas must always wear identification badges and be escorted by a licensee's agent authorized to enter the restricted access area. A visitor's log must be kept on-site and be maintained for five years.

The IL Act states 24-hour video surveillance of both a licensee's interior and exterior are required to be taken and kept for at least 90 days. Unless prohibited by law, video of all interior dispensary areas, including all points of entry and exit, safes, sales areas, and storage areas must be kept. Unobstructed video of the exterior perimeter, including the storefront, grow facility and the parking lot, must also be kept. Video surveillance cameras are required to be angled to allow for facial recognition and the capture of clear and certain identification of any person entering or exiting the dispensary area. Additionally, all video must be taken in lighting sufficient for clear viewing during all times of night or day. The IL Act also requires all security equipment to be inspected and tested within regular 30-day intervals.

Illinois Transportation

Prior to transporting any cannabis or cannabis-infused product, a cultivation facility must:

- Complete a shipping manifest using a form prescribed by the IL DA; and
- Securely transmit a copy of the manifest to the dispensary facility that will receive the products and to the IL DA before the close of business the day prior to transport. The manifest must be made available to the Illinois State Police upon request.

The cultivation facility shall maintain all shipping manifests and make them available at the request of the IL DA. Cannabis products that are being transported shall:

- Only be transported in a locked, safe and secure storage compartment that is part of the motor vehicle transporting the cannabis, or in a locked storage container that has a separate key or combination pad; and
- Not be visible from outside the motor vehicle.

Any motor vehicle transporting cannabis is required travel directly from the cultivation facility to the dispensary facility, or a testing laboratory, and must not make any stops in between except to other dispensary facilities or laboratories, for refueling or in case of an emergency. A cultivation center shall ensure that all delivery times and routes are randomized. A cultivation center shall staff all transport motor vehicles with a minimum of two employees. At least one delivery team member shall remain with the motor vehicle at all times that the motor vehicle contains cannabis. Each delivery team member shall have access to a secure form of communication with personnel at the cultivation center and the ability to contact law enforcement through the 911 emergency system at all times that the motor vehicle contains cannabis. Each delivery team member shall possess his or her department issued identification card at all times when transporting or delivering cannabis and shall produce it for the IL DA or IL DA's authorized representative or law enforcement official upon request.

Illinois Inspections

Dispensing organizations are subject to random and unannounced dispensary inspections and cannabis testing by the IL DFPR and Illinois State Police. The IL DFPR and its authorized representatives may enter any place, including a vehicle, in which cannabis is held, stored, dispensed, sold, produced, delivered, transported, manufactured or disposed of and inspect in a reasonable manner, the place and all pertinent equipment, containers and labeling, and all materials, data and processes, and inventory any stock of cannabis and obtain samples of any cannabis or cannabis product, any labels or containers for cannabis, or paraphernalia.

The IL DFPR may conduct an investigation of an applicant, application, dispensing organization, principal officer, dispensary agent, third party vendor or any other party associated with a dispensing organization for an alleged

violation of the IL Act or to determine qualifications to be granted a registration by the IL DFPR. The IL DFPR may require an applicant or dispensing organization to produce documents, records or any other material pertinent to the investigation of an application or alleged violations of the IL Act.

Medical cannabis cultivation centers are also subject to random inspections by the IL DA.

Massachusetts

Massachusetts Regulatory Landscape

The Commonwealth of Massachusetts has authorized the cultivation, possession and distribution of marijuana for medical purposes by certain licensed Massachusetts marijuana businesses. The Medical Use of Marijuana Program (the “**MUMP**”) registers qualifying patients, personal caregivers, Marijuana Treatment Centers (“**MTCs**”), and MTC agents. The MUMP was established by Chapter 369 of the Acts of 2012, “An Act for the Humanitarian Medical Use of Marijuana”, following the passage of the Massachusetts Medical Marijuana Initiative, Ballot Question 3, in the 2012 general election. This act was repealed by Chapter 55 of the Acts of 2017. Additional statutory requirements governing the MUMP were enacted by the Legislature in 2017 and codified at G.L. c. 94I, et. seq. MTC Certificates of Registration are vertically integrated licenses in that each MTC Certificate of Registration entitles a license holder to one cultivation facility, one processing facility and one dispensary locations.

The Commonwealth of Massachusetts has also authorized the cultivation, possession, and use of marijuana by adults 21 years of age and older, as well as the licensure of certain marijuana-related businesses, through Chapter 334 of the Acts of 2016, “The Regulation and Taxation of Marijuana Act,” following the passage of Ballot Question 4 in the 2016 general election. Additional statutory requirements were enacted by the Legislature in 2017 and codified at G.L. c. 94g, et seq.

The Commonwealth of Massachusetts Cannabis Control Commission (“**CCC**”) regulations, 935 CMR 501.000 et seq. (“**Massachusetts Medical Regulations**”), provide a regulatory framework that requires MTCs to cultivate, process, transport and dispense medical cannabis in a vertically integrated marketplace. Patients with debilitating medical conditions qualify to participate in the program, including conditions such as cancer, glaucoma, positive status for HIV, AIDS, hepatitis C, ALS, Crohn’s disease, Parkinson’s disease, and MS when such diseases are debilitating, and other debilitating conditions as determined in writing by a qualifying patient’s healthcare provider. The CCC assumed control of the MUMP from the Department of Public Health on December 23, 2018.

The CCC regulations, 935 CMR 500.000 et seq. (“**Massachusetts Adult Use Regulations**”), provide a regulatory framework for “marijuana establishments,” which includes: (a) “Marijuana Cultivator” licenses, whether indoor or outdoor, (b) “Craft Marijuana Cooperative” licenses, (c) “Marijuana Product Manufacturer” licenses, (d) “Marijuana Microbusiness” licenses, (e) “Independent Testing Laboratory” licenses, (f) “Marijuana Retailer” licenses, (g) “Marijuana Transporter” licenses, (h) “Delivery-only Licensee”, (i) “Marijuana Research Facility” licenses, (j) “Social Consumption Establishment” licenses, and (k) any other type of licensed marijuana-related business, except a MTC.

The CCC regulations, 935 CMR 502.000 et seq., provide a regulatory framework for MTCs who are also licensed to conduct adult-use operations as a Cultivator, Product Manufacturer and Retailer.

Massachusetts Licensing Regime

The Massachusetts Medical Regulations delineate the licensing requirements for MTCs in Massachusetts. Licensed entities must demonstrate the following: (i) they are licensed and in good standing with the Secretary of the Commonwealth of Massachusetts; (ii) no executive, member or any entity owned or controlled by such executive or member directly or indirectly controls more than three MTC licenses; (iii) an MTC may not cultivate and dispense medical cannabis from more than two locations statewide; (iv) dispensary agents must be registered with the Massachusetts Department; (v) an MTC must have a program to provide reduced cost or free marijuana to patients with documented verifiable financial hardships; (vi) one executive of an MTC must register

with the Massachusetts Department of Criminal Justice Information Services on behalf of the entity as an organization user of the Criminal Offender Record Information (ICORI) system; (vii) the MTC applicant has at least \$500,000 in its control as evidenced by bank statements, lines of credit or equivalent for its first application, and \$400,000 for subsequent application; and (viii) payment of the required application fee.

After November 1, 2019, in an MTC application, an applicant must submit the following: (i) an application of intent, including, among other documentation, proof that the applicant is registered to do business in Massachusetts, a list of all persons or entities having direct or indirect control over the applicant, and documentation of the amounts and sources of capital resources available to the applicant; (ii) information in order to allow the State to conduct a background check for certain individuals affiliated with the applicant, and (iii) a management and operations profile, including, among other documentation, the applicant's entity formation documents, a proposed timeline regarding when the marijuana establishment will be operational, and a detailed summary of operating policies and procedures for the applicant.

The CCC shall review applications from applicants in the order they were submitted as determined by the CCC's electronic licensing system. The CCC shall grant or deny a provisional license not later than 90 days following notification to the applicant that all required packets are considered complete. On selection by the CCC, an applicant shall submit the required License fee and subsequently be issued a provisional license to develop an MTC, in the name of the entity. An MTC shall construct its facilities in accordance with the Massachusetts Medical Regulations, conditions set forth by the CCC in its provisional License and architectural review, and any applicable state and local laws, regulations, permits or licenses. On completion of all inspections required by the Commission, an MTC is eligible for a final License.

The Massachusetts Adult Use Regulations delineate the licensing requirements for marijuana establishments in Massachusetts. Licensed entities must submit the following: (i) an application of intent, including, among other documentation, proof that the applicant is registered to do business in Massachusetts, a list of all persons or entities having direct or indirect control over the applicant, and documentation of the amounts and sources of capital resources available to the applicant; (ii) information in order to allow the State to conduct a background check for certain individuals affiliated with the applicant, and (iii) a management and operations profile, including, among other documentation, the applicant's entity formation documents, a proposed timeline regarding when the marijuana establishment will be operational, and a detailed summary of operating policies and procedures for the applicant.

Upon the determination by the CCC that a marijuana establishment applicant has responded to the application requirements in a satisfactory fashion, a copy of the completed application, to the extent permitted by law, will be forwarded to the municipality in which the marijuana establishment will be located. The CCC shall request that the municipality respond within 60 days of the date of the correspondence that the applicant's proposed marijuana establishment is in compliance with municipal bylaws or ordinances. On selection by the CCC, an applicant shall submit the required license fee and subsequently be issued a provisional license to develop a marijuana establishment, in the name of the entity. On completion of all inspections required by the CCC, a marijuana establishment is eligible for a final license.

Massachusetts Dispensary Requirements

An MTC shall follow its written and approved operation procedures in the operation of its dispensary locations. Operating procedures shall include (i) security measures in compliance with the Massachusetts Regulations; (ii) employee security policies including personal safety and crime prevention techniques; (iii) hours of operation and after-hours contact information; (iv) storage and waste disposal policies; (v) storage protocols in compliance with state law; (vi) a description of the various strains of marijuana that will be cultivated and dispensed, and the forms that will be dispensed; (vii) a price list for marijuana and MIPs, as well as an alternate price list for patients with documented verified financial hardship; (viii) procedures to ensure accurate recordkeeping including inventory protocols; (ix) plans for quality control; (x) a staffing plan and staffing records; (xi) emergency procedures; (xii) alcohol, smoke, and drug free workplace policies; (xiii) a plan to describe how confidential information will be maintained; (xiv) a policy for the immediate dismissal of an MTC agent who violates laws or regulations; (xv) a list of all board members and executives; (xvi) policies and procedures for the handling of cash on the premises; (xvii) the standards and procedures by which the MTC determines the price it charges for

marijuana; (xviii) policies and procedures for energy efficiency and conservation; and (xix) policies and procedures to promote workplace safety.

A marijuana retailer shall follow its written and approved operation procedures in the operation of its dispensary locations. Operating procedures shall include (i) security measures in compliance with the Massachusetts Adult Use Regulations; (ii) employee security policies including personal safety and crime prevention techniques; (iii) hours of operation and after-hours contact information; (iv) storage and waste disposal protocols in compliance with state law; (v) a description of the various strains of marijuana that will be cultivated and dispensed, and the forms that will be dispensed; (vi) price list for marijuana and marijuana products and alternate price lists for patients with verified financial hardship; (vii) procedures to ensure accurate recordkeeping including inventory protocols; (viii) plans for quality control; (ix) plans for quality control, including product testing for contaminants; (x) a staffing plan and staffing records; (xi) diversion identification and reporting protocols; (xii) emergency procedures, including a disaster plan; (xiii) alcohol, smoke, and drug-free workplace policies; (xiv) a plan describing how confidential information and other records will be maintained confidentially; (xv) policies related to the immediate dismissal of certain marijuana establishment agents who violate laws or regulations; (xvi) a list of all board members and executives of the licensee; (xvii) policies and procedures for the handling of cash on premises including storage, collection frequency and transport to financial institutions; (xviii) policies and procedures to prevent the diversion of marijuana to anyone younger than 21 years old; policies and procedures for energy efficiency and conservation; and (xiv) policies and procedures to promote workplace safety.

Massachusetts Security Requirements

An MTC shall implement sufficient security measures to deter and prevent unauthorized entrance into areas containing marijuana and theft of marijuana. These measures must include: (i) allowing only registered qualifying patients, caregivers, dispensary agents, authorized persons, or approved outside contractors access to the MTC facility; (ii) preventing individuals from remaining on the premises of an RMD if they are not engaging in activities that are permitted; (iii) disposing of marijuana or byproducts in compliance with law; (iv) securing all entrances to the MTC to prevent unauthorized access; (v) establishing limited access areas accessible only to authorized personnel; (vi) storing finished marijuana in a secure locked safe or vault; (vii) keeping all locks and security equipment in good working order; (viii) prohibiting keys from being left in locks or stored in an accessible area; (ix) prohibiting accessibility of security measures to persons other than authorized personnel; (x) ensuring that the outside perimeter of the MTC is sufficiently lit to facilitate surveillance; (xi) ensuring that all marijuana products are kept out of plain sight; (xii) developing emergency policies and procedures for securing all product; (xiii) developing sufficient addition safeguards as required by the CCC; (xiv) sharing the MTC's floorplan or layout with law enforcement authorities; and (xv) inside the MTC, keeping all marijuana within a limited access area.

A marijuana establishment shall implement sufficient security measures to deter theft of marijuana and marijuana products, prevent unauthorized entrance into areas containing marijuana and marijuana products, and ensure the safety of employees, consumers and the general public. These measures must include: (i) positively identifying individuals seeking access to the premises of the marijuana establishment or to whom or marijuana products are being transported in order to limit access solely to individuals 21 years of age or older; (ii) adopting procedures to prevent loitering and ensure that only individuals engaging in activity expressly or by necessary implication are allowed to remain on the premises; (iii) disposing of Marijuana in accordance with the Massachusetts Adult Use Regulations in excess of the quantity required for normal, efficient operation; (iv) securing all entrances to the marijuana establishment to prevent unauthorized access; (v) establishing limited access areas, which shall be accessible only to specifically authorized personnel; (vi) storing all marijuana products in a secure, locked safe or vault in such a manner as to prevent diversion, theft and loss; (vii) keeping all safes, vaults, and any other equipment or areas used for the production, cultivation, harvesting, processing or storage, including prior to disposal, of marijuana or marijuana products securely locked and protected from entry, except for the actual time required to remove or replace marijuana; (viii) keeping all locks and security equipment in good working order; (ix) prohibiting keys, if any, from being left in the locks or stored or placed in a location accessible to persons other than specifically authorized personnel; (x) prohibiting accessibility of security measures such as combination numbers, passwords or electronic or biometric security systems, to persons other than specifically authorized personnel; (xi) ensuring that the outside perimeter of the marijuana establishment is sufficiently lit to facilitate surveillance, where applicable; (xii) ensuring that all marijuana products are kept out of plain sight and are not visible from a public place, outside of the marijuana establishment, without the use of

binoculars, optical aids or aircraft; (xiii) developing emergency policies and procedures for securing all product following any instance of diversion, theft or loss of marijuana, and conduct an assessment to determine whether additional safeguards are necessary; (xiv) developing sufficient additional safeguards as required that present special security concerns; (xv) at marijuana establishments where transactions are conducted in cash, establishing procedures for safe cash handling and cash transportation to financial institutions to prevent theft, loss and associated risks to the safety of employees, customers and the general public; (xvi) sharing the marijuana establishment's floor plan or layout of the facility with law enforcement authorities, and in a manner and scope as required by the municipality and identifying when the use of flammable or combustible solvents, chemicals or other materials are in use at the marijuana establishment; and (xvii) sharing the marijuana establishment's security plan and procedures with law enforcement authorities, including police and fire departments, in the municipality where the marijuana establishment is located and periodically updating law enforcement authorities, police and fire departments, if the plans or procedures are modified in a material way.

Massachusetts Transportation

Marijuana or marijuana-infused products ("MIPs") may only be transported by marijuana transporters or MTC agents on behalf of a MTC between separately-owned MTCs, a patient or his or her caregiver, or a laboratory in compliance with the Massachusetts Medical Regulations. An MTC shall staff transport vehicles with a minimum of two MTC agents. At least one MTC agent shall remain with the vehicle when the vehicle contains marijuana or MIPs. Prior to leaving the origination location, an MTC must weigh, inventory, and account for, on video, the marijuana to be transported.

Marijuana must be packaged in sealed, labeled, and tamper-proof packaging prior to and during transportation. In the case of an emergency stop, a log must be maintained describing the reason for the stop, the duration, the location, and any activities of personnel exiting the vehicle. An MTC shall ensure that delivery times and routes are randomized. Each dispensary agent shall carry his or her CCC-issued agent registration card when transporting marijuana or MIPs and shall produce it to CCC representatives or law enforcement officials upon request. Where videotaping is required when weighing, inventorying, and accounting of marijuana before transportation or after receipt, the video must show each product being weighed, the weight, and the manifest. An MTC must document and report any unusual discrepancy in weight or inventory to the CCC and local law enforcement within 24 hours. An MTC shall report to the CCC and local law enforcement any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport, within 24 hours. An MTC shall retain transportation manifests for no less than one year and make them available to the CCC upon request. Any cash received from a qualifying patient or personal caregiver must be transported to an MTC immediately upon completion of the scheduled deliveries. Vehicles used in transportation must be owned, leased or rented by the MTC, be properly registered, and contain a GPS system that is monitored by the MTC during transport of marijuana and said vehicle must be inspected and approved by the CCC prior to use.

During transit, an MTC shall ensure that: (i) marijuana or MIPs are transported in a secure, locked storage compartment that is part of the vehicle; (ii) the storage compartment cannot be easily removed (for example, bolts, fittings, straps or other types of fasteners may not be easily accessible and not capable of being manipulated with commonly available tools); and (iii) product is transported in a vehicle that bears no markings indicating that the vehicle is being used to transport marijuana or MIPs and does not indicate the name of the MTC. Each MTC agent transporting marijuana or MIPs shall have access to a secure form of communication with personnel at the origination location when the vehicle contains marijuana or MIPs.

Marijuana or MIPs may only be transported by marijuana establishment agents on behalf of a marijuana establishment between separately-owned marijuana establishments in compliance with the Massachusetts Adult Use Regulations. A licensed marijuana transporter may contract with a licensed marijuana establishment to transport that licensee's marijuana products to other licensed marijuana establishments.

Marijuana must be packaged in sealed, labeled, and tamper-proof packaging prior to and during transportation. In the case of an emergency stop, a log must be maintained describing the reason for the stop, the duration, the location, and any activities of personnel exiting the vehicle. The originating and receiving licensed marijuana establishments shall ensure that all transported marijuana products are linked to the seed-to-sale tracking program. Prior to leaving a marijuana establishment for the purpose of transporting marijuana products, the

originating marijuana establishment must weigh, inventory, and account for, on video, all marijuana products to be transported. Within eight hours after arrival at the destination marijuana establishment, the destination establishment must reweigh, re-inventory, and account for, on video, all marijuana products transported. A marijuana establishment shall report to the CCC and local law enforcement any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport, within 24 hours. A marijuana establishment shall retain transportation manifests for no less than one year and make them available to the CCC upon request. Vehicles used in transportation must be owned, leased or rented by the marijuana establishment or marijuana transporter, be properly registered, and contain a GPS system that is monitored by the marijuana establishment during transport of marijuana and said vehicle must be inspected and approved by the CCC prior to use.

During transit, a marijuana establishment or marijuana transporter shall ensure that: (i) marijuana or MIPs are transported in a secure, locked storage compartment that is part of the vehicle; (ii) the storage compartment cannot be easily removed (for example, bolts, fittings, straps or other types of fasteners may not be easily accessible and not capable of being manipulated with commonly available tools); and (iii) product is transported in a vehicle that bears no markings indicating that the vehicle is being used to transport marijuana or MIPs and does not indicate the name of the marijuana establishment. Each marijuana establishment agent transporting marijuana or MIPs shall have access to a secure form of communication with personnel at the origination location when the vehicle contains marijuana or MIPs.

Massachusetts Inspections

The CCC or its agents may inspect an MTC, marijuana establishment, and affiliated vehicles at any time without prior notice. An MTC or marijuana establishment shall immediately upon request make available to the CCC information that may be relevant to a CCC inspection, and the CCC may direct an MTC or marijuana establishment to test marijuana for contaminants. Any violations found will be noted in a deficiency statement that will be provided to the MTC or marijuana establishment, and the MTC or marijuana establishment shall thereafter submit a Plan of Correction to the CCC outlining with particularity each deficiency and the timetable and steps to remediate the same. The CCC shall have the authority to suspend or revoke a certificate of registration. The CCC is also authorized to conduct a secret shopper program to ensure compliance with all applicable laws and regulations.

U.S. Attorney Statements in Massachusetts

In January 2018, Andrew E. Lelling, the US Attorney for the District of Massachusetts, issued the following statement: "I understand that there are people and groups looking for additional guidance from this office about its approach to enforcing federal laws criminalizing marijuana cultivation and trafficking. I cannot, however, provide assurances that certain categories of participants in the state-level marijuana trade will be immune from federal prosecution. This is a straightforward rule of law issue. Congress has unambiguously made it a federal crime to cultivate, distribute and/or possess marijuana. As a law enforcement officer in the Executive Branch, it is my sworn responsibility to enforce that law, guided by the Principles of Federal Prosecution. To do that, however, I must proceed on a case-by-case basis, assessing each matter according to those principles and deciding whether to use limited federal resources to pursue it. Deciding, in advance, to immunize a certain category of actors from federal prosecution would be to effectively amend the laws Congress has already passed, and that I will not do. The kind of categorical relief sought by those engaged in state-level marijuana legalization efforts can only come from the legislative process."

Michigan

Michigan Medical Regulatory Landscape

In November 2008, Michigan residents approved the Michigan Medical Marijuana Act (the "**MMMA**") to provide a legal framework for a safe and effective medical marijuana program. In September 2016, the Michigan Legislature passed the Medical Marijuana Facilities Licensing Act (the "**MMFLA**") and the Marijuana Tracking Act (the "**MTA**") to provide a comprehensive licensing and tracking scheme, respectively, for the medical marijuana program. On November 6, 2018, Michigan voters approved Proposal 1, to make marijuana legal under state and local law for adults 21 years of age or older and to control the commercial production and distribution

of marijuana under a system that licenses, regulates, and taxes the businesses involved. The act is known as the Michigan Regulation and Taxation of Marihuana Act (“**MRTMA**”) and together with the MMMA, the MMFLA, and the MTA, the “**Michigan Cannabis Regulations**”). Additionally, the Michigan Marijuana Regulatory Agency (“**MRA**”) has supplemented the Michigan Cannabis Regulations with administrative rules to further clarify the regulatory landscape surrounding the cannabis industry in Michigan. MRA is the main regulatory authority for the licensing of marijuana businesses.

In 2016, the Michigan legislature passed two new acts and also amended the original MMMA. The first act, amended effective January 1, 2019, establishes a licensing and regulation framework for medical marijuana growers, processors, secure transporters, provisioning centers, and safety compliance facilities. The second act establishes a “seed-to-sale” system to track marijuana that is grown, processed, transferred, stored, or disposed of under the Medical Marihuana Facilities Licensing Act.

The MRA is responsible for the oversight of cannabis in Michigan and consists of the Licensing Division and the Michigan Medical Marihuana Program Division. The MMMA provides access to state residents to cannabis and cannabis related products under one of 11 debilitating conditions, including epilepsy, cancer, HIV, AIDS, cancer and PTSD. In July 2018, the Medical Marihuana Facility Licensing Division approved 11 additional conditions to the list of ailments to qualify for medical cannabis, including chronic pain, colitis and spinal cord injury.

Allowable forms of marijuana includes smokable dried flower, dried flower for vaporizing and marijuana-infused products, which are defined under the Act to include topical formulations, tinctures, beverages, edible substances or similar products containing usable marijuana that is intended for human consumption in a matter other than smoke inhalation. Under the Michigan Cannabis Regulations, marijuana-infused products shall not be considered food.

Michigan Licensing Requirements

Under the MMFLA, MRA administers five types of “state operating licenses” for medical marijuana businesses: (a) a “grower” license, (b) a “processor” license, (c) a “secure transporter” license, (d) a “provisioning center” license and (e) a “safety compliance facility” license. There are no stated limits on the number of licenses that can be made available on a state level; however, MRA has discretion over the approval of applications and municipalities can pass additional restrictions.

According to the MRTMA, MRA was required to start accepting applications for adult use establishments within 12 months of the measure’s effective date, and did so beginning in November 2019. Under the MRTMA, MRA administers six types of “state operating licenses” for adult use marijuana businesses: (a) a “grower” license, (b) a “processor” license, (c) a “secure transporter” license, (d) a “provisioning center” license (e) a “safety compliance facility” license, and (f) a “microbusiness” license. The MRTMA also allows MRA to create additional license types and, to date, it has created three additional license types: (a) a “designated consumption establishment” license, (b) a “marihuana event organizer” license, (c) a “temporary marihuana event” license, and (d) an “excess marihuana grower” licenses. There are no stated limits on the number of licenses that can be made available on a state level; however, MRA has discretion over the approval of applications and municipalities can pass additional restrictions.

Michigan Recordkeeping and Reporting

Pursuant to the requirements of the MTA, Michigan selected Franwell Inc.’s Marijuana Enforcement Tracking Reporting Compliance (“**METRC**”) software as the state’s third-party solution for integrated marijuana industry verification. Using METRC, regulators are able to track third party inventory, permissible sales and seed-to-sale information. Additionally, provisioning centers can use the METRC API to connect their own inventory management and/or point-of-sale systems to verify the identity as well as permissible sales for Michigan Qualified Purchasers.

Michigan Storage and Security

To ensure the safety and security of cannabis business premises and to maintain adequate controls against the diversion, theft, and loss of cannabis or cannabis products, a provisioning center is required to maintain and submit a security operations plan that includes the following at a minimum:

- Escorts for all non-employee personnel in limited access areas;
- Secure locks for all interior rooms, windows and points of entry and exits with commercial grade, non-residential door locks;
- An alarm system, with all information related to such alarm system including monitoring and alarm activity available to MRA;
- A video surveillance system that, at a minimum, consists of digital or network video recorders, cameras, video monitors, digital archiving devices and a color printer capable of delivering still photos;
- 24-hour surveillance footage with fixed, mounted cameras, tamper/theft proof secured storage mediums and a notification system for interruption or failure of surveillance footage or storage of surveillance footage. All surveillance footage must be of sufficient resolution to identify individuals, have accurate time/date stamps and be stored for a minimum of 14 days unless state regulators notify that such recordings may be destroyed. Surveillance footage must cover:
 - All activity within 20 feet of all points of entry and exit to a facility;
 - Any areas where marijuana products are weighed, packed, stored loaded, and unloaded for transportation, prepared or moved within the marijuana facility;
 - Limited-access areas and security rooms, transfers between rooms;
 - Areas storing a surveillance system storage device with at least 1 camera recording the access points to the secured surveillance recording area;
 - All entrances and exists to the building must be recorded from both indoor and outdoor vantage points, the areas of entrance and exit between marijuana facilities at the same location if applicable, including any transfers between marijuana facilities;
 - Point of sale areas where Michigan Marijuana products are sold and displayed for sale;
 - State access to view and obtain copies of any surveillance footage through MRA or related investigators, agents, auditors and/or state police. A facility shall also provide copies of recordings to MRA upon request;
- Logs of the following: the identities of the employee or employees responsible for monitoring the video surveillance system, the identity of the employee who removed the recording from the video surveillance system storage device and the time and date removed, and the identity of the employee who destroyed any recording.

Maintain marijuana storage plan for provisioning centers that includes at a minimum:

- A secured limited access area for inventories of Michigan Marijuana Products;
- Clearly labeled containers that are:
 - Marked, labeled or tagged;
 - Enclosed on all sides;

- Latched or locked to keep all contents secured within. All such containers must be identified and tracked in accordance with the MTA;
- A locked area for chemical and solvents separate from Michigan Marijuana Products;
- Separation of marijuana-infused products from toxic or flammable materials;
- A sales or transfer counter or barrier separated from stock rooms to ensure registered qualifying patients or registered primary caregivers do not have direct access to Michigan Marijuana Products.

Michigan Dispensary Requirements

Michigan marijuana products may be purchased in a retail setting from a provisioning center by a Michigan Qualified Purchaser that presents a valid registry identification card issued by MRA (a "**Michigan Registry ID**"). For a Michigan Qualified Purchaser to receive marijuana products, provisioning centers must deploy an inventory control and tracking system that is capable of interfacing with the statewide monitoring system to determine (a) whether a Michigan Qualified Purchaser holds a Michigan Registry ID and (b) whether the sale or transfer will exceed the then-current daily and monthly purchasing limit for the holder of the Michigan Registry ID.

Michigan marijuana products may also be purchased by an adult 21 years of age or older at an adult use retailer, so long as the individual provides sufficient identification indicating their age. For an individual to receive marijuana products, adult use retailers must deploy an inventory control and tracking system that is capable of interfacing with the statewide monitoring system to determine whether the sale or transfer will exceed the then-current daily and monthly purchasing limit for the individual.

U.S. Attorney Statements in Michigan

On November 8, 2018, United States Attorneys Matthew Schneider and Andrew Birge for the Eastern and Western Districts of Michigan, respectively, issued a joint statement regarding the legalization of adult-use marijuana in Michigan. They stated that since they had taken oaths to protect and defend the Constitution and the laws of the United States, they would not immunize the residents of Michigan from federal law enforcement. They stated that they would continue to the investigation and prosecution of marijuana crimes as they do with any other crime. They stated they would consider the federal law enforcement priorities set by the DOJ, the seriousness of the crime, the deterrent effect of prosecution, and the cumulative impact of the crime on a community, while also considering their ability to prosecute with limited resources. They stated that combating illegal drugs was just one of many priorities, and that even within the area of drugs, they were focused on combating the opioid epidemic. They stated that they have not focused on prosecution of low-level offenders, which they stated would not change (unless aggravating factors were present). They did state that certain crimes involving marijuana could pose serious risks and harm to a community, including interstate trafficking, involvement of other illegal drugs or activity, persons with criminal records, presence of firearms or violence, criminal enterprises, gangs and cartels, bypassing local laws and regulations, potential for environmental contamination, risks to minors, and cultivation on federal property.

CONSOLIDATED CAPITALIZATION

Change in Capitalization

The following summarizes the changes in the Company's capitalization since January 31, 2020, the last day of the Company's most recently completed fiscal period in respect of which financial statements have been filed, after giving effect to the Offering. The following table should be read in conjunction with the Annual Financial Statements and the Annual MD&A incorporated by reference in this Prospectus.

Description of Capital	Outstanding as at January 31, 2020 ⁽¹⁾	Outstanding as at June 30, 2020 prior to giving effect to	Outstanding as at the date of this Prospectus after
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		the Offering	giving effect to the Offering (assuming the full exercise of the Over-Allotment Option and issuance of Compensation Options)
Share Capital	Unlimited Common Shares; unlimited Series I Preferred Shares	Unlimited Common Shares; unlimited Series I Preferred Shares; unlimited Series II Preferred Shares	Unlimited Common Shares; unlimited Series I Preferred Shares; unlimited Series II Preferred Shares
Common Shares	304,572,662	151,421,886	187,272,886
Series I Preferred Shares	50,900,000	3,181,250	3,181,250
Series II Preferred Shares(2)	Nil	112,040,549	112,540,549
Options	28,785,766	8,836,789(3)	8,336,789(5)
Warrants	113,806,365	595,340(4)	35,946,340(6)
MAG Milestone Share Rights	Nil	2,640,000(7)	2,640,000(7)
Special Warrant	Nil	4,500,000(8)	4,500,000(8)
Rights Under the PharmaCo Put/Call Agreement	Nil	37,000,000(9)	37,000,000(9)

Notes:

- (1) The outstanding securities of the Company were consolidated on a 16:1 basis immediately prior to closing of the Business Combination Transaction.
- (2) The Series II Preferred Shares were created immediately prior to closing of the Business Combination Transaction. In connection with the Business Combination Transaction, holders of MichiCann common shares received one Common Share and one Series II Preferred Share.
- (3) Exercisable for 8,225,539 Common Shares and 7,401,429 Series II Preferred Shares.
- (4) Exercisable for 595,430 Common Shares and 595,340 Series II Preferred Shares.
- (5) Exercisable for 8,836,789 Common Shares and 7,401,429 Series II Preferred Shares.
- (6) Exercisable for 35,946,340 Common Shares and 595,340 Series II Preferred Shares.
- (7) Issuable pursuant to the Agreement and Plan of Merger dated as of January 9, 2020 as amended by and among MichiCann, MAG, RWB Illinois and Arthur VanWingerden and Ken VanWingerden upon the issuance of a commercial cultivation center license by the State of Illinois Department of Agriculture for MAG's Illinois facility by December 31, 2021.
- (8) Exercisable for 4,500,000 Common Shares.
- (9) Exercisable for 37,000,000 Common Shares and 37,000,000 Series II Preferred Shares.

Debt Obligations

On February 25, 2019, the Company advanced \$15,000,000 to MichiCann pursuant to a senior secured convertible debenture which was amended on August 28, 2019 pursuant to a first amending agreement (the "**First Amending Agreement**"), September 11, 2019 pursuant to a second amending agreement and March 12, 2020 pursuant to a third amending agreement (the "**Third Amending Agreement**") (together, the "**MichiCann Debenture**"). The MichiCann Debenture is non-interest bearing, other than in the event of default by MichiCann. The MichiCann Debenture is secured by way of a security interest against the personal property of MichiCann which security interest is subordinated to the security interest held by Bridging. On August 28, 2019, the

Company advanced MichiCann an additional US\$2,000,000 pursuant to the First Amending Agreement and on March 12, 2020, an additional US\$500,000 pursuant to the Third Amending Agreement to fund MichiCann working capital.

The MichiCann Debenture is secured against the assets of MichiCann pursuant to a general security and pledge agreement dated February 25, 2019 which security interests have been subordinated behind the security interest held by Bridging.

Following the completion of the Business Combination Transaction, the MichiCann Debenture remains as an intercorporate debt as between the Company and MichiCann.

On June 4, 2019, MichiCann and PharmaCo (collectively, the “**Borrowers**”) entered into a credit agreement (the “**Credit Agreement**”) with Bridging pursuant to which Bridging established a non-revolving credit facility (the “**Facility**”) for the Borrowers in a maximum principal amount of \$36,374,400 (the “**Facility Limit**”).

The purpose of the Facility is so that PharmaCo can purchase certain real estate and business assets in the state of Michigan, to make additional permitted acquisitions and for general corporate and operating purposes.

The obligations under the Facility were due and payable on the earlier of: (a) the termination date (being January 4, 2020); and (b) the acceleration date (being the earlier of the date of an insolvency event or that a demand notice is delivered pursuant to the terms of the Credit Agreement). In respect of the advance made by Bridging to the Borrowers under the Facility, the Borrowers agreed to pay Bridging: Interest at the prime rate plus 10.55% per annum calculated and compounded monthly, payable monthly in arrears on the last day of each month; and a work fee equal to \$909,360 (the “**Work Fee**”) was paid to Bridging.

The obligations under the Facility are secured by general security agreements on each Borrower, mortgages on certain owned real property of PharmaCo among other security obligations. As the funds under the Facility (net of the Work Fee, commissions and other transaction expenses of Bridging) were advanced by Bridging directly to MichiCann, MichiCann in turn advanced the funds (net of MichiCann’s transaction expenses) to PharmaCo pursuant to a Promissory Note (the “**Promissory Note**”) issued by PharmaCo to MichiCann in the principal amount of \$30,648,516.53 (the “**Principal**”). The Principal was due and payable in full on January 2, 2020 (the “**Maturity Date**”).

On January 10, 2020, the Facility was amended (the “**Amended Facility**”) pursuant to an amended and restated credit agreement between Bridging, MichiCann (as guarantor, instead of as borrower) and PharmaCo, RWB Illinois and MAG (as borrowers) (the “**Amended Credit Agreement**”). The Company has guaranteed the obligations of PharmaCo, RWB Illinois and MAG under the Amended Credit Agreement.

The Amended Facility increased the Facility Limit to US\$49,750,000 in the aggregate of which US\$27,000,000 was to refinance the existing Facility and US\$22,750,000 was used by the Company to complete the acquisition of MAG and for general corporate and operating purposes. The obligations under the Amended Facility are now due and payable on the earlier of: (a) the termination date (being July 10, 2021 subject to the right of the Borrowers to extend the termination date by paying a 1% fee for two additional six-month periods for a total of 30 months); and (b) the acceleration date (being the earlier of the date of an insolvency event or that a demand notice is delivered pursuant to the terms of the Amended Credit Agreement). In respect of the advance made by Bridging to the Borrowers under the Facility, the Borrowers agreed to pay Bridging: Interest at the prime rate plus 12% per annum calculated and compounded monthly, payable monthly in arrears on the last day of each month. PharmaCo may prepay the Principal in full in whole prior to the Maturity Date. Any amounts payable by PharmaCo or MichiCann to Bridging under the Facility will reduce the amount of PharmaCo’s obligations to MichiCann on a dollar for dollar basis under the Promissory Note.

USE OF PROCEEDS

Proceeds

The net proceeds to the Company from the Offering are estimated to be \$20,445,000, after deducting the payment of the Underwriters' Fee of \$1,305,000, but before deducting the expenses of the Offering (estimated to be approximately \$450,000 excluding taxes and disbursements). If the Over-Allotment Option is exercised in full for Over-Allotment Units, the net proceeds to the Company from the Offering are estimated to be \$23,511,750, after deducting the Underwriters' Fee of \$1,500,750, but before deducting the expenses of the Offering.

Principal Purposes

The Company believes it is prudent, particularly in light of the effects of the COVID-19 pandemic, to secure capital for general corporate and working capital purposes to ensure that the Company maintains sufficient liquidity and capital resources in the near to medium term. In addition, the Company wishes to ensure that it has sufficient cash on hand in order to participate in new opportunities in the cannabis market if, as, and when they arise. The Company has not identified any specific investments or projects, nor any probable or significant acquisitions it wishes to undertake. Given uncertain market conditions, the Company believes it is prudent to complete the Offering in order to increase the Company's cash on hand. To the extent the Company requires additional capital, it may raise funds through debt and equity financing in the future. See *"Risk Factors – Risks Related to the Offering - Additional issuances and financings may result in dilution"*.

The Company's intentions with respect to its use of proceeds are based on current knowledge, planning and expectations of management of the Company. Actual expenditures may differ from the expectations set forth above. There may be circumstances where for sound business reasons, the Company reallocates the use of proceeds, see *"Risk Factors – Risks Related to the Offering – Discretion in the Use of Proceeds"*. The Company had negative operating cash flow for the financial year ended July 31, 2019. The Company cannot guarantee that it will attain or maintain positive cash flow status in the future. To the extent that the Company has negative cash flow in any future period, certain of the proceeds from the Offering may be used to fund such negative cash flow from operating activities in these periods. See *"Risk Factors – Risks Related to the Business – Cash flow from operations"*.

Until applied, the net proceeds will be held as cash balances in the Company's bank account or invested in certificates of deposit and other instruments issued by banks or obligations of or guaranteed by the Government of Canada or any province thereof in accordance with the Company's investment policies. If the Over-Allotment Option is exercised in full for Over-Allotment Units, the Company will receive additional net proceeds of \$3,066,750 after deducting the Underwriters' Fee. The net proceeds from the exercise of the Over-Allotment Option, if any, is expected to be added to general working capital.

Business Objectives and Milestones

The use of the net proceeds from the Offering is consistent with the Company's business objective of achieving growth through investing in and financing companies in the U.S. legal cannabis industry. At this time, the Company has not set specific milestones for the achievement of this objective.

MARKET FOR SECURITIES

Trading Price and Volume

RWB Common Shares

The Common Shares are currently traded on the CSE under the symbol "RWB". The following table sets forth the reported price ranges and volume of trading for each month since August 2019. The Common Shares were halted on February 11, 2019 in connection with the Business Combination Transaction and resumed trading on June 5, 2020.

Period	High	Low	Volume
August 1-24, 2020	\$1.00	\$0.70	10,995,578
July 2020	\$1.30	\$0.82	14,428,694
June 2020	\$1.35	\$0.86	19,472,219
May 2020	N/A	N/A	N/A
April 2020	N/A	N/A	N/A
March 2020	N/A	N/A	N/A
February 2020	N/A	N/A	N/A
January 2020	N/A	N/A	N/A
December 2019	N/A	N/A	N/A
November 2019	N/A	N/A	N/A
October 2019	N/A	N/A	N/A
September 2019	N/A	N/A	N/A
August 2019	N/A	N/A	N/A

Prior Sales

The following table sets forth the details regarding all issuances of Common Shares, including issuances of all securities convertible or exchangeable into Common Shares, during the 12-month period before the date of this Prospectus:

Date of Issuance	Number of Securities Issued	Type	Issuance / Exercise Price Per Security	Nature of Consideration Received
September 5, 2019	541,563	Common Shares	0.80	Warrant Exercise
September 13, 2019	12,500	Common Shares	0.80	Warrant Exercise
September 16, 2019	18,750	Common Shares	0.80	Warrant Exercise
January 20, 2020	62,500	Common Shares	0.80	Warrant Exercise
January 27, 2020	12,500	Common Shares	0.80	Warrant Exercise
January 29, 2020	100,000	Common Shares	0.80	Warrant Exercise
February 3, 2020	187,500	Common Shares	0.80	Warrant Exercise
February 4, 2020	62,500	Common Shares	0.80	Warrant Exercise
February 5, 2020	25,000	Common Shares	0.80	Warrant Exercise
February 6, 2020	915,625	Common Shares	0.80	Warrant Exercise
February 7, 2020	859,813	Common Shares	0.80	Warrant Exercise
February 24, 2020	45,000	Common Shares	0.80	Warrant Exercise
February 25, 2020	4,375	Common Shares	0.80	Warrant Exercise
February 27, 2020	1,410,000	Common Shares	0.80	Warrant Exercise
February 28, 2020	843,250	Common Shares	0.80	Warrant Exercise
February 28, 2020	75,625	Common Shares	0.80	Warrant Exercise
April 24, 2020	108,726,349	Common Shares	N/A	Business Combination
April 24, 2020	108,726,349	Series II Preferred Shares	N/A	Business Combination
April 24, 2020	37,000,000	Rights to acquire Common shares under PharmaCo Put/Call Agreement	N/A	Business Combination Transaction
April 24, 2020	37,000,000	Rights to acquire Series II Preferred Shares under PharmaCo Put/Call Agreement	N/A	Business Combination Transaction

Date of Issuance	Number of Securities Issued	Type	Issuance / Exercise Price Per Security	Nature of Consideration Received
April 24, 2020	2,640,000	Milestone Common Shares issuable to MAG shareholders ⁽¹⁾	N/A	Business Combination Transaction
April 24, 2020	2,640,000	Milestone Series II Preferred Shares issuable to MAG shareholders ⁽¹⁾	N/A	Business Combination Transaction
April 30, 2020	429,375	Common Shares	0.80	Warrant Exercise
May 25, 2020	187,500	Common Shares	0.80	Warrant Exercise
June 8, 2020	975,000	Common Shares	0.25	Stock Option Exercise
June 8, 2020	975,000	Series II Preferred Shares	0.25	Stock Option Exercise
June 10, 2020	15,300,000	Common Shares	1.50	RWB Licensing Acquisition
June 10, 2020	4,500,000	Special Warrant exercisable into Common shares ⁽²⁾	N/A	RWB Licensing Acquisition
June 10, 2020	1,800,000	Common Shares ⁽³⁾	N/A	RWB Licensing Acquisition
June 30, 2020	2,339,200	Common Shares	1.25	Debt Settlement re PharmaCo
June 30, 2020	2,339,200	Series II Preferred Shares	1.25	Debt Settlement re PharmaCo
August 13, 2020	500,000	Common Shares	0.25	Stock Option Exercise
August 13, 2020	500,000	Series II Preferred Shares	0.25	Stock Option Exercise

Notes:

- (1) Issuable pursuant to the Agreement and Plan of Merger dated as of January 9, 2020 as amended by and among MichiCann, MAG, RWB Illinois and Arthur VanWingerden and Ken VanWingerden upon the issuance of a commercial cultivation center license by the State of Illinois Department of Agriculture for MAG's Illinois facility by December 31, 2021.
- (2) Automatically exercisable into 4,500,000 Common Shares, if the volume weighted average price of the Common Shares on the CSE, for the first 180 days following June 10, 2020 is below \$1.50.
- (3) Issued to an arm's length finder upon completion of the RWB Licensing Acquisition.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

The following is a summary of certain general terms and provisions of the Unit Shares and Warrants offered and the Compensation Options to be granted pursuant to this Prospectus. This summary does not purport to be complete and is qualified in its entirety to the full text of the Warrant Indenture to be entered into on Closing.

This Prospectus qualifies the distribution of the Offered Units, the Compensation Options, the Compensation Shares, the Compensation Warrants and the Compensation Warrant Shares. Each Offered Unit consists of one Unit Share and one Warrant. The Unit Shares and the Warrants will separate immediately upon Closing.

Offering

The Offering consists of Offered Units offered at the Offering Price of \$0.75 per Offered Unit. Each Offered Unit will consist of one Unit Share and one Warrant.

The Company's Series I Preferred Shares and Series II Preferred Shares rank senior to the Company's Common Shares and are described below.

Common Shares

As at August 24, 2020, the Company had 151,921,886 Common Shares issued and outstanding.

The Common Shares of the Company entitle holders thereof to receive dividends as and when declared by the Board of Directors of the Company. In the event of liquidation, dissolution or winding-up of the Company, the

holders of Common Shares are entitled to receive all the remaining property and assets of the Company. The holders of Common Shares are entitled to receive notice of and to attend and to vote at all meetings of the shareholders of the Company and each Common Share, when represented at any meeting of the shareholders of the Company, carries the right to one vote.

All of the Common Shares rank equally within their class as to dividends, voting rights, participation in assets and in all other respects. None of such Common Shares are subject to any call or assessment nor pre-emptive or conversion rights. Any modification, amendment or variation of any rights or other terms attached to the Common Shares would require special resolutions passed by the shareholders of the Company.

Common Shares issued to, or for the account or benefit of, persons in the United States or U.S. Persons, will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act. Certificates issued or book entries representing such securities will bear a legend or notation to the effect that the securities represented thereby are not registered under the U.S. Securities Act or any applicable U.S. state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws.

Series I Preferred Shares

The Company is authorized to issue an unlimited number of Series I Preferred Shares, which rank senior to the Common Shares. The terms of the Series I Preferred Shares provide, among other things, that they: (i) are non-voting; (ii) are convertible into Common Shares on a one for one basis, subject to customary adjustments; (iii) are eligible to participate in dividends if and when declared on the Common Shares; (iv) have priority rights on liquidation; and (v) are subject to a restriction that no holder of the Series I Preferred Shares may convert into a number of Common Shares that would result in such holder beneficially owning greater than 9.99% of the Company's Common Shares.

Series II Preferred Shares

The Company is authorized to issue an unlimited number of Series II Preferred Shares, which rank senior to the Common Shares and the Series I Preferred Shares. Each Series II Preferred Share shall be convertible into one validly issued, fully paid and non-assessable Common Share on the terms and conditions set out in the Company's constating documents. Each Series II Preferred Share is convertible into one Common Share any time after the date that is seven months after the closing date of the Business Combination Transaction and before the date that is twenty-four months after the closing date of the Business Combination Transaction.

Holders of Series II Preferred Shares shall be treated for all purposes as the record holder or holders of such underlying Common Shares on the date on which the Series II Preferred Shares are converted.

Holders of Series II Preferred Shares shall have voting rights and are entitled to vote on a matter with holders of Common Shares (and Series I Preferred Shares if required by law or otherwise entitled to vote with the holders of Common Shares), voting together as one class. Each Series II Preferred Share shall entitle the holder thereof to cast that number of votes per share as is equal to the number of Common Shares into which it is then convertible using the record date for determining the shareholders of the Company eligible to vote on such matters as the date as of which the Series II Preferred Share Conversion Rate (as defined in the Company's constating documents) is calculated. Holders of the Series II Preferred Shares shall be entitled to written notice of all shareholder meetings or written consents (and copies of proxy materials and other information sent to shareholders), which notice shall be provided pursuant to the Company's bylaws and applicable law.

Holders of Series II Preferred Shares shall be entitled to receive, and the Company shall pay thereon, a fixed dividend equal to 5.0% per annum, calculated monthly and payable in Series II Preferred Shares. Upon conversion of Series II Preferred Shares, the dividend shall be calculated pro rata as at the most recently completed month prior to the Series II Preferred Share Conversion Date (as defined in the Company's constating documents). Holders of Series II Preferred Shares shall be entitled to receive such dividends paid and distributions made to the holders of the Common Shares to the same extent as if such Series II Preferred Share holders had converted each Series II Preferred Share held by them into Common Shares and had held such

Common Shares on the record date for such dividends and distributions. Payment under the preceding sentence shall be made concurrently with the dividend or distribution to the holders of Common Shares. The Company will be entitled to deduct and withhold from any dividends paid in respect of Series II Preferred Shares, and to otherwise recover from the Series II Preferred Share holder the full amount of taxes or other additional amounts required to be deducted or withheld by the Company under applicable laws.

Warrants

Each Warrant will be transferable and will entitle the holder thereof to acquire one Warrant Share at a price of \$1.00 per Warrant Share at any time prior to 5:00 p.m. (EST) at any time up to 24 months following the Closing Date, subject to adjustment in certain customary events, after which time the Warrants will expire subject to an Accelerated Exercise Period.

The Warrants will be issued under and governed by the Warrant Indenture to be entered into on the Closing Date between the Company and National Securities Administrators Ltd., as warrant agent. The Company will appoint the principal transfer office of National Securities Administrators Ltd. in Vancouver as the location at which the Warrants may be surrendered for exercise, transfer or exchange. Under the Warrant Indenture, the Company may, subject to applicable law, purchase by private contract or otherwise, any of the Warrants then outstanding, and any Warrants so purchased will be cancelled.

The Warrant Indenture will provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or Exercise Price per Warrant Share in the event of the following additional events: (i) reclassifications of the Common Shares; (ii) consolidations, amalgamations, arrangements or mergers of the Company with or into any other corporation or other entity (other than consolidations, amalgamations, arrangements or mergers which do not result in any reclassification of the outstanding Common Shares or a change of the Common Shares into other shares); or (iii) the transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the Exercise Price or the number of Warrant Shares issuable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the Exercise Price or a change in the number of Warrant Shares issuable upon exercise by at least one one-hundredth of a Warrant Share, as the case may be.

The Company will covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to National Securities Administrators Ltd. and to the holders of the Warrants of certain stated events, including events that would result in an adjustment to the Exercise Price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date of such event, if any.

No fractional Warrant Shares will be issuable upon the exercise of any Warrants and no cash or other consideration will be paid in lieu of fractional Warrant Shares. Holders of Warrants will not have any voting, dividend or pre-emptive rights or any other rights which a holder of Common Shares would have.

The Warrant Indenture will provide that, from time to time, the Company may amend or supplement the Warrant Indenture for certain purposes, without the consent of the holders of the Warrants, including curing defects or inconsistencies or making any change that does not prejudice the rights of any holder. Any amendment or supplement to the Warrant Indenture that would prejudice the interests of the holders of Warrants may only be made by "extraordinary resolution", which will be defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy holding at least 25% of the aggregate number of the then outstanding Warrants (unless such meeting is adjourned to a prescribed later date due to the lack of quorum) and passed by the affirmative vote of the holders of Warrants present in person or by proxy representing not less than 66²/₃% of the aggregate number of all the then outstanding Warrants represented at the meeting; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66²/₃% of the aggregate number of all the then outstanding Warrants.

The foregoing is a summary of all of the material provisions of the Warrant Indenture, it does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture in the form to be agreed upon by the parties.

The Warrants may not be exercised in the United States, or by or for the account of a U.S. Person or a person in the United States except pursuant to exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws, and the holder has delivered to the Company a written opinion of counsel, in form and substance satisfactory to the Company; provided, however, that a U.S. Purchaser that purchased the Warrants from the Company pursuant to Rule 144A or Rule 506(b) under Regulation D of the U.S. Securities Act for its own account, or for the account of another U.S. Purchaser for which it exercised sole investment discretion with respect to such original purchase (a "**Original Beneficial Purchaser**") will not be required to deliver an opinion of counsel if it exercises the Warrants for its own account or for the account of the Original Beneficial Purchaser, if any, if each of it and such Original Beneficial Purchaser, if any, was either an Institutional Accredited Investor or Qualified Institutional Buyer, as applicable, at the time of its purchase and exercise of the Warrants.

Warrant Shares

Upon exercise of the Warrants, holders of the Warrant Shares shall be entitled, as holders of Common Shares, to all rights as a shareholder of the Company including the right to receive notice of and to attend all meetings of the shareholders of the Company and have one vote for each Common Share held at all meetings of the shareholders of the Company.

Warrant Shares issuable upon exercise of the Warrants to, or for the account or benefit of, persons in the United States or U.S. Persons, will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act. Certificates issued or book entries representing such securities will bear a legend or notation to the effect that the securities represented thereby are not registered under the U.S. Securities Act or any applicable U.S. state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws.

Compensation Options

As additional consideration for the services rendered in connection with the Offering, the Company has agreed to issue to the Underwriters such number of non-transferable Compensation Options to acquire that number of units of the Company on the same terms as the Offered Units as is equal to 6.0% of the number of Offered Units sold under the Offering (including upon the exercise of the Over-Allotment Option). Each Compensation Option shall be exercisable into one Compensation Unit consisting of one Compensation Share and one Compensation Warrant at the Offering Price for a period of 24 months following the Closing Date, subject to adjustment in certain customary events. Each Compensation Warrant will entitle the holder thereof to acquire one Compensation Warrant Share at the Exercise Price for a period of twenty-four (24) months following the Closing Date, subject to acceleration on the same terms as the Warrants. The Underwriters, as holders of the Compensation Options, will not as such have any voting right or other right attached to Common Shares until and unless the Compensation Options are duly exercised as provided for in the certificates representing the Compensation Options.

PLAN OF DISTRIBUTION

General

This Prospectus qualifies the distribution of the Offered Units in each of the provinces of Canada other than Québec, to purchasers upon completion of the Offering and any Over-Allotment Units issued pursuant to the exercise of the Over-Allotment Option.

Pursuant to the Underwriting Agreement, the Company has agreed to sell and the Underwriters have severally (and not jointly or jointly and severally) agreed to purchase, as principals, on the Closing Date, 29,000,000

Offered Units at the Offering Price, for aggregate gross consideration of \$21,750,000 payable in cash to the Company against delivery of the Offered Units. The obligations of the Underwriters under the Underwriting Agreement are several (and not joint or joint and several), are subject to certain closing conditions and may be terminated at their discretion on the basis of "disaster out", "due diligence out", "material adverse change out", "restrictions on distributions out", "breach of agreement out" and "regulatory proceedings out" provisions in the Underwriting Agreement and may also be terminated upon the occurrence of certain other stated events. The Underwriters are, however, obligated to take-up and pay for all of the Offered Units if any Offered Units are purchased under the Underwriting Agreement. The Offering Price was determined by arm's-length negotiation between the Company and the Co-Lead Underwriter, on behalf of the Co-Lead Underwriters, with reference to the prevailing market price of the Common Shares.

The Underwriters have been granted an over-allotment option exercisable in whole or in part, at the sole discretion of the Underwriters by giving notice to the Company at any time, and from time to time, on or before 5:00 p.m. (EDT) on the 30th day following the Closing Date, to purchase up to an additional 15% of the number of Offered Units sold under the Offering, being up to 4,350,000 Over-Allotment Units and/or up to 4,350,000 Over-Allotment Unit Shares and/or up to 4,350,000 Over-Allotment Warrants, to cover the Underwriters' Over-Allotment Option. The Over-Allotment Option may be exercised by the Underwriters to acquire: (a) Over-Allotment Units at the Offering Price; (b) Over-Allotment Unit Shares at a price of \$0.67 per Over-Allotment Unit Share; (c) Over-Allotment Warrants at a price of \$0.08 per Over-Allotment Warrant; or (d) any combination of Over-Allotment Units, Over-Allotment Unit Shares and Over-Allotment Warrants, so long as the aggregate number of Over-Allotment Unit Shares and Over-Allotment Warrants which may be issued under the Over-Allotment Option does not exceed 4,350,000 Over-Allotment Unit Shares and 4,350,000 Over-Allotment Warrants.

Upon completion of the Offering, the aggregate Underwriters' Fees payable by the Company in respect of the Offering will be \$1,305,000 (\$1,500,750 if the Over-Allotment Option is exercised in full). The net proceeds to the Company, before deducting the expenses of the Offering, will be \$20,445,000 (\$23,511,750 if the Over-Allotment Option is exercised in full). The total number of Offered Units sold pursuant to the Offering will be 29,000,000 (33,350,000 if the Over-Allotment Option is exercised in full), and the total price to the public will be \$21,750,000 (\$25,012,500 if the Over-Allotment Option is exercised in full). As additional consideration for the services rendered in connection with the Offering, the Company has agreed to issue to the Underwriters such number of non-transferable Compensation Options to acquire that number of Compensation Units as is equal to 6.0% of the number of Offered Units sold under the Offering (including upon the exercise of the Over-Allotment Option). Each Compensation Option will entitle the holder thereof to acquire one Compensation Unit consisting of one Compensation Share and one Compensation Warrant at an exercise price equal to the Offering Price for a period of 24 months following the Closing Date, subject to adjustment in certain customary events. Each Compensation Warrant will entitle the holder thereof to acquire one Compensation Warrant Share at the Exercise Price for a period of twenty-four (24) months following the Closing Date, subject to acceleration on the same terms as the Warrants. The Compensation Option Units will have the same terms as the Offered Units. This Prospectus qualifies the distribution of the Compensation Options, the Compensation Shares, the Compensation Warrants and the Compensation Warrant Shares to the Underwriters.

The expenses of the Offering, including the reasonable fees and disbursements and taxes thereon of the Underwriters' counsel but not including the Underwriters' Fees, are estimated to be \$450,000 (excluding taxes and disbursements) and are payable by the Company.

Pursuant to the terms of the Underwriting Agreement, the Company has agreed to reimburse the Underwriters for certain expenses incurred in connection with the Offering and to indemnify the Underwriters and their directors, officers, employees, and agents against certain liabilities, including liabilities under securities legislation, and expenses and to contribute to payments the Underwriters may be required to make in respect thereof.

The Company has agreed, that until the date which is 90 days after the Closing Date, it will not, without the written consent of the Co-Lead Underwriters, after discussion therewith, which consent shall not be unreasonably withheld, directly or indirectly offer, issue, pledge, sell, contract to sell, announce an intention to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or

warrant to purchase, or otherwise lend, transfer or dispose of, directly or indirectly, any Common Shares or securities convertible into or exchangeable for Common Shares, other than: (i) the exercise of the Over- Allotment Option; (ii) the issuance of Common Shares in connection with the exercise of any currently outstanding options or warrants or other securities convertible into Common Shares of the Company, (iii) the issuance of options to acquire Common Shares pursuant to the Company's stock option plan or other compensation arrangements in place prior to the date hereof; and (iv) to satisfy any other currently outstanding instruments or other contractual commitments in relation to any transaction that has been previously disclosed in writing to the Underwriters. The Company has also agreed to cause each of its directors and officers of the Company (as constituted on the date of the final Prospectus) to enter into an agreement in favour of the Underwriters pursuant to which each of such individuals will agree not to sell, transfer or pledge, or otherwise dispose of, any securities of the Company until the date which is 90 days after the date of the Closing, in each case without the prior written consent of the Underwriters, such consent not to be unreasonably withheld or delayed, subject to customary exceptions.

Subscriptions for the Offered Units will be received, subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about September 15, 2020, or such other date as may be agreed upon by the Company and the Co-Lead Underwriters, but in any event no later than 42 days after the date of the receipt for the (final) short form prospectus. It is anticipated that the Offered Units will be delivered under the book-based system through CDS or its nominee and deposited in electronic form. A purchaser of Offered Units will receive only a customer confirmation from the registered dealer from or through which the Offered Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Units on behalf of owners who have purchased Offered Units in accordance with the book-based system. No certificates will be issued unless specifically requested or required.

The Company has applied to list the Unit Shares, the Warrants and the Warrant Shares (including those underlying the Over-Allotment Units and the Compensation Units) and the Compensation Shares, the Compensation Warrants and the Compensation Warrant Shares on the CSE. Listing will be subject to the Company fulfilling all listing requirements of the CSE.

The Offering is being made in each of the provinces of Canada except Québec. The Offered Units will be offered in each of the relevant provinces of Canada through the Underwriters or their affiliates who are registered to offer the Offered Units for sale in such provinces and such other registered dealers as may be designated by the Underwriters. Subject to applicable law, the Underwriters may offer the Offered Units in such other jurisdictions outside of Canada and the United States as agreed between the Company and the Co-Lead Underwriters.

The Underwriters propose to offer the Offered Units initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Offered Units at the Offering Price, the Offering Price may be decreased and may be further changed from time to time to an amount not greater than the Offering Price, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Offered Units is less than the gross proceeds paid by the Underwriters to the Company.

There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under this Prospectus. See *"Risk Factors – Risks Related to the Offering – Market for Warrants"*.

United States Sales

The Offered Units, Unit Shares, Warrants and Warrant Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered, sold or delivered, directly or indirectly, to, or for the account or benefit of, a person in the United States or a U.S. Person, unless pursuant to an exemption to the registration requirements of such laws. Accordingly, the Underwriters have agreed that it will not offer, sell or deliver the Offered Units, Unit Shares, Warrants or Warrant Shares within the United States except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Underwriting Agreement will permit the Underwriters to (i) acting through its United

States broker-dealer affiliate, to offer the Offered Units for sale by the Company in the United States and to or for the account or benefit of U.S. Persons to purchasers that are U.S. Accredited Investors, in compliance with Rule 506(b) of Regulation D under the U.S. Securities Act and applicable U.S. state securities laws, and (ii) offer and resell, acting through their United States broker-dealer affiliates, the Offered Units that they have acquired pursuant to the Underwriting Agreement in the United States and to, or for the account or benefit of U.S. Persons, that are Qualified Institutional Buyers in compliance with Rule 144A under the U.S. Securities Act and applicable U.S. state securities laws. In addition, the Underwriters will offer and sell the Offered Units outside the United States to non-U.S. Persons only in accordance with Regulation S under the U.S. Securities Act. The Unit Shares and Warrants comprising the Offered Units, and the Warrant Shares issuable upon exercise of the Warrants, as applicable, in each instance issued to, or for the account or benefit of, persons in the United States or U.S. Persons, will be “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act. Certificates issued or book entries representing such securities will bear a legend or notation to the effect that the securities represented thereby are not registered under the U.S. Securities Act or any applicable U.S. state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities to, or for the account or benefit of, a person in the United States or a U.S. Person. In addition, until 40 days after commencement of the Offering, an offer or sale of the Offered Units, Unit Shares and Warrants within the United States by any dealer (whether or not participating in the Offering) may violate the registration provisions of the U.S. Securities Act unless such offer is made pursuant to an exemption from registration under the U.S. Securities Act and similar exemptions under applicable state securities laws.

Price Stabilization and Passive Market-Making

In connection with the Offering and subject to applicable laws, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Unit Shares or the Warrants, as applicable, at a level other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. The Underwriters may carry out these transactions on the CSE, in the over-the-counter market or otherwise.

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions including: (i) a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities, (ii) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution, provided that the bid or purchase was for the purpose of maintaining a fair and orderly market and not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, such securities, or (iii) a bid or purchase to cover a short position entered into prior to the commencement of a prescribed restricted period.

As a result of these activities, the price of the Unit Shares may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on any stock exchange on which the Common Shares are listed, in the over-the-counter market, or as otherwise permitted by applicable law.

RELATIONSHIP BETWEEN THE COMPANY AND CERTAIN UNDERWRITERS

A controlling shareholder of PI Financial Corp. is concurrently an influential shareholder of Bridging, which is a lender to certain subsidiaries of the Company (being MAG and RWB Illinois) pursuant to the Amended Facility under which such subsidiaries are currently indebted and which the Company has guaranteed. Consequently, the Company may be considered a “connected issuer” to PI Financial Corp. under applicable Canadian securities legislation. As at August 24, 2020, \$65,490,910, was outstanding under the Amended Facility. Obligations under the Amended Facility are secured by general security agreements on each Borrower, mortgages on certain owned real property of PharmaCo among other security obligations.

As of the date hereof, the Company is in compliance, in all material respects, with the terms and conditions of all the agreements which govern its agreements with Bridging, and the Company has not received notice of any breach of any such terms or conditions.

The decision to distribute the Offered Units pursuant to the Offering and the determination of the terms of the Offering were made through arm's length negotiation between the Company and the Co-Lead Underwriters. Bridging did not have any involvement in such decision or determination and the Offering was not otherwise required by, suggested by or subject to the consent of Bridging. Bridging will not receive any benefits in connection with the Offering. The Company does not anticipate any proceeds from the Offering being applied against the outstanding credit facilities noted above. See "Use of Proceeds".

RISK FACTORS

An investment in the Offered Units is speculative and involves certain risks. When evaluating the Company and its business, prospective purchasers of the Offered Units should consider carefully the information set out in this Prospectus, including the documents incorporated by reference herein, and the risks described below and in the documents incorporated by reference herein, including those risks identified and discussed under the heading "Risk Factors" in the Annual Information Form, which is incorporated by reference herein. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below (or incorporated by reference herein) or other unforeseen risks. If any of the risks described below or in the Annual Information Form actually occur, then the Company's business, prospects, financial condition and operating results could be materially adversely affected with the result that the trading price of the Common Shares could decline and investors could lose all or part of their investment.

The risks and uncertainties described or incorporated by reference herein are not the only ones the Company faces. Additional risks and uncertainties, including those that the Company is unaware of or that are currently deemed immaterial, may also adversely affect the Company and its business and prospects. The Company cannot provide any assurances that it will successfully address any or all of these risks. Investors should consult with their professional advisors to assess any investment in securities of the Company.

Risks Related to the Offering

Completion of the Offering

The completion of the Offering remains subject to a number of conditions. There can be no certainty that the Offering will be completed. Failure by the Company to satisfy all of the conditions precedent to the Offering would result in the Offering not being completed. If the Offering is not completed, the Company may not be able to raise the funds required for the purposes contemplated under "Use of Proceeds" from other sources on commercially reasonable terms or at all.

Discretion in the Use of Proceeds

Management will have discretion concerning the use of the proceeds of the Offering as well as the timing of their expenditure. As a result, purchasers will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering other than as described under the heading "Use of Proceeds" if they believe it would be in the Company's best interest to do so and in ways that a purchaser may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Company results of operations may suffer.

Additional Financing

The continued development and investment objectives of the Company will require additional financing. There is no guarantee that the Company will be able to achieve its business objectives. The Company expects to fund its business objectives by way of additional offerings of equity and/or debt financing. The failure to raise or procure such additional funds could result in the delay or indefinite postponement of current business objectives. There can be no assurance that additional capital or other types of financing will be available if needed or that, if

available, will be on terms acceptable to the Company. If additional funds are raised by offering equity securities or convertible debt, existing shareholders could suffer significant dilution. Any debt financing secured in the future could involve the granting of security against assets of the Company and also contain restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Company may require additional financing to fund its operations and investment objectives. See “Additional Issuances and Financings May Result in Dilution”.

Market for Warrants

There is currently no market through which the Warrants may be sold. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation. There can be no assurance that an active or liquid market for the Warrants will develop following the Offering, or if developed, that such market will be maintained. If an active public market does not develop or is not maintained, purchasers may not be able to resell the Warrants purchased under this Offering.

No Rights as Shareholders

Holders of Warrants will not be entitled to any rights with respect to the Common Shares (including, without limitation, voting rights and rights to receive any dividends or other distributions on the Common Shares), but if a holder of Warrants subsequently exercises its Warrants, such holder will be subject to all changes affecting the Common Shares. Rights with respect to the Common Shares will arise only if and when the Company delivers Common Shares upon the exercising of a Warrant. For example, in the event that an amendment is proposed to the Company’s constituting documents requiring shareholder approval and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to delivery of Common Shares to a holder, such holder will not be entitled to vote on the amendment, although such holder will nevertheless be subject to any changes in the powers or rights of Common Shares that result from such amendment.

Investment Eligibility

There can be no assurance that the Unit Shares, Warrants or Warrant Shares will continue to be “qualified investments” as defined in the Tax Act for trusts governed by Registered Plans or a DPSP. The Tax Act imposes penalties for the acquisition or holding of non-qualified or prohibited investments. See “*Eligibility for Investment*”.

Trading Market

The Company cannot assure that a market will continue to develop or be sustained for the Common Shares. If a market does not continue to develop or is not sustained, it may be difficult for purchasers to sell Common Shares at an attractive price or at all. The Company cannot predict the prices at which the Common Shares will trade.

Significant Sales of Common Shares May Have an Adverse Effect on the Market Price of the Common Shares

Significant sales of Common Shares, or the availability of such securities for sale, could adversely affect the prevailing market prices for the Common Shares. A decline in the market prices of the Common Shares could impair the Company’s ability to raise additional capital through the sale of securities should it desire to do so.

Volatile Market Price for the Common Shares

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which will be beyond the Company’s control, including, but not limited to the following: (i) actual or anticipated fluctuations in the Company’s quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of companies in the industry in which the Company will operate; (iv) addition or departure of the Company’s executive officers, directors and other key personnel and consultants; (v) release or expiration of transfer restrictions on outstanding Common Shares; (vi) sales or perceived sales of additional shares; (vii) operating and financial performance that vary from

the expectations of management, securities analysts and purchasers; (viii) regulatory changes affecting the Company's industry generally and its business and operations both domestically and abroad; (ix) announcements of developments and other material events by the Company or its competitors; (x) fluctuations in the costs of vital production materials and services; (xi) changes in global financial markets, global economies, general market conditions, interest rates and pharmaceutical product price volatility which may be impacted by a variety of factors, including but not limited to the current COVID-19 pandemic; (xii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; (xiii) operating and share price performance of other companies that purchasers deem comparable to the Company or from a lack of market comparable companies; and (xiv) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies (such as the current COVID-19 pandemic). Accordingly, the market price of Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted, and the trading price of Common Shares may be materially adversely affected.

Additional Issuances and Financings May Result in Dilution

Subject to compliance with applicable securities laws and stock exchange rules, the Company's articles allow it to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as shall be established by the Board of Directors, in many cases, without the approval of the Company's shareholders. As part of this Offering, and assuming full exercise of Warrants and Compensation Options, the Company may issue up to 61,480,000 Common Shares (or up to 70,702,000 Common Shares if the Over-Allotment Option is exercised in full). Except as described under the heading "*Plan of Distribution*", the Company may issue additional Common Shares in subsequent offerings (including through the sale of securities convertible into or exchangeable for Common Shares) and on the exercise of stock options or other securities exercisable for Common Shares. The Company may also issue Common Shares to finance future acquisitions. The Company cannot predict the size of future issuances of Common Shares or the effect that future issuances and sales of Common Shares will have on the market price of the Common Shares. Issuances of a substantial number of additional Common Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Common Shares. With any additional issuance of Common Shares, purchasers will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

Risks Related to the Business

Impact of the COVID-19 Pandemic

Catastrophic events in general can have a material impact on the potential continuity of the business. The Company's ability to cultivate cannabis and operate dispensaries, among other business activities, may be adversely affected or disrupted as a result. In addition, the Company relies, in part, on third-party service providers to assist them in managing, monitoring and otherwise carrying out aspects of its business and operations, and the outbreak may affect their ability to devote sufficient time and resources to perform work for the Company. Such events may result in a period of business disruption, reduced operations, any of which could materially affect our business, financial condition and results of operations.

The spread of COVID-19, which has caused a broad impact globally, may materially affect the Company economically. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets, reducing the Company's ability to access capital, which could in the future negatively affect our liquidity.

The global outbreak of COVID-19 continues to evolve rapidly. The extent to which COVID-19 may impact the Company's business, operations and financial performance will depend on future developments, including but not limited to, matters such as (a) the duration and/or severity of the outbreak, (b) government policies, restrictions and requirements as they relate to social distancing, forced quarantines and other requirements, (c) non-governmental influences or challenges such as the failure of banks and/or (d) any kind of ripple effect caused by the substantial economic damage that can be inflicted on society by a pandemic like COVID-19 such as lawlessness. The ultimate long-term impact of COVID-19 is highly uncertain and cannot be predicted with confidence.

Cash Flow from Operations

The Company had negative operating cash flow for the financial year ended July 31, 2019. The Company cannot guarantee that it will attain or maintain positive cash flow status into the future. To the extent that the Company has negative cash flow in any future period, certain of the proceeds from the Offering may be used to fund such negative cash flow from operating activities in these periods, see *"Use of Proceeds"*.

No Assurance That Announced Transactions Will Be Completed or That the Company Will Realize Benefits

The Company has announced certain acquisitions and transactions with third parties including, but not limited to, PharmaCo, Platinum Vape, Avicanna and Critical 39 (the **"Proposed Transactions"**). Completion of each of the Proposed Transactions will be subject to conditions precedent and the procurement of regulatory, shareholder and other required approvals. There can be no assurance that the Company will complete any or all of the Proposed Transactions.

A number of non-recurring transaction-related costs will be incurred in connection with the Proposed Transactions and with integrating the Proposed Transactions with the business of the Company and achieving desired synergies. Non-recurring transaction costs include, but are not limited to, fees paid to legal, financial and accounting advisors, filing fees and printing costs.

The estimates of benefits associated with the Proposed Transactions reflect estimates and assumptions made by the Company, and it is possible that these estimates and assumptions may not ultimately reflect actual results. In addition, these estimated benefits may not actually be achieved in the timeframe anticipated or at all. If the Company fails to realize anticipated benefits, synergies or revenue enhancements, it could have a material adverse effect on the Company's business, financial condition and results of operations. There can be no assurance that the realization of efficiencies related to the integration of the Proposed Transactions into the Company's business, will offset the incremental transaction-related costs over time. Any net benefit may not be achieved in the near term, the long term or at all.

No Control Over Operations

The Company may not be directly involved in the ownership or operation of and may have no or limited contractual rights relating to the operations of its current and/or future royalty, equity, debt or other investee entities (collectively, the **"Investees"**). The Investees will generally have the power to determine the manner in which the business of such Investee is developed, expanded and operated. The interests of the Company and the Investees may not always be aligned. As a result, the cash flows of the Company from royalties, debt instruments or otherwise will be dependent upon the activities of the Investees, which creates the risk that at any time those Investees may: (i) have business interests or targets that are inconsistent with those of the Company; (ii) take action contrary to the Company's policies or objectives; (iii) be unable or unwilling to fulfill their obligations under their agreements with the Company; or (iv) experience financial, operational or other difficulties, including insolvency, which could limit or suspend an Investee's ability to perform its obligations under agreements with the Company. There is also the risk that such Investees may not comply with applicable laws, including by operating in jurisdictions where their activities are in breach of the laws of such jurisdictions. There can be no assurance that the Investees involved in the production of cannabis will ultimately meet forecasts or targets. Payments to the Company, in certain instances, will be calculated by the Investees based on reported production, and such payments are subject to, and dependent upon, the adequacy and accuracy of the operators' production and accounting functions. The Company must rely on the accuracy and timeliness of the

public disclosure and other information it receives from the Investees. If the information contains material inaccuracies or omissions, the Company's ability to accurately forecast or achieve its stated objectives may be materially impaired. Failure to receive the Company's entitlements pursuant to the agreements it has entered into may have a material adverse effect on the Company.

Compliance With Laws

The Company's and the Investees' operations are subject to various laws, regulations and guidelines that may change over time. The Company will endeavour to cause the Investees to comply with all relevant laws, regulations and guidelines at all times. Although some of the Investees are contractually required to comply with laws pursuant to their agreements with the Company, certain Investees are not subject to such requirements, and in any event these contractual obligations do not guarantee compliance by Investees. In the event that an is discovered not to be in compliance with laws, including U.S. laws, the Company may be limited in its recourse against such Investee. In addition, the Investees may not maintain internal policies and procedures adequate to ensure compliance with the various laws, regulations and guidelines to which they are subject. There is also a risk that the Company's and the Investees' interpretation of laws, regulations and guidelines, including, but not limited to, various U.S. state regulations and applicable stock exchange rules and regulations, may differ from those of others, including those of government authorities, securities regulators and exchanges, and the Company's and the Investees' operations may not be in compliance with such laws, regulations and guidelines. The Company or the Investees, while they may be compliant today, may not be compliant following changes to any laws, regulations or guidelines. In addition, achievement of the Company's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and, where necessary, obtaining regulatory approvals. The impact of regulatory compliance regimes, and the impact of any delays in obtaining or failures to obtain regulatory approvals required by the Company or the Investees may significantly delay or impact the development of the Company's business and operations and could have a material adverse effect on the business, financial condition and results of operations of the Company. In addition, any potential noncompliance could cause the business, financial condition and results of operations of the Company to be adversely affected. Further, any amendment to or replacement of applicable rules and regulations governing the activities of the Company and the Investees may cause adverse effects on the Company's or the Investees' business, financial condition and results of operations. The risks to the business of the Company and the Investees associated with any amendment or replacement of applicable regulatory regime the United States could reduce the available market for products or services of the Investee and could materially and adversely affect the business, financial condition and results of operations of the Company.

The Company and the Investees will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable laws and regulations may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures or remedial actions. Parties may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, court rulings or more stringent application of existing laws or regulations, may have a material adverse impact on the Company and/or the Investees, resulting in increased capital expenditures or production costs, reduced levels of cannabis production or abandonment or delays in the development of facilities, or other significant changes in the Company's and/or the Investees' business plans, which could have a material adverse effect on the business, financial condition and results of operations of the Company and/or the Investees.

The introduction of new tax laws, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations or rules in any of the countries in which the Company may operate could result in an increase in the Company's taxes, or other governmental charges, duties or impositions. No assurance can be given that new tax laws, regulations or rules will not be enacted or that existing tax laws, regulations or rules will not be changed, interpreted or applied in a manner which could result in the Company's profits being subject to additional taxation or which could otherwise have a material adverse effect on the Company.

Due to the complexity and nature of the Company's operations, various legal and tax proceedings may be in progress from time to time. If the Company is unable to resolve any of these proceedings favourably, there may be a material adverse effect on the Company.

The Company's business strategy involves constantly seeking new opportunities in the U.S. legal cannabis industry. In the pursuit and execution of such opportunities, the Company may fail to select appropriate investment candidates and/or fail to negotiate beneficial or advantageous contractual arrangements. The Company cannot provide assurance that it can complete any investment or business arrangement that it pursues or is pursuing, on favourable terms, or that any investments or business arrangements completed will ultimately benefit the Company.

In the event that the Company chooses to raise debt capital to finance investments, the Company's leverage will be increased. In addition, if the Company chooses to complete an equity financing, shareholders may suffer dilution.

Risks Inherent in Strategic Alliances and Investments

The Company may enter into further strategic alliances with third parties that it believes will complement or augment its existing business. The Company's ability to form strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance the Company's business, and/or may involve risks that could adversely affect the Company, including significant amounts of management time that may be diverted from operations to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and/or contingent liabilities, and there can be no assurance that future strategic alliances will achieve the expected benefits to the Company's business or that the Company will be able to consummate future strategic alliances on satisfactory terms, or at all.

While the Company conducted due diligence with respect to the Investees, there are risks inherent in any investment. Specifically, there could be unknown or undisclosed risks or liabilities of the Investees for which the Company is not sufficiently indemnified or at all. Any such unknown or undisclosed risks or liabilities could materially and adversely affect the Company's financial performance and results of operations. It is currently anticipated that the investments will be accretive; however, the performance of such an investment may be materially different. The Company could encounter additional transaction and enforcement-related costs, and may fail to realize all of the potential benefits from its investments. Any of the foregoing risks and uncertainties could have a material adverse effect on the Company's business, financial condition and results of operations.

Risks Associated With Divestment and Restructuring

In certain circumstances, the Company may decide, or be required, to divest its investment in certain Investees. In particular, if any of the Investees violate any applicable laws and regulations, including U.S. federal law, the Company may be required to divest its interest in such Investee or risk significant fines, penalties, administrative sanctions, convictions, settlements or delisting from the CSE. For instance, if the Company determines that the operations of an Investee are not compliant with U.S. laws or the policies of the CSE, the Company will use its commercially reasonable efforts to divest of its interest in the Investee in the event that it cannot restructure its holdings. There is no assurance that these divestitures will be completed on terms favourable to the Company, or at all. Any opportunities resulting from these divestitures, and the anticipated effects of these divestitures on the Company may never be realized, or may not be realized to the extent the Company anticipates. Moreover, there is no guarantee that the Company will realize gains on its investments based on the fair value of underlying financial assets. In pursuit of opportunities to dispose of any of the Company's investments, third parties may not ascribe similar value to such investments as the Company and the Company may not be able to obtain the value it ascribes to such investments. Not all of the Company's investments are liquid, and such investments may be difficult to dispose of and subject to illiquidity discounts on divestiture. The securities of the Investees are not generally listed on any stock exchange. Any required divestiture or an actual or perceived violation of applicable laws or regulations by the Company or any Investee could have a material adverse effect on the Company, including its reputation and ability to conduct business, its holdings (directly or indirectly) in the Investees, the listing of its securities on applicable stock exchanges, its financial position, operating results, profitability or liquidity or the market price of the Common Shares. In addition, it is difficult for the Company to estimate the time or resources that may be required for the investigation of any such matter or its final resolution because, in part,

the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

If the Company decides, or is required, to restructure its investments in any Investees to remain in compliance with laws or stock exchange requirements, such restructuring could result in the write-down of the value of the Company's investments, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Investors in the Company May Be Subject to Entry Bans into the United States

Cannabis remains illegal under U.S. federal law. Individuals employed at or investing in cannabis companies could face detention, denial of entry or lifetime bans from the U.S. for their business associations with cannabis businesses. Entry to the U.S. is granted at the sole discretion of Customs and Border Protection ("CBP") officers on duty, and these officers have wide latitude to ask questions to determine the admissibility of a foreign national. The government of Canada has started warning travelers that previous use of cannabis, or any substance prohibited by U.S. federal laws, could result in denial of entry to the U.S. Business or financial involvement in the cannabis industry in Canada or in the U.S. could also be reason enough for CBP officers to deny entry. On September 21, 2018, CBP released a statement outlining its position with respect to enforcement of the laws of the U.S. It stated that Canada's legalization of cannabis will not change CBP enforcement of U.S. laws regarding controlled substances and because cannabis continues to be a controlled substance under U.S. law, working in or facilitating the proliferation of the cannabis industry in U.S. states or Canada may affect admissibility to the U.S. On October 9, 2018, CBP released an additional statement regarding the admissibility of Canadian citizens working in the U.S. legal cannabis industry. CBP stated that a Canadian citizen working in or facilitating the proliferation of the U.S. legal cannabis industry in Canada coming into the U.S. for reasons unrelated to the cannabis industry will generally be admissible to the U.S.; however, if such person is found to be coming into the U.S. for reasons related to the cannabis industry, such person may be deemed inadmissible. Employees, directors, officers, managers and investors of companies involved in business activities related to cannabis in the U.S. or Canada (such as the Company), who are not U.S. citizens, face the risk of being barred from entry into the U.S. for life.

Difficulty to Forecast

The Company will need to rely largely on its own market research to forecast industry trends and statistics as detailed forecasts are, with certain exceptions, not generally available from other sources at this early stage of the cannabis industry. A failure in the demand for the products of certain Investees to materialize as a result of competition, technological change, change in the regulatory or legal landscape or other factors could have a material adverse effect on the business, financial condition and results of operations of the Company.

Cannabis Prices

The price of the Common Shares and the Company's financial results may be significantly and adversely affected by a decline in the price of cannabis. There is currently not an established market price for cannabis and the price of cannabis is affected by numerous factors beyond the Company's control. Any price decline may have a material adverse effect on the Company.

The profitability of the Company's interests under agreements with certain Investees is directly related to the price of cannabis. The Company's operating income may be sensitive to changes in the price of cannabis and the overall condition of the cannabis industry, as its operating income will be derived in part from royalty payments. In addition, the value of the Company's investments in the Investees may be affected as a result of changes in the prevailing market price of cannabis, which may have a material adverse effect on the ability of the Investees to generate positive cash flow or earnings.

Reputational Risk

The Company believes that the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. Consumer perception can be significantly influenced by

scientific research or findings, regulatory proceedings, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the cannabis market or any particular product, or consistent with currently held views. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the cannabis industry and demand for its products and services, which could affect the business, financial condition and results of operations and cash flows of the Company. The Company's dependence upon consumer perception means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company, the business, financial condition, results of operations and cash flows of the Company. Further, adverse publicity, reports or other media attention regarding the safety, efficacy and quality of cannabis in general, or the Investees' products specifically, or associating the consumption of cannabis with illness or other negative effects or events, could have a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately, or as directed.

In addition, parties outside of the cannabis industry with which the Company does business may perceive that they are exposed to reputational risk as a result of the Company's cannabis related business activities. For example, the Company could receive a notification from a financial institution advising it that they would no longer maintain banking relationships with those in the cannabis industry. The Company may in the future have difficulty establishing or maintaining bank accounts or other business relationships that it needs to operate its business. Failure to establish or maintain business relationships could have a material adverse effect on the Company.

Equity Price Risk

The Company may be exposed to equity price risk as a result of holding long-term investments in cannabis companies. Just as investing in the Company carries inherent risks, such as those set out in this Prospectus, the Company faces similar inherent risks by investing in other cannabis companies, and accordingly may be exposed to the risks associated with owning equity securities in the Investees.

Anti-Bribery Law Violations

The Company's business is subject to laws which generally prohibit companies and employees from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. In addition, the Company is or will be subject to the anti-bribery laws of any other countries in which it conducts business now or in the future. The Company's employees or other agents may, without its knowledge and despite its efforts, engage in prohibited conduct under the Company's policies and procedures and anti-bribery laws for which the Company may be held responsible. The Company's policies mandate compliance with these anti-corruption and anti-bribery laws. However, there can be no assurance that the Company's internal control policies and procedures will always protect it from recklessness, fraudulent behaviour, dishonesty or other inappropriate acts committed by its affiliates, employees, contractors or agents. If the Company's employees or other agents are found to have engaged in such practices, the Company could suffer severe penalties and other consequences that may have a material adverse effect on its business, financial condition and results of operations.

Risks Relating to the Investees

In addition to the risk factors that may impact the business, operations and financial condition of the Company and the Investees noted above, the following supplemental risk factors may directly impact the business, operations and financial condition of certain Investees and, accordingly, may have an indirect material adverse effect on the Company.

Reliance on Licences

The Company will be dependent on the licences or ability to obtain a licence of certain Investees, which are subject to ongoing compliance and reporting requirements. Failure to comply with the requirements of these licences or any failure to obtain or maintain those licences could have a material adverse impact on the business, financial condition and operating results of the Company. There can be no guarantee that a licence will be issued, extended or renewed or, if issued, extended or renewed, that they will be issued, extended or renewed on terms that are favourable to such Investee and the Company. Should a licence not be issued, extended or renewed or should it be issued or renewed on terms that are less favourable to such Investee and the Company than anticipated, the business, financial condition and results of the operations of the Company could be materially adversely affected.

Failure to Obtain Necessary Licences

The abilities of certain Investees to grow, store and sell cannabis in the United States are dependent on securing and maintaining the appropriate licences with the applicable regulatory authorities. Failure to comply with the requirements of any license application or failure to obtain and maintain the appropriate licences with the relevant authorities would have a material adverse impact on the business, financial condition and results of operations of the Investee and the Company. There can be no guarantees that regulatory authorities will issue the required licences.

Reliance on Investee Facilities

The facilities used by certain Investees could be subject to adverse changes or developments, including but not limited to a breach of security, which could have a material and adverse effect on the Company's business, financial condition and prospects. Any breach of the security measures and other facility requirements, including any failure to comply with recommendations or requirements arising from inspections by regulatory authorities, could also have an impact on such Investee's ability to continue operating under their licences or the prospect of renewing their licences, which may have an adverse effect on the Company.

Governmental Regulations

Cannabis operations are subject to extensive laws and regulations. The costs of compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations could become such that the Investees would not continue to develop or operate their businesses. Moreover, it is possible that future regulatory developments could result in substantial costs and liabilities for the Investees in the future such that they would not continue to develop or operate their business. In addition, the Investees are subject to various laws, regulations and guidelines, including, but not limited to the applicable stock exchange rules and regulations.

Operating Risks

Cannabis operations generally involve a high degree of risk. The Investees are subject to the hazards and risks normally encountered in the cannabis industry. Should any of these risks or hazards affect one of the Investees, it may (i) cause the cost of development or production to increase to a point where it would no longer be economic to produce cannabis, (ii) cause delays or stoppage of operations, (iii) cause personal injury or death and related legal liability, or (iv) result in the loss of insurance coverage. The occurrence of any of these risks or hazards could have a material adverse effect on the Company and the price of the Common Shares.

The production of cannabis involves significant risks. In the United States, not all applicants for a licence ultimately receive a licence to produce and sell cannabis. Major expenditures may be required in pursuit of a licence and it is impossible to ensure that the expenditures will result in receipt of a licence and a profitable operation. There can be no assurances that any of the Investees will obtain and maintain a licence to produce and sell cannabis and be brought into a state of commercial production.

Increased Operational, Regulatory and Other Risks

An Investee may in the future expand into other geographic areas, product categories or market segments, which could increase the Investee's operational, regulatory, compliance, reputational and foreign exchange rate risks. The failure of the Investee's operating infrastructure to support such expansion could result in operational failures and regulatory fines or sanctions. Future international expansion could require the Investees to incur a number of upfront expenses, including those associated with obtaining regulatory approvals, as well as additional ongoing expenses, including those associated with infrastructure, staff and regulatory compliance. The Investees may not be able to successfully identify suitable acquisition, investment and/or expansion opportunities or integrate such operations successfully with the Investees' existing operations.

Access to Capital for Investees

Investees that operate in the U.S. may have difficulty accessing the services of banks and processing credit card payments, which may make it difficult for these Investees to operate. In February 2014, the FinCEN issued guidance with respect to financial institutions providing banking services to cannabis business, including burdensome due diligence expectations and reporting requirements. This guidance does not provide any safe harbors or legal defences from examination or regulatory or criminal enforcement actions by the Department of Justice, FinCEN or other federal regulators. Thus, most banks and other financial institutions do not appear to be comfortable providing banking services to cannabis-related businesses. In addition to the foregoing, banks may refuse to process debit card payments and credit card companies generally refuse to process credit card payments for cannabis-related businesses. As a result, Investees that operate in the U.S. may have limited or no access to banking or other financial services in the U.S., and may have to operate their businesses on an all- cash basis. The inability or limitation on certain Investees' ability to open or maintain bank accounts in the U.S., obtain other banking services and/or accept credit card and debit card payments may make it difficult for such Investees to operate and conduct their businesses as planned in the United States.

Enforceability of Contracts

Certain contracts of Investees may involve cannabis or cannabis-related businesses and other activities that are not legal under U.S. federal law. In some jurisdictions, such Investees may face difficulties in enforcing their contracts in U.S. federal and certain state courts.

Lack of Access to U.S. Bankruptcy Protections

As cannabis is a Schedule I substance under the Controlled Substances Act, many courts have denied cannabis businesses federal bankruptcy protections, making it difficult for lenders to recover their investments in the cannabis industry in the event of a bankruptcy. If the Company or one of the Investees were to experience a bankruptcy, there is no guarantee that U.S. federal bankruptcy protections would be available to the Company or such Investee, which would have a material adverse effect on the Company.

Production Forecasts

The Company will prepare estimates and forecasts of future attributable production from certain Investees and will rely on public disclosure and other information it receives from the owners, operators and independent experts to prepare such estimates. Such information will be necessarily imprecise because it will depend upon significant judgment. In addition, the Company will rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the cannabis industry. These production estimates and projections will be based upon existing plans and other assumptions which change from time to time, and over which the Company will have no control, including the costs of production, the operators' ability to sustain and increase production levels, the sufficiency of infrastructure, the performance of personnel and equipment, the ability to maintain and obtain licences and permits and compliance with existing and future laws and regulations. Any such information is forward-looking and no assurance can be given that such production estimates and projections will be achieved. Actual attributable production may vary from the Company's estimates for a variety of reasons and may result in the failure to achieve the production forecasts currently anticipated. If the Company's forecasts prove to be incorrect, it may have a material adverse effect on the Company.

Competitive Conditions

The Investees will face intense competition from other companies, some of which have longer operating histories as well as more financial resources, production capacity and marketing experience than the Investees. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Investees, including the Investees' ability to source starting materials, retain qualified employees, enter into supply agreements, develop retail sales channels and obtain a share of the overall cannabis market. Accordingly, the business, financial conditions and results of operations of the Company would also be similarly affected.

Customer Acquisitions

The Company's success depends, in part, on the Investees' ability to attract and retain customers. There are many factors which could impact the Investees' ability to attract and retain customers, including but not limited to the ability of certain Investees to continually produce desirable and effective product, the successful implementation of customer-acquisition plans and the continued growth in the aggregate number of customers. The failure to acquire and retain customers would have a material adverse effect on the Investees' business, operating results and financial condition, which could have a materially adverse effect on the Company.

Risks Inherent in an Agricultural Business

The business of certain of the Investees involves the growing of cannabis. Cannabis is an agricultural product. As such, the business is subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Weather conditions, which can vary substantially from year to year, may have a significant impact on the size and quality of the harvest of the crops processed and sold by the Investees. Significant increases or decreases in the total harvest will impact the Company's profits realized on sales of the Investees' products and, consequently, the results of the Company's operations. High degrees of quality variance can also affect processing velocity and capacity utilization, as the processes required to potentially upgrade lower or more variable quality product can slow overall processing times. There can be no assurance that natural elements will not have a material adverse effect on the production of products by certain Investees, which may have a material adverse effect on the Company.

Wholesale Price Volatility

The cannabis industry is a margin-based business in which gross profits depend on the excess of sales prices over costs. Consequently, profitability is sensitive to fluctuations in wholesale and retail prices caused by changes in supply (which itself depends on other factors such as weather, fuel, equipment and labour costs, shipping costs, economic situation and demand), taxes, government programs and policies for the cannabis industry (including price controls and wholesale price restrictions that may be imposed by provincial agencies responsible for the sale of cannabis), and other market conditions, all of which are factors beyond the control of the Company and the Investees.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations pursuant to the Tax Act generally applicable to a purchaser who acquires an Offered Unit pursuant to this Offering. For purposes of this summary, references to Common Shares include Unit Shares and Warrant Shares unless otherwise indicated.

This summary applies only to a purchaser who is a beneficial owner of Unit Shares and Warrants acquired pursuant to this Offering and who, for the purposes of the Tax Act, and at all relevant times: (i) deals at arm's length and is not affiliated with the Company or the Underwriters; and (ii) acquires and holds the Unit Shares, Warrants and any Warrant Shares acquired on the exercise of the Warrants as capital property (a "**Holder**"). Generally, the Common Shares and Warrants will be considered to be capital property to a Holder unless the Holder holds such securities in the course of carrying on a business of trading or dealing in securities or has acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a Holder (a) that is a “financial institution” for purposes of the mark-to-market rules contained in the Tax Act; (b) that is a “specified financial institution”, as defined in the Tax Act; (c) an interest in which is a “tax shelter investment”, as defined in the Tax Act; (d) that has made a functional currency reporting election under the Tax Act; (e) that has entered or will enter into a “derivative forward agreement” or a “synthetic disposition arrangement”, as defined in the Tax Act, with respect to the Common Shares or the Warrants; or (f) that receives dividends on the Common Shares under or as part of a “dividend rental arrangement”, as defined in the Tax Act. Such Holders should consult with their own tax advisors with respect to an investment in Offered Units. Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada, and is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of the Offered Units, controlled by a non-resident corporation (or pursuant to the Tax Proposals, a non-resident person a group of persons (comprised of any combination of non-resident corporations, non-resident individuals or non-resident trusts) that do not deal at arm's length) for purposes of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act. Such Holders should consult their tax advisors with respect to the consequences of acquiring Offered Units.

This summary is based upon the current provisions of the Tax Act in force as of the date hereof, counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the “CRA”) published by it in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “Tax Proposals”) and assumes that the Tax Proposals will be enacted substantially as proposed; however, no assurance can be given that the Tax Proposals will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or the CRA's administrative policies or assessing practices, whether by legislative, governmental, administrative or judicial decision or action, nor does it take into account any provincial, territorial or foreign income tax legislation or considerations, which considerations may differ significantly from the Canadian federal income tax considerations discussed in this summary.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.

Allocation of Cost

A Holder who acquires Offered Units pursuant to this Offering will be required to allocate the purchase price paid for each Offered Unit on a reasonable basis between the Unit Share and the Warrant comprising each Offered Unit in order to determine their respective costs to such Holder for the purposes of the Tax Act.

For its purposes, the Company has advised counsel that, of the \$0.75 subscription price for each Offered Unit, it intends to allocate \$0.67 to each Unit Share and \$0.08 to each Warrant. Although the Company believes that this allocation is reasonable, it is not binding on the CRA or on a Holder, and the CRA may not be in agreement with such allocation. Counsel express no opinion with respect to such allocation.

Adjusted Cost Base of a Unit Share

The adjusted cost base to a Holder of each Unit Share comprising a part of an Offered Unit acquired pursuant to this Offering will be determined by averaging the cost of such Unit Share with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the acquisition.

Exercise of Warrants

No gain or loss will be realized by a Holder of a Warrant upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the adjusted cost base of the Warrant to such Holder, plus the amount paid on the exercise of the Warrant. For the purpose of computing the adjusted cost base to a Holder of each Warrant Share acquired on the exercise of a

Warrant, the cost of such Warrant Share must be averaged with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the exercise of the Warrant.

Holders Resident in Canada

The following section of this summary is generally applicable to a Holder who, for purposes of the Tax Act, is or is deemed to be resident in Canada at all relevant times (a “**Resident Holder**”). A Resident Holder whose Common Shares might not otherwise qualify as capital property, may in certain circumstances, make an irrevocable election permitted by subsection 39(4) of the Tax Act to deem the Common Shares, and every other “Canadian security” (as defined in the Tax Act), held by such Resident Holder in a taxation year of the election and all subsequent taxation years to be capital property. This election does not apply to Warrants. Resident Holders should consult with their own tax advisors regarding this election.

Expiry of Warrants

In the event of the expiry of an unexercised Warrant, a Resident Holder will generally realize a capital loss equal to the Resident Holder’s adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading “*Capital Gains and Capital Losses*”.

Dividends

A Resident Holder will be required to include in computing its income for a taxation year any taxable dividends received or deemed to be received on the Common Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from “taxable Canadian corporations” (as defined in the Tax Act). Taxable dividends received from a taxable Canadian corporation which are designated by such corporation as “eligible dividends” will be subject to an enhanced gross-up and dividend tax credit regime in accordance with the rules in the Tax Act.

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividends that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year.

A Resident Holder that is a “private corporation” or a “subject corporation”, as defined in the Tax Act, may be liable to pay an additional tax under Part IV of the Tax Act (which may be refundable in certain circumstances) on dividends received or deemed to be received on the Common Shares to the extent such dividends are deductible in computing the Resident Holder’s taxable income for the taxation year.

In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

Dispositions of Common Shares and Warrants

A Resident Holder who disposes of or is deemed to have disposed of a Common Share or Warrant (other than on the exercise of a Warrant) will generally realize a capital gain (or capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base to the Resident Holder of the Common Share or Warrant immediately before the disposition or deemed disposition. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading “*Capital Gains and Capital Losses*”.

Capital Gains and Capital Losses

A Resident Holder will generally be required to include in computing its income for the taxation year, one-half of the amount of any capital gain (a “**taxable capital gain**”) realized in such year. Subject to and in accordance

with the provisions of the Tax Act, a Resident Holder will be required to deduct one-half of the amount of any capital loss (an **"allowable capital loss"**) against taxable capital gains realized in the taxation year. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a Common Share by a Resident Holder that is a corporation may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such shares or on shares substituted therefor to the extent and under the circumstances specified in the Tax Act. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly or indirectly, through a partnership or trust. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional tax on its "aggregate investment income" (as defined in the Tax Act) for the year, which will include taxable capital gains, which may be refundable in certain circumstances.

Minimum Tax

In general terms, a Resident Holder that is an individual or a trust (other than certain specified trusts) that receives or is deemed to have received taxable dividends on the Common Shares or realizes a capital gain on the disposition or deemed disposition of Common Shares or Warrants may be liable for alternative minimum tax under the Tax Act. Resident Holders that are individuals should consult their own tax advisors in this regard.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act: (i) is not, and is not deemed to be, resident in Canada; and (ii) does not use or hold the Common Shares or Warrants in connection with carrying on a business in Canada (**"Non-Resident Holder"**). This summary does not apply to a Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere or that is an "authorized foreign bank" (as defined in the Tax Act) and such Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed under the Tax Act to be paid or credited by the Company to a Non-Resident Holder on the Common Shares will generally be subject to Canadian withholding tax at the rate of 25% on the gross amount of such dividend, unless such rate is reduced by the terms of an applicable tax treaty or convention. Under the *Canada-United States Tax Convention (1980)*, as amended (the **"Treaty"**), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the U.S. for purposes of the Treaty and fully entitled to benefits under the Treaty (a **"U.S. Holder"**) is generally limited to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a company beneficially owning at least 10% of the Company's voting shares).

Dispositions of Common Shares and Warrants

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of a Common Share or Warrant unless the Common Share or Warrant (as applicable) is, or is deemed to be, "taxable Canadian property" of the Non-Resident Holder for the purposes of the Tax Act and the Non-Resident Holder is not entitled to an exemption pursuant to the terms of an applicable tax treaty or convention.

Provided that the Common Shares are listed on a "designated stock exchange" for purposes of the Tax Act (which currently includes the CSE), at the time of disposition, the Common Shares and Warrants will generally not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60 month period immediately preceding the disposition, (i) at least 25% of the issued shares of any class or series of the capital stock of the Company were owned by or belonged to one or any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm's length, and (c) partnerships in which the Non-Resident Holder or a person described in (b) held a membership interest directly or indirectly through one or more partnerships; and (ii) at such time, more than 50% of the fair market value of such shares was derived, directly or indirectly, from any combination of real or immovable property situated in Canada, "Canadian resource property" (as defined in the Tax Act), "timber resource property" (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in such properties, whether or not such property exists. The Common Shares and Warrants may also be deemed to be taxable Canadian property to a Non-Resident Holder for purposes of the Tax Act in certain circumstances.

In cases where a Non-Resident Holder disposes (or is deemed to have disposed) of a Common Share or Warrant that is taxable Canadian property to that Non-Resident Holder, and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention, the consequences described above under the headings "*Holders Resident in Canada — Dispositions of Common Shares and Warrants*" and "*— Capital Gains and Capital Losses*" will generally be applicable to such disposition. Such Non-Resident Holders should consult their own tax advisors.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment thereto. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering comprising warrants (including the Warrants underlying the Offered Units and the Over-Allotment Units), purchasers are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the warrants (including the Warrants comprising part of the Offered Units and the Over-Allotment Units) are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

INTEREST OF EXPERTS

Certain legal matters in connection with this Offering will be passed upon on behalf of the Company by Gowling WLG (Canada) LLP, and on behalf of the Underwriters by Borden Ladner Gervais LLP. As at the date hereof, the partners and associates of Gowling WLG (Canada) LLP and Borden Ladner Gervais LLP each as a group, beneficially own, directly and indirectly, in the aggregate, less than one percent of the Common Shares.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Company's auditors are Smythe LLP ("**Smythe**"), located at 1700-475 Howe St., Vancouver, BC V6C 2B3. Smythe LLP, Chartered Professional Accountants, have confirmed with respect to the Company, that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

On August 20, 2020, Manning Elliott LLP (“**Manning Elliott**”), the former auditors of the Company, resigned at the request of the Board of Directors. The Board of Directors appointed Smythe as auditors of the Company effective August 20, 2020 to fill the vacancy created thereby. Copies of the Company’s Notice of Change of Auditor and each of the letters provided by Manning Elliott and Smythe in response (collectively, the “**Reporting Package**”) is filed on SEDAR. The Reporting Package has been reviewed and approved by the Board of Directors of the Company.

The transfer agent and registrar for the Common Shares is National Securities Administrators Ltd. at its principal offices in Vancouver.

CERTIFICATE OF THE COMPANY

August 25, 2020

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada except Québec.

(signed) "Brad Rogers"

Chief Executive Officer

(signed) "Johannes van der Linde"

Chief Financial Officer

On behalf of the Board of Directors

(signed) "Michael Marchese"

Director

(signed) "Brendan Purdy"

Director

CERTIFICATE OF THE UNDERWRITERS

August 25, 2020

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, except Québec.

PI FINANCIAL CORP.

PI FINANCIAL CORP.

(signed) "Vay Tham"

Managing Director, Investment
Banking

Co-Lead Underwriters

EIGHT CAPITAL

EIGHT CAPITAL

(signed) "Patrick McBride"

Head of Origination,
Investment Banking

CANACCORD GENUITY CORP.

(signed) "Graham Saunders"

Managing Director,
Head of Capital Markets Origination

ECHELON WEALTH PARTNERS INC.

(signed) "Peter Graham"

Managing Director,
Investment Banking



British Columbia
Securities Commission

RECEIPT

Red White & Bloom Brands Inc.

This is the receipt of the British Columbia Securities Commission for the **Preliminary Short Form Prospectus** of the above Issuer dated **August 25, 2020** (the preliminary prospectus).

This receipt also evidences that the **Ontario Securities Commission** has issued a receipt for the preliminary prospectus.

The preliminary prospectus has been filed under Multilateral Instrument 11-102 *Passport System* in **Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador**. A receipt for the preliminary prospectus is deemed to be issued by the regulator in each of those jurisdictions, if the conditions of the Instrument have been satisfied.

August 25, 2020

Michael L. Moretto

Michael L. Moretto, CPA, CA
Chief of Corporate Disclosure

SEDAR Project Number 3101780

**RED WHITE & BLOOM BRANDS INC.
TERM SHEET
BOUGHT DEAL OFFERING OF UNITS
AUGUST 21, 2020**

A preliminary short form prospectus containing important information relating to the securities described in this document has not yet been filed with the securities regulatory authorities in each of the provinces of Canada (other than Quebec). The preliminary short form prospectus is still subject to completion. A copy of the preliminary short form prospectus is required to be delivered to any investor that received this document and expressed an interest in acquiring the securities. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary short form prospectus, final short form prospectus and any amendment, for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This term sheet shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

ISSUER:	Red White & Bloom Brands Inc. (“RWB” or the “Company”)
OFFERING:	29.0 million units (“Units”) of the Company (the “Offering”).
ISSUE PRICE:	C\$0.75 per Unit (the “Offering Price”)
OFFERING SIZE:	C\$21.75 million
UNITS:	Each Unit consists of one common share of the Company (a “Unit Share”) and one transferable common share purchase warrant (each such whole warrant, a “Warrant”) of the Company.
WARRANTS:	Each Warrant will entitle the holder to acquire one common share of the Company (a “Warrant Share”) for two years from the Closing Date (defined below) at a price of C\$1.00, subject to adjustment in certain circumstances. Following the Closing Date, if the daily volume weighted average trading price of the common shares of the Company on the Exchange (as defined below) for any 10 consecutive days equals or exceeds \$1.50, the Company may, upon providing written notice to the holders of the Warrants, accelerate the expiry date of the Warrants to the date that is 30 days following the date of such written notice.
OVER-ALLOTMENT OPTION:	The Company will grant the Underwriters an option to purchase up to an additional 15% of the aggregate number of Units sold under the Offering (the “Over-Allotment Option”) at the Offering Price. The Over-Allotment Option may be exercised, in whole or in part at any time up to the earlier of 30 days following the Closing Date of the Offering, for any number of Units, Unit Shares, Warrants, or any combination thereof at a price equal to the Offering Price for a Unit and a price to be agreed upon for the Units Shares and/or Warrants.
USE OF PROCEEDS:	The Company intends to use the net proceeds of the Offering for working capital and general corporate purposes.

OFFERING BASIS:	Bought deal public offering in all provinces of Canada, except Quebec and such other jurisdictions in Canada as may be agreed to by the Company and the Underwriters by way of short form prospectus, in the United States by way of private placement pursuant to Rule 144A of the United States Securities Act of 1933 and internationally as permitted pursuant to private placement exemptions under local securities laws.
LISTING:	The Company's common shares are currently listed on the Canadian Securities Exchange (the "Exchange") under the symbol "RWB". The Company will make an application to the Exchange to list the Unit Shares comprising part of the Units issuable under the Offering and the Warrant Shares issuable on the exercise of the Warrants. The Company shall also obtain, prior to the Closing Date, all requisite corporate approvals, shareholder approvals (if required) and all requisite third-party consents for the Offering.
CO-LEAD- UNDERWRITERS:	PI Financial Corp. ("PI Financial") and Eight Capital will act as co-lead underwriters and joint bookrunners and will lead a syndicate of underwriters (together with PI, the "Underwriters")
COMMISSION:	6.0% cash commission and 6.0% compensation options (the "Underwriting Fee")
ELIGIBILITY:	The Unit Shares and the Warrant Shares will be qualified investments for RRSPs, RRIFs, DPSPs, RESPs and TFSAs, subject to customary qualifications.
CLOSING DATE:	On or about September 15, 2020 (the "Closing Date") or such other date as the Underwriters and the Company may agree.

QUALIFICATION CERTIFICATE

VIA SEDAR

To: British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Financial and Consumer Services Commission (New Brunswick)
Nova Scotia Securities Commission
Superintendent of Securities, Justice and Public Safety, Prince Edward Island
Service NL, Financial Services Regulation Division

Re: Red White & Bloom Brands Inc. (the "Company")
Preliminary short form prospectus dated August 25, 2020 (the "Preliminary Prospectus")

This certificate is being delivered pursuant to sections 2.1 and 4.1 of National Instrument 44-101 – *Short Form Prospectus Distributions* ("**NI 44-101**").

The Company is relying on the qualification criteria set out in section 2.2 of NI 44-101 in order to be qualified to file a prospectus in the form of a short form prospectus and the undersigned officer of the Company hereby certifies, for and on behalf of the Company and not in his personal capacity, that:

- (a) the Company has satisfied all of the qualification criteria set forth in section 2.2 of NI 44-101; and
- (b) all of the material incorporated by reference in the Preliminary Prospectus and not previously filed is being filed with the Preliminary Prospectus.

DATED this 25th day of August, 2020.

RED WHITE & BLOOM BRANDS INC.

Per: /s/ "Brad Rogers"
Brad Rogers
Chief Executive Officer and Director

DEBENTURE PURCHASE AGREEMENT

**by and between
PHARMACO, INC.,
as the Company
and**

**MICHICANN MEDICAL
INC., as the Purchaser**

January 4, 2019

Table of Contents

ARTICLE I Definitions	1
1.1 Definitions.....	1
1.2 Accounting Principles.....	13
1.3 Other Definitional or Interpretive Provisions	13
ARTICLE II Authorization and Sale of the Debenture.	14
2.1 Authorization	14
2.2 Sale of the Debenture to the Purchaser	14
ARTICLE III Closing; Delivery.	14
3.1 Closing	14
3.2 Delivery.....	14
ARTICLE IV Conditions to Closing by the Purchaser.....	15
4.1 Debenture	15
4.2 Other Operative Documents	15
4.3 Officer's Certificate	15
4.4 Secretary's Certificates	15
4.5 Good Standing Certificates	15
4.6 Sources and Uses	16
4.7 Letter of Direction.....	16
4.8 Solvency Matters	16
4.9 Financial Performance	16
4.10 Legal Opinion	16
4.11 Representations and Warranties.....	16
4.12 Performance	16
4.13 Proceedings and Documents	16
4.14 Qualifications.....	16
4.15 Consents.....	17
4.16 Expenses	17
4.17 Other Documents	17
ARTICLE V Representations and Warranties of the Credit Parties	17
5.1 Existence and Power	18
5.2 Authorization; No Contravention; Equity Interests	18

5.3	Governmental Authorization	18
5.4	Binding Effect.....	19
5.5	Litigation.....	19
5.6	Compliance with Laws	19
5.7	No Event of Default	21
5.8	ERISA Compliance.....	21
5.9	Use of Proceeds; Margin Regulations.....	21
5.10	Title to Properties.....	21
5.11	Taxes	22
5.12	Financial Condition.....	22
5.13	Environmental Matters.....	23
5.14	Operative Documents.....	24
5.15	Regulated Entities	24
5.16	Labor Relations.....	24
5.17	Copyrights, Patents, Trademarks and Licenses, Etc	24
5.18	Subsidiaries	25
5.19	Brokers' Fees; Transaction Fees	25
5.20	Insurance	25
5.21	Full Disclosure	25
5.22	Anti-Terrorism Laws	26
5.23	Solvency.....	26
5.24	Security Documents	26
5.25	Survival	27
5.26	Private Offering	27
ARTICLE VI Representations and Warranties of the Purchaser		28
6.1	Purchase for Investment.....	28
6.2	Investor Qualifications.....	28
6.3	Fees and Commissions.....	28
6.4	Power and Authority	28
ARTICLE VII Affirmative Covenants		28
7.1	Financial Statements	28
7.2	Certificates; Other Information. Company shall furnish to the Purchaser.....	30
7.3	Notices	31
7.4	Preservation of Existence, Etc	33
7.5	Maintenance of Property.....	33
7.6	Property Insurance and Business Interruption Insurance.....	33
7.7	Payment of Liabilities	34
7.8	Compliance with Laws	34
7.9	Inspection of Property and Books and Records.....	34
7.10	Use of Proceeds.....	35
7.11	Further Assurances.....	35
7.12	Additional Collateral.....	35

7.13	Anti-Terrorism Laws	37
7.14	Fees and Expenses	37
7.15	Taxes.	38
ARTICLE VIII Negative Covenants.....		38
8.1	Liens.....	38
8.2	Indebtedness.....	39
8.3	Disposition of Assets	40
8.4	Consolidations, Conversions and Mergers	40
8.5	Loans and Investments.....	40
8.6	Transactions with Affiliates.....	41
8.7	Use of Proceeds.....	41
8.8	Contingent Obligations	41
8.9	Compliance with ERISA.....	41
8.10	Restricted Payments.....	41
8.11	Change in Business	42
8.12	Change in Structure.....	42
8.13	Accounting Changes; Fiscal Year.....	42
8.14	Subsidiaries	42
8.15	Environmental.....	42
8.16	Limits on Restrictive Agreements	42
8.17	Management and Consulting Agreements	42
8.18	Sale-Leaseback Transactions	43
8.19	No Other Negative Pledges.....	43
8.20	Press Release; Public Offering Materials	43
ARTICLE IX Events of Default		44
9.1	Events of Default Defined; Acceleration of Maturity.....	44
9.2	Suits for Enforcement	47
9.3	Delays or Omissions	47
9.4	Remedies Cumulative	48
9.5	Set-off	48
ARTICLE X Miscellaneous		48
10.1	Consent to Amendments; Waivers.....	48
10.2	Survival of Terms	48
10.3	Successors and Assigns.....	48
10.4	Severability	49
10.5	Descriptive Headings	49
10.6	Notices	49
10.7	Governing Law	50
10.8	Exhibits and Schedules	50
10.9	Exchange, Transfer, or Replacement of Debenture	50

10.10	Final Agreement; Release	51
10.11	Execution in Counterparts.....	51
10.12	Taxes; Etc.....	51
10.13	Increased Costs	53
10.14	Construction.....	54
10.15	Further Cooperation	54
10.16	WAIVERS BY THE CREDIT PARTIES	54
10.17	CONSENT TO FORUM.....	55
10.18	Indemnification	55
10.19	Patriot Act Notification.....	56
10.20	Confidential Information	56

EXHIBITS

Exhibit A Form of Debenture

SCHEDULES

Schedule 1.1(a)	Cannabis License Applications
Schedule 1.1(b)	Mortgaged/Leased Property
Schedule 5.2	Equity Ownership
Schedule 5.3	Government Consents
Schedule 5.5	Litigation
Schedule 5.8	ERISA Compliance
Schedule 5.12	Closing Date Financial Statements
Schedule 5.17	Patents, Trademarks, Copyrights and Service Marks
Schedule 5.18	Subsidiaries
Schedule 5.19	Broker's Fees
Schedule 8.1	Liens
Schedule 8.2	Indebtedness
Schedule 8.5	Investments
Schedule 8.6	Transactions with Affiliates

DEBENTURE PURCHASE AGREEMENT

THIS DEBENTURE PURCHASE AGREEMENT (as amended, restated, supplemented or otherwise modified and in effect from time to time, this “**Agreement**”) is made as of January 4, 2019, by and between **PHARMACO, INC.**, a Michigan corporation (the “**Company**”), and **MICHICANN MEDICAL INC.**, a corporation formed under the laws of the Province of Ontario, Canada (together with its successors and assigns as permitted under this Agreement, the “**Purchaser**”).

RECITALS

The Purchaser previously advanced an amount equal to US\$4,269,521.00 pursuant to non-interest bearing promissory notes (the “**Prior Advances**”).

Subject to the terms and conditions set forth herein, the Company desires to issue and sell to the Purchaser, and the Purchaser desires to purchase from the Company, senior secured convertible debentures in an aggregate principal amount of up to \$114,734,209.00 (such senior secured convertible debenture initially issued to the Purchaser in the form attached hereto as Exhibit A, as amended, modified, supplemented or restated from time to time, together with all debentures issued in substitution or exchange therefore, sometimes hereinafter are referred to as the “**Debenture**”).

AGREEMENTS

In consideration of the recitals and the mutual agreements and covenants herein contained and other good and valuable consideration, the receipt, adequacy and sufficiency of which hereby are acknowledged, the parties hereto hereby agree as follows:

ARTICLE I DEFINITIONS

1 . 1 Definitions. In addition to the capitalized terms defined elsewhere in this Agreement, the following capitalized terms shall have the following respective meanings when used in this Agreement:

“**Acquisition**” means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of any business or division of a Person, (b) the acquisition of more than fifty percent (50%) of the Equity Interests of any Person or otherwise causing any Person to become a Subsidiary of any Credit Party, (c) any other acquisition of Property outside the Ordinary Course of Business, or (d) a merger or consolidation or any other combination with another Person.

“**Affiliate**” means, as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. A Person shall be deemed to control another Person if the controlling Person possesses, directly or indirectly, the

power to direct or cause the direction of the management and policies of the other Person, whether through the ownership of voting Equity Interests, by contract or otherwise. Without limitation, any director, manager (within the meaning of any applicable limited liability company law), executive officer or beneficial owner of ten percent (10%) or more of the Equity Interests of a Person shall, for the purposes of this Agreement, be deemed to control the other Person. Notwithstanding the foregoing, the Purchaser shall not be deemed an "Affiliate" of any Credit Party or of any Subsidiary of any Credit Party.

"Agreement" shall have the meaning ascribed to it in the Preamble of this Agreement.

"Anti-Terrorism Laws" shall have the meaning given such term in Section 5.22.

"Attorney Costs" means and includes all reasonable and invoiced fees and disbursements of any law firm or other external counsel.

"Bankruptcy Code" means the Federal Bankruptcy Reform Act of 1978 (11 U.S.C. §101, et seq.).

"Business Day" means any day on which commercial banks are open for commercial banking business in Detroit, Michigan and Toronto, Ontario.

"Cannabis Law" means any Law relating to the farming, growth, production, processing, packaging, sale or distribution of cannabis or any cannabidiol product (other than Excluded Laws).

"Cannabis License" means a Permit issued by any Governmental Body pursuant to applicable United States state Cannabis Laws;

"Cannabis License Applications" means the applications and other documents which the Company and/or any other Credit Party has submitted to a Governmental Authority for the purpose of obtaining a Cannabis License. The Cannabis License Applications outstanding as of the Closing Date and each Funding Date are set forth on Schedule 1.1(a).

"Cannabis License Holder" means any Person to whom a Cannabis License has been issued that (i) is a Subsidiary of the Company, (ii) has a Material Agreement with the Company or any of its Subsidiaries or (iii) has received or is the subject of any Investment made by the Company or any of its Subsidiaries as and to the extent permitted by applicable Laws. In the context used, if "Cannabis License Holder" is used in the same list as the term "Subsidiary" or "Subsidiary of the Company", the meaning of "Cannabis License Holder" shall not include clause (i) of the definition thereof;

"Capital Lease" means, as to any Person, any leasing or similar arrangement which, in accordance with GAAP, is or should be classified as a capital lease on the balance sheet of such Person.

"Capital Lease Obligations" means, as to any Person, all monetary obligations of such Person under any Capital Leases.

“Cash Equivalents” means: (a) securities issued or fully guaranteed or insured by the United States Government or any agency thereof having maturities of not more than six (6) months from the date of acquisition; (b) certificates of deposit, time deposits, repurchase agreements, reverse repurchase agreements, or bankers’ acceptances, having in each case a tenor of not more than six (6) months, issued by any U.S. commercial bank or any branch of agency of a non-U.S. bank licensed to conduct business in the U.S., in either case having combined capital and surplus of not less than \$250,000,000; and (c) commercial paper of an issuer rated at least A 1 by Standard & Poor’s Financial Services LLC or P 1 by Moody’s Investors Service Inc., in either case having a tenor of not more than three (3) months.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided, that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Change of Control” means any of the following events, transactions or occurrences:

(a) the Company Shareholders among them shall cease to Own one hundred percent (100%) of the issued and outstanding Equity Interests of each class and type of the Company and one hundred percent (100%) of each of the combined voting power and economic interests of the Equity Interests of the Company;

(b) the Company Shareholders among them shall cease to have the sole right to designate or elect a majority of the members of the board of directors/or other equivalent body of the Company;

(c) Company shall cease to Own all of the issued and outstanding Equity Interests of each class or type of any of its Subsidiaries (except as otherwise permitted hereunder);

(d) any sale of all or substantially all of any Credit Party’s and its Subsidiaries’ assets; or

(e) any “change of control” or similar event under the Organization Documents of any Credit Party.

“Closing” means the purchase by the Purchaser, and the sale by the Company, of the Debenture.

“Closing Date” means January 4, 2019.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commission” means the Securities and Exchange Commission.

“Company” shall have the meaning ascribed to it in the Preamble of this Agreement.

“Company Historical Financial Statements” shall have the meaning given such term in Section 5.12(b).

“Company Shareholders” means Darrell Blalock, James Skinner and Oakshire Holdings Limited.

“Computation Period” means each period of four consecutive Fiscal Quarters ending on the last day of a Fiscal Quarter, beginning with the Fiscal Quarter ending on or about March 31, 2019.

“Contingent Obligation” means, as to any Person, any direct or indirect liability, contingent or otherwise, of such Person: (a) with respect to any indebtedness, lease, dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto; (b) with respect to any letter of credit issued for the account of such Person or as to which such Person is otherwise liable for reimbursement of drawings; (c) under any Rate Contracts; (d) to make take-or-pay or similar payments if required regardless of nonperformance by any other party or parties to an agreement; or (e) for the obligations of another through any agreement to purchase, repurchase or otherwise acquire such obligation or any Property constituting security therefor, to provide funds for the payment or discharge of such obligation or to maintain the solvency, financial condition or any balance sheet item or level of income of another Person. The amount of any Contingent Obligation shall be equal to the amount of the obligation so guaranteed or otherwise supported or, if not a fixed and determined amount, the maximum amount so guaranteed or supported.

“Contractual Obligations” means, as to any Person, any provision of any agreement, undertaking, contract, indenture, mortgage, deed of trust or other instrument, document or agreement to which such Person is a party or by which it or any of its Property is bound.

“Control Agreement” means a control agreement, in form and substance reasonably satisfactory to the Purchaser, executed and delivered by the applicable Credit Party, the Purchaser and the applicable securities intermediary or bank, which agreement is sufficient to give the Purchaser “control” over each of such Credit Party’s securities accounts, deposit accounts or investment property, as the case may be, upon an Event of Default;

“Credit Parties” means the Company and each of its Subsidiaries, and “Credit Party” means any such Person.

“Debenture” shall have the meaning ascribed to it in the Recitals.

“Debtor Relief Laws” means the Bankruptcy Code, the Bankruptcy Reform Act of 1996 as amended or any Canadian counterpart, Bankruptcy and Insolvency Act (Canada), the Companies’ Creditors Arrangement Act (Canada), and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

“Default” means any event that, if it continues uncured, will, with the lapse of time or the giving of notice, or both, constitute an Event of Default.

“Default Rate” shall have the meaning ascribed to it in Section 9.1.

“Disposition” means (a) the sale, lease, conveyance or other disposition of Property (excluding sales, leases or other dispositions expressly permitted under clauses (a), (e), (f), (g), (h), and (j) of Section 8.3), and (b) the statutory division, sale or transfer by any Credit Party or any Subsidiary of any Equity Interests issued by any Subsidiary and held by such transferor Person.

“Dollars”, “dollars” and “\$” each mean lawful money of the United States of America.

“Employee Benefit Plan” means an “employee benefit plan” within the meaning of Section 3(3) of ERISA which any Credit Party or any Subsidiary, or any professional employer organization acting as co-employer with respect to such Credit Party or Subsidiary, establishes for the benefit of its employees or for which any Credit Party or any Subsidiary has liability to make a contribution, including by reason of being an ERISA Affiliate, other than a Multiemployer Plan.

“Environmental Claims” means all written claims by any Governmental Authority or other Person alleging potential liability or responsibility for violation of any Environmental Law, or for release or injury to the environment or threat to public health, personal injury (including sickness, disease or death), property damage, natural resources damage, or otherwise alleging liability or responsibility for damages (punitive or otherwise), cleanup, removal, remedial or response costs, restitution, civil or criminal penalties, injunctive relief, or other type of relief, resulting from or based upon the presence, placement, discharge, emission or release (including intentional and unintentional, negligent and non-negligent, sudden or non-sudden, accidental or non-accidental, placement, spills, leaks, discharges, emissions or releases) of any Hazardous Material at, in, or from Property, whether or not owned by any Credit Party or any Subsidiary.

“Environmental Laws” means all applicable federal, state or local laws, statutes, common law duties, rules, regulations, ordinances and codes, together with all administrative orders, licenses, authorizations and permits of, and agreements with, any Governmental Authorities, in each case relating to environmental matters and the control, shipment, storage or disposal of Hazardous Materials, pollutants, environmental contaminants or other toxic or hazardous substances; including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Clean Air Act, the Federal Water Pollution Control Act of 1972,

the Solid Waste Disposal Act, the Federal Resource Conservation and Recovery Act, the Toxic Substances Control Act, and/or the Emergency Planning and Community Right-to-Know Act.

“Environmental Permits” shall have the meaning given such term in Section 5.12.

“Equity Interests” means the membership interests, partnership interests, capital stock of any class or type or any other equity interests of any type or class of any Person and options, warrants and other rights to acquire, or exercisable or convertible into, membership interests, partnership interests, capital stock or other equity interests of any type or class or any other equity interest of such Person.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliates” means, collectively, all Credit Parties and all Subsidiaries, and each other Person, trade or business (whether or not incorporated) under common control or treated as a single employer with any Credit Party or any Subsidiary within the meaning of Section 414(b), 414(c) or 414(m) of the Code.

“ERISA Event” means (a) a Reportable Event with respect to a Title IV Plan or a Multiemployer Plan; (b) a withdrawal by any Credit Party, any Subsidiary or any ERISA Affiliate from a Title IV Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA); (c) a complete or partial withdrawal (as defined in Sections 4203 and 4205 of ERISA) by any Credit Party, any Subsidiary or any ERISA Affiliate from a Multiemployer Plan which results in the imposition of withdrawal liability; (d) the receipt by any Credit Party, any Subsidiary or any ERISA Affiliate of notice of intent to terminate with the PBGC or the treatment of a plan amendment as a termination under Section 4041 or 4041A of ERISA of a Title IV Plan; (e) the commencement of proceedings by the PBGC to terminate a Title IV Plan or Multiemployer Plan; (f) a failure by any Credit Party, any Subsidiary or any ERISA Affiliate to make required contributions to a Title IV Plan or any Multiemployer Plan unless such failure is not reasonably expected to result in any material liability to any Credit Party or any Subsidiary; (g) an event or condition which would reasonably be expected to constitute grounds under Section 4041A or 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Title IV Plan or any Multiemployer Plan; (h) the imposition of any liability under Title IV of ERISA, other than PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Credit Party, any Subsidiary or any ERISA Affiliate; (i) a non-exempt prohibited transaction occurs with respect to any Employee Benefit Plan which would reasonably be expected to result in a material liability to any Credit Party or any Subsidiary; (j) a violation of the applicable requirements of Section 404 or 405 of ERISA or the exclusive benefit rule under Section 401(a)(2) of the Code by any fiduciary or disqualified Person with respect to any Employee Benefit Plan for which any Credit Party, any Subsidiary or any ERISA Affiliate may be directly or indirectly liable which would reasonably be expected to result in a material liability to any Credit Party or any Subsidiary; or (k) as of the last day of any plan year, the Unfunded Benefit Liabilities of any Title IV Plan exceed \$275,000.

“Event of Default” shall have the meaning ascribed to it in Section 9.1.

“Executive Order” shall have the meaning given such term in Section 5.21.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System, or any entity succeeding to any of its principal functions.

“Fiscal Quarter” means a fiscal quarter of a Fiscal Year ending on or about March 31, June 30, September 30 or December 31 of each Fiscal Year and comprised of three (3) months.

“Fiscal Year” means the fiscal year of each Credit Party ending on or about December 31 of each year.

“Funding Date” means any date or dates on which the Purchaser funds a Subsequent Advance.

“GAAP” means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession), which are applicable to the circumstances as of the date of determination, and consistently applied.

“Governmental Authority” means any nation or government, any state, province or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

“Guaranties” means, collectively, each guaranty of any of the Obligations now or hereafter executed and delivered by any Person to the Purchaser, and “Guaranty” means any of the Guaranties.

“Guarantors” means, collectively, each party to a Guaranty (other than the Purchaser) and each other guarantor of all or any portion of the Obligations.

“Hazardous Materials” means all those substances which are regulated by, or which may form the basis of liability under, any Environmental Law.

“Indebtedness” of any Person means, without duplication, all of the following as to such Person: (a) all indebtedness for borrowed money; (b) all obligations issued, undertaken or assumed as the deferred purchase price of Property or services (other than trade payables incurred in the Ordinary Course of Business or accrued expenses paid or payable on customary terms in the Ordinary Course of Business which payables or expenses are not past due for more than 90 days); (c) all reimbursement or payment obligations (whether or not contingent) with respect to letters of credit, surety bonds and other similar instruments; (d) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of Property, assets or businesses; (e) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as

financing, in either case with respect to Property acquired by such Person (even though the rights and remedies of the seller or the Person providing financing under such agreement in the event of default are limited to repossession or sale of such Property); (f) all Capital Lease Obligations; (g) all Equity Interests of such Person subject to repurchase or redemption (other than at the sole option of such Person); (h) all “earnouts” and similar payment obligations under merger, acquisition, purchase or similar or related agreements; (i) all obligations under Rate Contracts; (j) all Indebtedness and obligations referred to in clauses (a) through (i) above secured by (or for which the holder of such Indebtedness or obligations has an existing right, contingent or otherwise, to be secured by) any Lien upon or in Property (including accounts and contracts rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness or obligations; and (k) all Contingent Obligations described in clause (a) of the definition thereof in respect of Indebtedness or obligations of others of the kinds referred to in clauses (a) through (j) above.

“**Indemnitee**” shall have the meaning ascribed to it in Section 10.18.

“**Initial Advance**” means the amount funded by the Purchaser to the Company on the Closing Date, which shall equal \$ 21,851,237.20.

“**Investments**” shall have the meaning given such term in Section 8.5.

“**knowledge**” or “**aware**” means (a) the actual knowledge or awareness of any of the officers, directors or managers of any Credit Party or any Subsidiary, including their successors in their respective capacities.

“**LARA**” shall have the meaning ascribed to it in Section 4.1(e).

“**Laws**” means all laws, statutes, codes, ordinances, decrees, rules, regulations, treaty, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, policies, voluntary restraints, guidelines or other legal requirement of any Governmental Authority, or any provisions of the foregoing, including general principles of common and civil law and equity, in each case applicable to or binding upon such Person or any of its Property or to which such Person or any of its Property is subject, whether applicable in Canada or the United States or any other jurisdiction; and “**Law**” means any one of them. Notwithstanding the foregoing, the definition of Laws excludes any U.S. federal laws, statutes, codes, ordinances, decrees, rules, regulations which apply to the production, trafficking, distribution, processing, extraction, and/or sale of marijuana (cannabis) and related substances (collectively, the “**Excluded Laws**”).

“**Lien**” means any mortgage, deed of trust, pledge, hypothecation, assignment, charge or deposit arrangement, encumbrance, lien (statutory or other) or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including, but not limited to, those created by, arising under or evidenced by any conditional sale or other title retention agreement, the interest of a lessor under a Capital Lease, any financing lease having substantially the same economic effect as any of the foregoing, or the filing of any financing statement naming the owner of the asset to which such lien relates as debtor, under the UCC or

any comparable law), and any contingent or other agreement to provide any of the foregoing, but not including the interest of a lessor under an operating lease which is not a Capital Lease.

“Margin Stock” means “margin stock” as such term is defined in Regulation T, U or X of the Federal Reserve Board.

“Material Adverse Effect” means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties or financial condition of Company, individually, or of Credit Parties and the Subsidiaries taken as a whole; (b) a material impairment of the ability of Company, individually, or of Credit Parties and their Subsidiaries taken as a whole, to perform in any material respect any obligations under any Operative Document; (c) any change in any Law or Excluded Law or the failure to renew, suspension, termination or revocation of any Cannabis License which has materially restricted, or could reasonably be expected to materially restrict, the Credit Parties’ ability to generate revenue for 30 days or more; or (d) a material adverse effect upon the legality, validity, binding effect or enforceability of any Operative Document.

“Material Agreement” means any agreement, understanding or other arrangement, including, without limitation, all contracts, letters of intent, memoranda of understanding, term sheets and other preliminary or informal arrangements, (a) between, among, made or accepted by, as applicable, the Company or any of its Subsidiaries on the one hand, and a Cannabis License Holder on the other hand, or (b) which has generated and/or is reasonably expected to generate revenue to the Company on a consolidated basis in excess of \$1,000,000.00 per Fiscal Year;

“Material Leased Real Property” means any real property leased by the Company or any Subsidiary that (i) has a fair market value in excess of \$5,000,000, (ii) on which the Company or any Subsidiary develops improvements thereon with a fair market value in excess of \$5,000,000 on an as-built basis, and (iii) is necessary for the ownership or operation of the business of the Company, any of its Subsidiaries or any Cannabis License Holder, or for any such Person’s compliance with applicable Laws.

“Mortgaged Property” means, collectively, the Owned Real Properties and the Material Leased Real Properties (to the extent a Mortgage on a leasehold interest is permitted thereunder (it being understood that the Company shall, and it shall cause its Subsidiaries, to include mortgage protection provisions in any future lease of Material Leased Real Property)) and the improvements thereto owned by the Company or any Subsidiary, in each case set forth on Schedule 1.1(b) and as encumbered by a Mortgage pursuant to any Operative Document, and each additional Owned Real Property and Material Leased Real Property encumbered by a Mortgage pursuant to Section 4.1(b) and Section 7.12.

“Mortgages” means, collectively, the deeds of trust, trust deeds, deeds to secure debt, hypothecs and mortgages made by any Credit Party in favor or for the benefit of the Purchaser creating and evidencing a Lien on a Mortgaged Property in form and substance reasonably satisfactory to the Purchaser with such terms and provisions as may be required by the applicable Laws of the relevant jurisdiction, and any other mortgages executed and delivered pursuant to

Section 4.1(b) or Section 7.12, in each case, as the same may from time to time be amended, restated, supplemented, or otherwise modified.

“Multiemployer Plan” means a “multiemployer plan” (within the meaning of Section 4001(a)(3) of ERISA) as to which any ERISA Affiliate is making, or is obligated to make contributions or, during the preceding three calendar years, has made, or been obligated to make, contributions.

“Obligations” means all loans, advances, indebtedness, obligations and liabilities of the Company to the Purchaser under this Agreement or any of the other Operative Documents, together with all other indebtedness, obligations and liabilities whatsoever of the Company to the Purchaser arising under or in connection with this Agreement or any other Operative Documents, in each case whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, joint or several, due or to become due, now existing or hereafter arising; provided, however, that for purposes of calculating the Obligations outstanding under this Agreement or any of the Operative Documents, the direct and absolute and contingent obligations of the Company shall be determined without duplication.

“OFAC” shall have the meaning ascribed to it in Section 5.21.

“Operative Documents” means this Agreement, the Debenture, the Security Agreement, the Put Call Agreement, the Perfection Certificate, each Mortgage, and each other document, instrument or agreement executed in connection herewith.

“Ordinary Course of Business” means, in respect of any transaction involving any Credit Party or any Subsidiary, the ordinary course of such Person’s business, as conducted by any such Person in accordance with past practice and undertaken by such Person in good faith and not for purposes of evading any covenant or restriction in any Operative Document.

“Organization Documents” means (a) for any corporation, the certificate or articles of incorporation, the bylaws, any certificate of designations or instrument relating to the rights of shareholders of such corporation and any shareholder rights agreement, (b) for any partnership, the partnership agreement and, if applicable, certificate of limited partnership, (c) for any limited liability company, the operating agreement, limited liability company agreement or other similar agreement and articles or certificate of formation, or (d) for any Person (including any corporation, partnership or limited liability company), any agreement, instrument or document comparable to the foregoing.

“Other Payments” shall have the meaning ascribed to it in Section 9.1.

“Own” means, as to any Person and any Equity Interest, for such Person to own and control such Equity Interest directly and beneficially, free and clear of all Liens (other than Permitted Liens under clauses (a) and (c) of Section 8.1).

“Owned Real Property” means each parcel of real property that is owned in fee by the Company or any Credit Party.

“PBGC” means the Pension Benefit Guaranty Corporation or any entity succeeding to any of its principal functions under ERISA.

“Perfection Certificate” means the Perfection Certificate executed by the Company and delivered to the Purchaser on the Closing Date and each Funding Date (in the case of each Funding Date, such Perfection Certificate shall give effect to any transactions anticipated to be completed on the applicable Funding Date or using funds advanced on the applicable Funding Date).

“Permit” means a license, permit, approval, consent, certificate, registration or authorization (whether governmental, regulatory or otherwise).

“Permitted Liens” shall have the meaning given such term in Section 8.1.

“Person” means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other form of entity.

“Prior Advances” has the meaning ascribed to it in the Recitals.

“Property” means any property or interest of any type in any kind of property or asset, whether real, personal or mixed, and whether tangible or intangible.

“Purchaser” shall have the meaning ascribed to it in the Preamble.

“Put Call Agreement” means the Put Call Agreement entered into on the Closing Date between the Company and the Purchaser.

“Qualified Plan” means an employee benefit plan (within the meaning of Section 3(3) of ERISA) intended to be tax-qualified under Section 401(a) of the Code and which any Credit Party or any Subsidiary sponsors, maintains, or to which any Credit Party or any Subsidiary makes, is making or is obligated to make contributions, including as a result of being an ERISA Affiliate, but excluding any Multiemployer Plan.

“Rate Contract” means swap agreements (as such term is defined in Section 101 of the Bankruptcy Code) and any other agreements or arrangements designed to provide protection against fluctuations in interest or currency exchange rates, including any agreement or arrangement which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

“Related Persons” means, with respect to any Person, each Affiliate of such Person and each director, officer, employee, agent, trustee, representative, attorney, accountant and each

insurance, environmental, legal, financial and other advisor (including those retained in connection with the satisfaction or attempted satisfaction of any condition set forth in this Agreement) and other consultants and agents of or to such Person or any of its Affiliates.

“Reportable Event” means, as to any Employee Benefit Plan, any of the events set forth in Section 4043(c) of ERISA or the regulations thereunder, other than any such event for which the 30-day notice requirement under ERISA has been waived in regulations issued by the PBGC.

“Responsible Officer” means, as to each Credit Party, the chief executive officer, chief financial officer, vice president of finance or the president of such Credit Party, or any other officer having substantially the same authority and responsibility.

“Restricted Payments” shall have the meaning given such term in Section 8.10.

“Securities” shall have the meaning ascribed to it in Section 10.9.

“Securities Act” means the Securities Act of 1933, as amended.

“Subsequent Advance” means an advance or advances made by the Purchaser on a Funding Date.

“Subsidiary” means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (a) if a corporation, a majority of the total voting power of Equity Interests entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (b) if a limited liability company, partnership, association or other business entity, a majority of the limited liability company, partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control (or have the power to be or control) the general partner or other governing body of such limited liability company, partnership, association or other business entity. In the absence of designation to the contrary, reference to a Subsidiary or Subsidiaries shall be deemed to be a reference to Subsidiaries of the applicable Credit Party.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Title IV Plan” means any employee benefit plan (within the meaning of Section 3(3) of ERISA) subject to the provisions of Title IV of ERISA other than a Multiemployer Plan, as to which any Credit Party or any Subsidiary is making, or is obligated to make contributions,

including as a result of being an ERISA Affiliate, or, during the preceding six calendar years, has made, or been obligated to make, contributions.

“UFCA” shall have the meaning given such term in Section 5.22.

“UFTA” shall have the meaning given such term in Section 5.22.

“**Unfunded Benefit Liabilities**” means the excess of a Title IV Plan’s benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Title IV Plan’s assets, determined in accordance with the actuarial assumptions used by the Title IV Plan’s actuaries for Title IV Plan funding purposes for the applicable plan year.

“**United States**” and “U.S.” each means the United States of America and political subdivisions thereof.

“**U.S. Company**” means each Company that is a U.S. Person.

“**U.S. Person**” means any Person that is a “United States person” as defined in Section 7701(a)(30) of the Code.

“**USA Patriot Act**” shall have the meaning given such term in Section 5.21.

1 . 2 Accounting Principles. Calculations and determinations of financial and accounting terms used and not otherwise specifically defined under this Agreement (including the Exhibits hereto) shall be made and determined, both as to classification of items and as to amount, in accordance with GAAP. If any changes in accounting principles or practices from GAAP are occasioned by the promulgation of rules, regulations, pronouncements and opinions by or required by the Financial Accounting Standards Board or the American Institute of Certified Public Accountants (or any successor thereto or agencies with similar functions), which results in a change in the method of accounting in the calculation of financial covenants, standards or terms contained in this Agreement or any other Operative Document, the parties hereto agree to enter into negotiations to amend such provisions so as equitably to reflect such changes to the end that the criteria for evaluating financial and other covenants, financial condition and performance will be the same after such changes as they were before such changes; and if the parties fail to agree on the amendment of such provisions, Credit Parties shall continue to provide calculations for all financial covenants, perform all financial covenants and otherwise observe all financial standards and terms in the Operative Documents in accordance with GAAP as in effect immediately prior to such changes.

1 . 3 Other Definitional or Interpretive Provisions. Whenever the context so requires, the neuter gender includes the masculine and feminine, the singular number includes the plural, and vice versa. The words “include,” “includes” and “including” shall in any event be deemed to be followed by the phrase “without limitation.” All references in this Agreement to “this Agreement,” “herein,” “hereunder,” “hereof” shall be deemed to refer to this Agreement and the Exhibits hereto (including their annexes) unless the context requires otherwise. All references in this Agreement to Articles, Sections, Exhibits, Annexes and Schedules shall be construed to refer to Articles and Sections of, and Exhibits, Annexes and Schedules to, this

Agreement unless the context requires otherwise. Any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein or in any other Operative Document). Except as otherwise provided herein, any reference to a statute refers to the statute or any successor thereto, in each case as amended, reformed or modified from time to time and to all rules and regulations promulgated under or implementing the statute as in effect at the relevant time and a reference to a specific provision of a statute, rule or regulation includes any successor provision or provisions.

ARTICLE II

AUTHORIZATION AND SALE OF THE DEBENTURE.

2.1 Authorization. Prior to the Closing, the Company will authorize the issuance and sales of the Debentures to the Purchaser, in the amount provided in Section 2.2.

2.2 Sale of the Debenture to the Purchaser. Subject to the satisfaction of the terms and conditions herein set forth and in reliance upon the respective representations and warranties of the Credit Parties set forth herein and in the other Operative Documents, at the Closing the Company shall sell to the Purchaser the Debenture, for an aggregate amount of up to \$114,734,209.00, which amount is inclusive of the aggregate amount of all Prior Advances (the “**Maximum Principal Amount**”).

ARTICLE III

CLOSING; DELIVERY.

3.1 Closing. The Closing will be held at the offices of Honigman Miller Schwartz and Cohn LLP, located at 2290 First National Building, 660 Woodward Avenue, Detroit, Michigan 48226, on the Closing Date, at 10:00 a.m., local time, or at such other time, date and place as may be agreed to in writing by the Company and the Purchaser.

3.2 Delivery; Advances.

(a) At the Closing, (i) the Company will deliver the Debenture and (ii) the Purchaser will pay the Initial Advance by wire transfer to an account designated by the Company prior to the Closing. On subsequent Funding Dates, subject to the terms and conditions herein, the Purchaser may, on terms agreed to by the Purchaser and the Credit Parties, as applicable, make Subsequent Advances, provided that the sum of the Initial Advances and all Subsequent Advances shall not exceed the Maximum Principal Amount.

(b) The Debenture shall be dated the Closing Date and shall be executed by a Responsible Officer of the Company.

ARTICLE IV
CONDITIONS TO FUNDING BY THE PURCHASER

4.1 Initial Advance on the Closing Date. The obligation of the Purchaser to make the Initial Advance is subject to the fulfillment at or prior to the Closing of each of the following conditions, in each case, in a manner, form and substance reasonably satisfactory to the Purchaser:

(a) Debenture. The Company shall have executed and delivered the Debenture to the Purchaser.

(b) Other Operative Documents. The Company shall have executed and delivered to the Purchaser the Security Agreement, Put Call Agreement and the Perfection Certificate.

(c) Officer's Certificate. The Company shall have delivered to the Purchaser a certificate executed by a Responsible Officer of the Company, dated as of the Closing Date, certifying as to (a) the fulfillment of the conditions specified in Sections (k), (l), (o) and (p), (b) the absence of Defaults or Events of Default, and (c) such other matters as the Purchaser shall request.

(d) Secretary's Certificates. Each Credit Party shall have delivered to the Purchaser copies of each of the following, in each case, certified to be in full force and effect on the Closing Date by the secretary, assistant secretary or other officer or manager of such Credit Party and in form and substance satisfactory to the Purchaser:

(i) the certificate of incorporation or certificate of formation, as applicable, of such Credit Party as of the Closing, certified by the Secretary of State of the State under the laws of which such Credit Party is incorporated or organized as of a recent date prior to the Closing Date;

(ii) the by-laws or operating agreement, as applicable, of such Credit Party as of the Closing Date; and

(iii) resolutions of the board of directors, and, if necessary, the resolution of the stockholders or members, as applicable, of such Credit Party, authorizing the execution, delivery and performance of the Operative Documents to which such Credit Party is a party and the transactions contemplated hereby.

(e) Good Standing Certificates. The Company shall have delivered to the Purchaser good standing certificates (a) relating to the Company from the Department of Licensing and Regulatory Affairs of the State of Michigan ("**LARA**"), and each other material jurisdiction in which the Company is qualified to do business as a foreign entity, and (b) relating to the other Credit Parties from the Secretary of State (or other applicable governmental authority) of the State of their incorporation or organization and each other material jurisdiction in which such Credit Parties are qualified to do business as a foreign entity, in each case as of a recent date prior to the Closing Date.

(f) Sources and Uses. The Company shall have delivered to the Purchaser a final detailed sources and uses in respect of all transactions to be consummated on the Closing Date, which sources and uses shall evidence the funds flow, investors and all payees in respect of such transactions.

(g) Letter of Direction. The Company shall have executed and delivered to the Purchaser letters of direction providing disbursement and payment instructions with regard to the amounts payable by Purchaser in cash pursuant to Section 2.2.

(h) Solvency Matters. The Company shall have delivered to the Purchaser a solvency certificate executed by the chief financial officer of the Credit Parties, dated the Closing Date and in a form and substance reasonably acceptable to the Purchaser.

(i) Financial Performance. No change in the financial condition or operations of any Credit Party, or of Credit Parties and their Subsidiaries taken as a whole, shall have occurred which could reasonably be expected to have a Material Adverse Effect, as determined by the Purchaser in its reasonable discretion.

(j) Legal Opinion. The Credit Parties shall have delivered to the Purchaser the opinion of Plunkett Cooney, P.C., counsel to the Credit Parties, addressed to the Purchaser dated as of the Closing Date, in a form and substance acceptable to the Purchaser and its counsel.

(k) Representations and Warranties. The representations and warranties of the Credit Parties contained in ARTICLE V hereof and in the other Operative Documents shall be true and correct in all material respects (without duplication of any materiality qualifier contained therein) when made, and shall be true and correct in all material respects (without duplication of any materiality qualifier contained therein) as of the Closing Date as if made on the Closing Date (except to the extent expressly made as of a prior date, in which case such representations and warranties shall be true and correct in all material respects (without duplication of any materiality qualifiers contained therein) as of such earlier date).

(l) Performance. All covenants, agreements and conditions of the Credit Parties (or any Credit Party) contained in the Operative Documents to be performed or complied with by the Credit Parties (or such Credit Party) at or prior to the Closing shall have been performed or complied with or otherwise waived in writing by the Purchaser.

(m) Proceedings and Documents. (a) All corporate and other proceedings in connection with the transactions contemplated by the Operative Documents, and all agreements, documents and instruments incident to such transactions, shall be reasonably satisfactory in form and substance to the Purchaser, and (b) the Purchaser shall have received at or prior to the Closing certified, executed copies of all such legal documents or proceedings taken in connection with the consummation of the transactions as the Purchaser shall have reasonably requested.

(n) Qualifications. All authorizations, approvals or permits of, or filings with any Governmental Authority that are required by law in connection with the lawful sale and issuance of the Debenture shall have been duly obtained by the Credit Parties, and shall be effective on and as of the Closing.

(o) Consents. Each Credit Party shall have received in writing any consents required of third parties for the consummation of the transactions contemplated by the Operative Documents pursuant to any law, contract, agreement or instrument by which such Credit Party is bound or to which either of them is subject.

(p) Expenses. The Company shall have paid to the Purchaser all costs and expenses that the Company is obligated to pay as of the Closing Date pursuant to Section 7.14.

(q) Other Documents. Such other approvals, operations, documents or materials as the Purchaser may reasonably request, including those set forth on the closing checklist relating to this Agreement.

4 . 2 Subsequent Advances on Future Funding Dates. The Purchaser may make Subsequent Advances subject to the fulfillment at or prior to the applicable Funding Date of each of the following conditions, in each case, in a manner, form and substance reasonably satisfactory to the Purchaser:

(a) the representations and warranties of the Credit Parties contained in this Agreement shall be true and correct on and as of such Funding Date, each Credit Party shall have performed and complied with all of the terms, covenants, agreements and conditions to be performed or complied with by it at or prior to such Funding Date, and, to the extent that any schedules hereto are incomplete or inaccurate as of the applicable Funding Date, the Credit Parties shall deliver updated schedules;

(b) no Event of Default shall exist or would result from the making of the Subsequent Advance or from the application of the proceeds therefrom;

(c) to the extent that the Perfection Certificate last delivered to Purchaser by the Credit Parties is incomplete or inaccurate as of such Funding Date, the Credit Parties shall execute and deliver to the Purchaser an updated Perfection Certificate on or before the Funding Date; and

(d) the Credit Parties shall have executed and delivered to the Purchaser a certificate as to the satisfaction of the condition set forth in Sections 4.2(a) and 4.2(b).

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE CREDIT PARTIES

Each Credit Party hereby represents and warrants to the Purchaser as set forth below, and acknowledges that the Purchaser is entering into this Agreement and the other Operative Documents in reliance on the truth and accuracy of such representations and warranties. For purposes of this Agreement, except as otherwise specifically provided in this Agreement, all representations and warranties in this ARTICLE V shall be deemed to be made on each Funding Date. Each of the following representations is made and given by the Credit Parties to the extent applicable on the date made or given.

5.1 Existence and Power. Each Credit Party: (a) is a corporation, limited liability company or limited partnership, as applicable, duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation, as applicable; (b) has the corporate, limited liability company or limited partnership (as applicable) power and authority and all governmental licenses, authorizations, consents and approvals to (i) own its assets and carry on its business except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, and (ii) execute, deliver, and perform its obligations under, the Operative Documents to which it is a party; (c) is duly qualified as a foreign corporation, limited liability company or limited partnership, as applicable, and licensed and in good standing under the laws of each jurisdiction where its ownership, lease or operation of Property or the conduct of its business requires such qualification or license except where the failure to do so would not reasonably be expected to have a Material Adverse Effect; and (d) is in compliance in all material respects with all Laws.

5.2 Authorization; No Contravention; Equity Interests.

(a) The execution, delivery and performance by each Credit Party of this Agreement, and by each Credit Party of each other Operative Document to which such Person is a party, have been duly authorized by all necessary corporate, partnership or limited liability company action, as applicable, and do not: (i) contravene the terms of any of such Person's Organization Documents; (ii) conflict with or result in any breach or contravention of any document evidencing any Contractual Obligation to which such Person is a party or any order, injunction, writ or decree of any Governmental Authority to which such Person or its Property is subject, in each case, except where such conflict, breach or contravention would not reasonably be expected to result in a Material Adverse Effect; (iii) violate any Law applicable to such Credit Party except where such violation would not reasonably be expected to result in a Material Adverse Effect; or (iv) result in the creation of any Lien on any asset or property of any Credit Party other than Liens in favor of the Purchaser. The execution, delivery and performance by each Credit Party of this Agreement, and by each Credit Party of each other Operative Document to which such Person is a party, will not jeopardize or reduce the likelihood of, or materially delay, the issuance of any Cannabis Licenses applied for via Cannabis License Applications.

(b) Schedule 5.2 sets forth the authorized Equity Interests of each Credit Party and each Subsidiary after giving effect to the consummation of the Related Transactions. All issued and outstanding Equity Interests of each Credit Party and each Subsidiary are duly authorized and validly issued and fully paid, and where applicable, non-assessable, and free and clear of all Liens, and such securities were issued in compliance with all applicable state and federal laws concerning the issuance of securities. All of the issued and outstanding Equity Interests of each Credit Party and each Subsidiary are owned by the Persons and in the amounts set forth on Schedule 5.2. Except as set forth on Schedule 5.2, there are no pre-emptive or other outstanding rights, options, warrants, conversion rights or other similar agreements or understandings for the purchase or acquisition of any shares of Equity Interests of any such Person.

5.3 Governmental Authorization. No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required in

connection with the execute, deliver, and perform its obligations under, the Operative Documents to which it is a party, the receipt of the extensions of credit hereunder, the performance by the Credit Parties of the Operative Documents, the perfection or maintenance of the Liens created under the Security Agreement or the exercise by the Purchaser of its rights under the Operative Documents or remedies in respect of the Collateral, except for (a) the filing of Uniform Commercial Code financing statements, (b) recordation of the Mortgages (to the extent applicable), (c) such as have been made or obtained and are in full force and effect or is reasonably expected to be timely made or obtained and be in full force and effect, (d) such actions, consents and approvals the failure of which to be obtained or made would not reasonably be expected to have a Material Adverse Effect and (e) filings or other actions listed on Schedule 5.3. Each Credit Party and each Subsidiary is in compliance with all laws, orders, regulations and ordinances of all Governmental Authorities relating to its business, operations and assets, except where the failure to comply therewith, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

5 . 4 Binding Effect. Each Operative Document to which any Credit Party or Subsidiary is a party constitutes the legal, valid and binding obligations of each Credit Party and each Subsidiary that is a party thereto, enforceable against such Person in accordance with their respective terms, except as enforceability may be limited by applicable Debtor Relief Laws or by equitable principles relating to enforceability.

5.5 Litigation. Except as specifically disclosed in Schedule 5.5, there are no actions, suits, proceedings, claims or disputes pending, or to the knowledge of any Credit Party, threatened, at law, in equity, in arbitration or before any Governmental Authority, against any Credit Party, any Subsidiary or any of their respective Properties. No injunction, writ, temporary restraining order or any order of any nature has been issued by any court or other Governmental Authority purporting to enjoin or restrain the execution, delivery or performance of this Agreement, any other Operative Document, or directing that the transactions provided for herein or therein not be consummated as herein or therein provided.

5.6 Compliance with Laws.

(a) To their knowledge, neither any Credit Party nor any Subsidiary or their respective properties or assets is in violation of (nor will the continued operation of their material properties and assets as currently conducted violate) any Law other than any Excluded Law and Cannabis Law or any restriction of record or agreement affecting any Mortgaged Property, or is in default with respect to any judgment, writ, injunction or decree of any Governmental Authority, where such violation or default could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) To their knowledge, each Credit Party, each of its Subsidiaries and each Cannabis License Holder is in compliance with all Cannabis Laws that are applicable to such Person and its businesses and all Cannabis Licenses. To their knowledge, none of the Credit Parties, any of their Subsidiaries and no Cannabis License Holder or their respective properties or assets is in violation of (nor will the continued operation of their material properties and assets as currently conducted violate) any Cannabis Law, or is in default with respect to any judgment,

writ, injunction or decree of any Governmental Authority with respect to any Cannabis Law. Neither any Credit Party nor any Subsidiary has received any notice or communication from any Person or Governmental Authority in the United States or any state or municipality thereof alleging a defect, default, violation, breach or claim in respect of any of its or their Cannabis License or Cannabis License Application. The Company does not have knowledge of or anticipate any variations or difficulties in the renewal of any of its or any Cannabis License. To its knowledge, all product research and development activities, including quality assurance, quality control, testing, and research and analysis activities, conducted by the Company, any Subsidiary and, to the knowledge of the Company, any Cannabis License Holder and any Person in which the Company directly or indirectly holds an Investment, in connection with their business is being conducted in accordance with industry standards and in compliance, in all material respects, with all industry, laboratory safety, management and training standards applicable to its current and proposed business, and all such processes, procedures and practices, required in connection with such activities are in place as necessary and are being complied with, in all material respects.

(c) To their knowledge, the Company, each Credit Party, each Subsidiary, each Cannabis License Holder and each Person in which the Company directly or indirectly holds an Investment, has security measures and safeguards in place to protect personal information it collects from registered patients and customers and other parties from illegal or unauthorized access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of third parties. To their knowledge, the Company, the Credit Parties and each Cannabis License Holder and any Person in which the Company directly or indirectly holds an Investment, have complied, in all material respects, with all applicable privacy and consumer protection legislation and none has collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by privacy laws, whether collected directly or from third parties, in an unlawful manner.

(d) The Company has no knowledge of any pending or threatened change in any Law governing the Company, any Credit Party, any Cannabis License Holder or any Person in which the Company or any Subsidiary has an Investment which could reasonably be expected to have a Material Adverse Effect.

(e) The Company has no knowledge of any licensing or legislation, regulation, by-law or other lawful requirement of any Governmental Authority having lawful jurisdiction over the Company, any Subsidiary, any Cannabis License Holder or any Person in which the Company or any Subsidiary has an Investment presently in force or, to its knowledge, proposed to be brought into force, or any pending or contemplated change to any Law, licensing or regulation, by-law or other lawful requirement of any Governmental Body having lawful jurisdiction over the Company, any Subsidiary, any Cannabis License Holder or any Person in which the Company or any Subsidiary has an Investment presently in force, that the Company anticipates the Company, any Subsidiary, any Cannabis License Holder or any Person in which the Company or any Subsidiary has an Investment, as applicable, will be unable to comply with or which could reasonably be expected to have a Material Adverse Effect.

5.7 No Event of Default. No Event of Default exists or would result from the issuance of the Debenture or the incurrence of any other Obligations by any Credit Party or any Subsidiary. Neither any Credit Party nor any Subsidiary is in default under or with respect to (a) any Material Agreement or (b) any Contractual Obligation that is not a Material Agreement in any respect which, individually or together with all such defaults, could reasonably be expected to have a Material Adverse Effect. No Credit Party knows of any dispute regarding any Contractual Obligation of any Credit Party or Subsidiary that could reasonably be expected to have a Material Adverse Effect.

5.8 ERISA Compliance. Schedule 5.8 lists all Title IV Plans and Multiemployer Plans to which each Credit Party contributes. Except as disclosed on Schedule 5.8, no Credit Party or Subsidiary participates in or has participated in, or, within the last six years, has any liability, including contingent liability, to, any Title IV Plan or Multiemployer Plan. Except as would not reasonably be expected to have a Material Adverse Effect, either individually or in the aggregate, (a) each Employee Benefit Plan complies with, and is operated in compliance with, all applicable provisions of law and its terms, (b) to each Credit Party's knowledge, there are no items of non-compliance which would reasonably be expected to result in the loss of Qualified Plan tax-qualification or tax-exempt status, or give rise to an excise tax or other penalty imposed by a Governmental Authority on any Credit Party or Subsidiary, and (c) no ERISA Event has occurred or is expected to occur with respect to any Title IV Plan or, if applicable and, to each Credit Party's knowledge, any Multiemployer Plan.

5.9 Use of Proceeds; Margin Regulations. The proceeds of the Debenture are intended to be and shall be used solely for the purposes set forth in and permitted by Section 7.10, and are intended to be and shall be used in compliance with this Agreement. Neither any Credit Party nor any Subsidiary is generally engaged in the business of purchasing or selling Margin Stock or extending credit for the purpose of purchasing or carrying Margin Stock. Proceeds of the Debenture shall not be used for the purpose of purchasing or carrying Margin Stock.

5.10 Title to Properties.

(a) As of (i) the Closing Date, (ii) the date on which any real property is acquired or leased by the Company or a Subsidiary and (iii) the applicable date of the delivery of Mortgages, each of the Credit Parties has or will have (A) good and marketable fee simple title to, or valid leasehold interests in, or easements or other limited property interests in, all its real Properties (including all Mortgaged Properties) and (B) good title to its personal property and assets, in each case, except for Permitted Liens. The Mortgaged Properties are free from defects that materially adversely affect, or could reasonably be expected to materially adversely affect, the Mortgaged Properties' suitability, taken as a whole, for the purposes for which they are contemplated to be used (as contemplated under the Operative Documents). Each parcel of real property and the use thereof (as contemplated under the Operative Documents) complies in all material respects with all applicable Laws (including building and zoning ordinances and codes) and with all insurance requirements except such failure which would not reasonably be expected to have a Material Adverse Effect.

(b) (i) Each Credit Party has complied in all material respects with all obligations under all material leases to which it is a party; (ii) all leases to which a Credit Party is a party are legal, valid, binding and in full force and effect and are enforceable in accordance with their terms, except where such failure would not reasonably be expected to have a Material Adverse Effect; and (iii) none of the Credit Parties has defaulted, or with the passage of time would be in default, under any leases to which it is a party, except for such defaults as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Each Credit Party enjoys peaceful and undisturbed possession under the leases to which it is a party, except for leases in respect of which the failure to enjoy peaceful and undisturbed possession would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. No claim is being asserted or, to the knowledge of the Company, threatened, with respect to any lease payment under any lease other than any such Lien or claim that would not reasonably be expected to have a Material Adverse Effect.

(c) None of the Credit Parties have received any written notice of, nor is there, to the knowledge of Company, any pending, threatened or contemplated condemnation proceeding affecting any portion of the Mortgaged Properties in any material respect or any sale or disposition thereof in lieu of condemnation.

(d) None of the Credit Parties is obligated under any right of first refusal, option or other contractual right to sell, assign or otherwise dispose of any Mortgaged Property or any interest therein.

(e) Each Mortgaged Property is served by installed, operating and adequate water, electric, gas, telephone, sewer, sanitary sewer, storm drain facilities and other public utilities necessary for the uses contemplated under the Operative Documents to the extent required by applicable Law, except such failure to be served that would not reasonably be expected to cause a Material Adverse Effect.

5.11 Taxes. Each Credit Party and each Subsidiary has filed all Tax returns and reports required to be filed, and has paid all Taxes, assessments, fees and other governmental charges levied or imposed upon it or its Properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently prosecuted and for which adequate reserves have been provided in accordance with GAAP. There is no Tax assessment proposed in writing by a Governmental Authority against any Credit Party or any Subsidiary that would, if the assessment were made, be reasonably expected to have a Material Adverse Effect.

5.12 Financial Condition.

(a) All of the Credit Parties' point of sale systems equipment is in good operating condition and repair, ordinary wear and tear and normal repairs and replacements excepted, are usable in the Ordinary Course of Business and have been installed and maintained in accordance with all applicable Laws, regulations, ordinances and normal industry practice and are suitable for the purposes for which they are presently used. All reports generated by the

Credit Parties' point of sale systems are true, accurate and complete in all respects of the date generated.

(b) All balance sheets and the related statements of income and shareholder equity delivered to the Purchaser (the “**Company Historical Financial Statements**”) are true, accurate and complete in all respects. The Company Historical Financial Statements have been prepared in accordance with the Company’s historical accounting practices, as disclosed to the Purchaser prior to the Closing Date, consistently applied during the periods involved (except for normal recurring year-end adjustments (the effect of which will not, individually or in the aggregate, be material)) (the “**Company Accounting Practices**”). The Company Historical Financial Statements fairly present in all material respects the assets, liabilities and financial position of the Company and its results of operations and changes in financial position and cash flows as of the respective dates and for the periods specified, all in accordance with the Company Accounting Practices. The Company Historical Financial Statements are consistent with the books and records of the Company, which books and records are accurate and complete in all material respects. The Company has made and kept true, correct and complete books and records and accounts, which accurately and fairly reflect, in reasonable detail, the activities of the Company in all material respects and which have been maintained in accordance with sound business practices and applicable law. There has been no material change in the accounting methods or practices of the Company since the earliest date covered by the Company Historical Financial Statements.

(c) Since January 1, 2018, there has been no Material Adverse Effect.

(d) Neither any Credit Party nor any Subsidiary has any Indebtedness (other than Indebtedness permitted pursuant to Section 8.2) or any Contingent Obligations (other than Contingent Obligations permitted pursuant to Section 8.8). Attached hereto as Schedule 5.12 are the pro forma balance sheet of the Company and its Subsidiaries as of the Closing Date after giving effect to the issuance of the Debenture and statement of income for the period ending November 30, 2018 (the “**Closing Date Financial Statements**”). The Closing Date Financial Statements present fairly in all material respects, the financial position of the Company and the Subsidiaries in accordance with the Company Accounting Practices as of the Closing Date, subject to changes occurring in the Ordinary Course of Business since November 30, 2018.

5.13 Environmental Matters. The operations of each Credit Party and each Subsidiary comply in all respects with all Environmental Laws, except where the failure to comply therewith, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Each Credit Party and each Subsidiary has obtained all licenses, permits, authorizations and registrations required under any Environmental Law (“**Environmental Permits**”) and necessary for its respective Ordinary Course of Business, all such Environmental Permits are in good standing, and each Credit Party and each Subsidiary is in compliance with all material terms and conditions of such Environmental Permits, except whether the failure to do so, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Neither any Credit Party nor any Subsidiary, nor any of their respective present Property or operations, is subject to any outstanding written order from or agreement with any Governmental Authority, or subject to any judicial or docketed

administrative proceeding, respecting any Environmental Law, Environmental Claim or Hazardous Material. Neither any Credit Party nor any Subsidiary has received any written notice that alleges any of them is in violation of or potentially liable under any Environmental Laws. There are no Hazardous Materials or other environmental conditions or circumstances existing with respect to any real Property owned, leased or operated by any Credit Party or any Subsidiary, or, to each Credit Party's knowledge, arising from operations thereon, except where such Hazardous Materials or other environmental conditions or circumstances, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. In addition, neither any Credit Party nor any Subsidiary has any underground storage tanks that are (a) not properly registered or permitted under applicable Environmental Laws or (b) to Company's knowledge, leaking or releasing Hazardous Materials. There are no facts, circumstances or conditions arising out of or relating to the Credit Parties or any of their respective operations or any facilities currently or formerly owned, leased or operated, or by any of the Credit Parties that could reasonably be expected to require investigation, remedial activity, corrective action or cleanup by, or on behalf of, any Credit Party or could reasonably be expected to result in any material Environmental Claim.

5.14 Operative Documents. All representations and warranties of each Credit Party or any other party (other than the Purchaser) to any Operative Document contained in any Operative Document are true and correct in all material respects (except to the extent such representations and warranties expressly refer to a specific date, in which case they are true and correct in all material respects as of such date).

5.15 Regulated Entities. None of any Credit Party, any Subsidiary or any Person controlling any such Person is (a) an "investment company" or required to be registered as an "investment company" within the meaning of the Investment Company Act of 1940; or (b) subject to regulation under the Federal Power Act, the Interstate Commerce Act, any state public utilities code, or any other Federal or state statute or regulation limiting its ability to incur Indebtedness.

5.16 Labor Relations. There are no strikes, lockouts or other general labor disputes against any Credit Party or any Subsidiary, or, to each Credit Party's knowledge, threatened against or affecting any Credit Party or any Subsidiary, and no significant unfair labor practice complaint is pending against any Credit Party or any Subsidiary or, to the knowledge of each Credit Party, threatened against any Credit Party or any Subsidiary before any Governmental Authority. Each Credit Party and each Subsidiary has at all times operated its business in material compliance with all applicable provisions of the Federal Fair Labor Standards Act, as amended.

5.17 Copyrights, Patents, Trademarks and Licenses, Etc. Schedule 5.17 identifies (a) all United States, state and foreign patents, trademarks, service marks, trade names and copyrights, and all registrations and applications for registration thereof and all licenses thereof, owned or held by any Credit Party or any Subsidiary (other than off-the-shelf licensed software), (b) any material licenses granted to third parties for the use of such intellectual property and (c) the jurisdictions in which such registrations and applications have been filed. Except as otherwise disclosed in Schedule 5.17, each Credit Party and each Subsidiary is the sole beneficial

owner of, or has the right to use, free from any Lien (other than Liens in favor of the Purchaser) or other restrictions, claims, rights, encumbrances or burdens (other than customary restrictions in connection with commercially licensed software), the intellectual property identified on Schedule 5.17 and all other processes, designs, formulas, computer programs, computer software packages, trade secrets, inventions, product manufacturing instructions, technology, research and development, know-how and all other intellectual property that are necessary for the operation of each Credit Party's and each Subsidiary's businesses. Each patent, trademark, service mark, trade name, copyright and license listed on Schedule 5.17 is in full force and effect. Except as set forth in Schedule 5.17, to the knowledge of each Credit Party (a) none of the present or contemplated products or operations of any Credit Party or any Subsidiary infringes in any material respect any patent, trademark, service mark, trade name, copyright, license of intellectual property or other right owned by any other Person, and (b) there is no pending or, to the knowledge of each Credit Party, threatened claim or litigation against or affecting any Credit Party or any Subsidiary contesting the right of any of them to manufacture, process, sell or use any such product or to engage in any such operation. None of the trademark registrations set forth on Schedule 5.17 is an "intent-to-use" registration.

5.18 Subsidiaries. The Company has no direct or indirect Subsidiaries or Equity Interests in any other Person other than those set forth on Schedule 5.18.

5.19 Brokers' Fees; Transaction Fees. Except as disclosed on Schedule 5.19, neither any Credit Party nor any Subsidiary has any obligation to any Person in respect of any finder's, broker's or investment banker's fee or other fee in connection with the transactions contemplated hereby, other than fees payable under any Operative Document.

5.20 Insurance. Each Credit Party and each Subsidiary and their respective Properties are insured with financially sound and reputable insurance companies which are not Affiliates of any Credit Party or any Subsidiary, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar Properties in localities where any Credit Party or any Subsidiary operates. A true and complete listing of such insurance, including issuers, coverages and deductibles, has been provided to the Purchaser.

5.21 Full Disclosure. None of the representations or warranties made by any Credit Party in the Operative Documents as of the date such representations and warranties were made or deemed made, and none of the statements contained in each exhibit, report, statement or certificate furnished by or on behalf of any Credit Party in connection with the Operative Documents (including offering and disclosure materials, if any, delivered by or on behalf of any Credit Party to the Purchaser prior to the Closing Date) contains any untrue statement of a material fact or omits any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading as of the time when made or delivered in light of the circumstances at the time made; provided, that with respect to any forecasts or projections delivered to the Purchaser, each Credit Party represents only that such information was prepared in good faith based upon assumptions believed to be fair and reasonable at the time in light of current market conditions and that such forecasts or projections are not to be viewed as facts, and that the actual results during such

period or periods covered by any such forecasts or projections may differ significantly from projected results.

5.22 Anti-Terrorism Laws. Neither any Credit Party nor any Subsidiary, nor to each Credit Party's knowledge, any Affiliate of any Credit Party, or brokers or other agents of any such Person acting or benefiting in any capacity in connection with the Debenture or other Obligations: (a) is in violation of any laws relating to terrorism or money laundering ("**Anti- Terrorism Laws**"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "**Executive Order**"), and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, signed into law October 26, 2001 (the "**USA Patriot Act**"); (b) is a Person: (i) that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (ii) that is owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (iii) with which the Purchaser is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law; (iv) that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order or has done so or plans to do so; or (v) that is named as a "specially designated national and blocked person" on the most current list published by the USA Treasury Department Office of Foreign Assets Control ("**OFAC**") at its official website or any replacement website or other replacement official publication of such list; (c) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in clause (b) above; (d) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order; or (e) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

5.23 Solvency. Credit Parties and Subsidiaries, taken as a whole (before and after giving effect to the transactions to occur on the Closing Date and each Funding Date) (a) are not "insolvent" as that term is defined in Section 101(32) of the Bankruptcy Code, Section 2 of the Uniform Fraudulent Transfer Act ("**UFTA**") or Section 2 of the Uniform Fraudulent Conveyance Act ("**UFCA**"), (b) do not have "unreasonably small capital," as that term is used in Section 548(a)(1)(B)(II) of the Bankruptcy Code or Section 5 of the UFCA, (c) are not engaged or about to engage in a business or a transaction for which their remaining Property is "unreasonably small" in relation to such business or transaction as that term is used in Section 4 of the UFTA, (d) are not unable to pay their debts as they mature or become due, within the meaning of Section 548(a)(1)(B)(III) of the Bankruptcy Code, Section 4 of the UFTA and Section 6 of the UFCA, and (e) own assets having a value both at "fair valuation" and at "present fair salable value" greater than the amount required to pay their "debts" as such terms are used in Section 2 of the UFTA and Section 2 of the UFCA. The Credit Parties and Subsidiaries, taken as a whole, shall not be rendered insolvent (as such term is defined above) by the execution and delivery of this Agreement or any of the other Operative Documents or by the transactions contemplated hereunder or thereunder.

5.24 Security Documents.

(a) The Security Agreement will, upon execution and delivery thereof, be effective to create in favor of the Purchaser, legal, valid and enforceable Liens on, and security interests in, the collateral described therein to the extent intended to be created thereby, and (1) when financing statements and other filings in appropriate form are filed in each applicable filing office for each applicable jurisdiction and (2) upon the taking of possession or control by the Purchaser of such collateral with respect to which a security interest may be perfected only by possession or control (which possession or control shall be given to the Purchaser to the extent possession or control by the Purchaser is required by the Security Agreement), the Liens created by the Security Agreement shall constitute fully perfected first-priority Liens on, and security interests in (to the extent intended to be created thereby), all right, title and interest of the grantors in such collateral to the extent perfection can be obtained by filing financing statements or the taking of possession or control, in each case subject to no Liens other than Permitted Liens.

(b) Upon recording thereof in the appropriate recording office, each Mortgage is effective to create, in favor of the Purchaser, legal, valid and enforceable perfected Liens on, and security interest in, all of the Credit Parties' right, title and interest in and to the Mortgaged Properties and the proceeds thereof, subject only to Permitted Liens, and when the Mortgages are filed in the appropriate recording office, the Mortgages shall constitute fully perfected Liens on, and security interests in, all right, title and interest of the Credit Parties in the Mortgaged Properties and the proceeds thereof, in each case prior and superior in right to any other Person, other than Permitted Liens.

5.25 Survival. All representations and warranties contained in this Agreement or any of the other Operative Documents shall survive the execution and delivery of this Agreement.

5.2.6 Private Offering. Assuming the accuracy and validity of representations of the Purchaser in ARTICLE VI, no registration of the Debenture pursuant to the provisions of the Securities Act or any applicable state securities or "blue sky" laws will be required in connection with the offer, sale or issuance of the Debenture pursuant to this Agreement. The Credit Parties have not, directly or indirectly, offered, sold or solicited any offer to buy, and the Company will not, directly or indirectly, offer, sell or solicit any offer to buy, any security of a type or in a manner which would be integrated with the sale of the Debenture and require the Debenture to be registered under the Securities Act. None of the Credit Parties, their Affiliates or any Person acting on its or any of their behalf (other than the Purchaser, as to whom the Credit Parties make no representation or warranty) has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Rule 502(c) under the Securities Act) in connection with the offering of the Debenture. Each Credit Party covenants and agrees that neither it, nor anyone acting on its behalf, will offer or sell the Debenture or any other security so as to require the registration of the Debenture pursuant to the provisions of the Securities Act or any state securities or "blue sky" laws, unless such Debenture is so registered. The Debenture shall be issuable only in registered form without coupons and in any denomination the Purchaser may request.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF THE
PURCHASER

The Purchaser represents and warrants to the Company as follows:

6.1 Purchase for Investment. The Purchaser acquired the Debenture for investment for its own account and not with a view to the public resale of all or any part thereof in any transaction that would constitute a “distribution” within the meaning of the Securities Act; provided, however, the disposition of the Purchaser’s property shall at all times be and remain in its control.

6.2 Investor Qualifications. The Purchaser (a) is an “accredited investor” (as defined in Regulation D promulgated by the Commission), (b) is able to bear the economic risk of its investment in the Debenture, (c) acknowledges that the Debenture has not been registered under the Securities Act and therefore is subject to certain restrictions on transfer unless registered for resale or subject to an exempt transaction under the Securities Act and any applicable state securities law and the Company is not under any obligation to file a registration statement with the Commission with respect to the Debenture, and (d) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its investment in the Debenture. The Purchaser is not an entity formed solely to make this investment.

6.3 Fees and Commissions. The Purchaser has retained no finder, broker, agent, financial advisor or other intermediary in connection with the transactions contemplated by this Agreement.

6.4 Power and Authority. The Purchaser is a corporation, limited partnership or limited liability company, as the case may be, validly existing under the laws of the jurisdiction of its incorporation or formation, as the case may be. Such Purchaser has full power and authority to enter into and perform its obligations under this Agreement in accordance with its terms.

ARTICLE VII
AFFIRMATIVE COVENANTS

Each Credit Party covenants and agrees that, from and after the date hereof until the Debenture and all other amounts under the Operative Documents have been finally paid in full in accordance with their terms (other than contingent indemnification or reimbursement obligations to the extent no claim giving rise thereto has been asserted), each Credit Party shall, and shall cause each of its Subsidiaries to, perform and comply with all covenants in this ARTICLE VII.

7.1 Financial Statements.

(a) Each Credit Party shall, and shall cause each Subsidiary to, maintain a system of accounting established and administered in accordance with sound business practices to permit the preparation of financial statements in conformity with GAAP; provided that monthly financial statements shall not be required to have footnote disclosure and are subject to normal year-end adjustments.

(b) The Company shall deliver to the Purchaser in form and detail reasonably satisfactory to the Purchaser:

(i) as soon as available, but not later than one hundred twenty (120) days after the end of each Fiscal Year (provided that, if the Company submits a written request for an extension at least ten (10) days prior to such date, Purchaser may grant one thirty (30)-day extension, such extension not to be unreasonably withheld), commencing with the Fiscal Year ending December 31, 2019, a copy of the audited or unaudited, as applicable, consolidated and consolidating balance sheets of the Company and its Subsidiaries as at the end of such Fiscal Year and the related audited consolidated and consolidating statements of income or operations, shareholders' or member's equity and cash flows for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year (if any), certified on behalf of the Company by an appropriate Responsible Officer as fairly presenting, in all material respects, in accordance with GAAP, the financial position and the results of operations of the Company and its Subsidiaries on a consolidated and consolidating basis, subject to normal year-end adjustments and absence of footnote disclosure; provided, that if such statements have been audited, they shall be accompanied by the opinion of a nationally recognized independent public accounting firm reasonably acceptable to the Purchaser which report shall state that such consolidated and consolidating financial statements present fairly in all material respects the financial position for the periods indicated in conformity with GAAP applied on a basis consistent with prior years. Such opinion shall not be qualified or limited because of a restricted or limited examination by such accountant, beyond an accountant's standard limitation for an audit conducted in accordance with GAAP;

(ii) as soon as available, but not later than sixty (60) days after the end of each Fiscal Quarter (provided that, if the Company submits a written request for an extension at least ten (10) days prior to such date, Purchaser may grant one thirty (30)-day extension, such extension not to be unreasonably withheld) other than the final Fiscal Quarter of each Fiscal Year, commencing with the Fiscal Quarter ending March 31, 2019, a copy of the unaudited consolidated and consolidating balance sheets of the Company and its Subsidiaries as of the end of such Fiscal Quarter, and the related unaudited consolidated and consolidating statements of income, shareholders' or members' equity and cash flows for such Fiscal Quarter and for the portion of the Fiscal Year then ended, and setting forth in each case comparisons to the most recent projections of the Company and its Subsidiaries and to the corresponding periods in the preceding Fiscal Year, all certified on behalf of the Company by an appropriate Responsible Officer as fairly presenting, in all material respects, in accordance with GAAP, the financial position and the results of operations of the Company and its Subsidiaries on a consolidated and consolidating basis, subject to normal year-end adjustments and absence of footnote disclosure; and

(iii) as soon as available, but not later than thirty (30) days prior to the commencement of each Fiscal Year (provided that, if the Company submits a written request for an extension at least ten (10) days prior to such date, Purchaser may grant one thirty (30)-day extension, such extension not to be unreasonably withheld), the Company's consolidated annual operating plans, operating and capital expenditure budgets, and financial forecasts, including cash flow projections (prepared on a month by month basis) covering proposed fundings,

repayments, additional advances, investments and other cash receipts and disbursements, together with a statement of underlying assumptions, each for the following Fiscal Year presented on a monthly basis for such next Fiscal Year, all of which shall be in a format reasonably consistent with projections, budgets and forecasts theretofore provided to the Purchaser, and promptly following the preparation thereof, updates to any of the foregoing from time to time prepared by management of the Company.

(c) The Purchaser shall exercise reasonable efforts to keep such information, and all information acquired as a result of any inspection conducted in accordance with Section 7.9 hereof, confidential; provided that the Purchaser may, subject to any further restrictions set forth in Section 10.12 hereof, communicate such information and any other information received pursuant to this Agreement and the other Operative Documents (i) to any other Person in accordance with the customary practices of commercial agents and holders relating to routine trade inquiries and for purposes of obtaining league table credit or similar rankings, (ii) to any regulatory authority having jurisdiction over the Purchaser, (iii) to any other Person in connection with the Purchaser's sale of any participations in the Obligations or assignment of any rights and obligations of the Purchaser under this Agreement and the other Operative Documents, (iv) to any other Person in connection with the exercise of the Purchaser's or any Indemnitee's rights hereunder or under any of the other Operative Documents, (v) to any Person in any litigation in which the Purchaser is a party, or (vi) to any Person if the Purchaser believes in its discretion that disclosure is necessary or appropriate to comply with any applicable law, rule or regulation or in response to a subpoena, order or other legal process or informal investigative demand, whether issued by a court, judicial or administrative or legislative body or committee or other Governmental Authority. Notwithstanding the foregoing, information shall not be deemed to be confidential to the extent such information (A) is available in the public domain, (B) becomes available in the public domain other than as a result of unauthorized disclosure by the Purchaser, or (C) is received from a Person not known by the Purchaser to be in breach of an obligation of confidentiality to Credit Parties. Each Credit Party authorizes the Purchaser to discuss the financial condition of each Credit Party and each Subsidiary with such Credit Party's independent certified public accountants and agrees that such discussion or communication shall be without liability to either the Purchaser or such accountants.

7.2 Certificates; Other Information. Company shall furnish to the Purchaser:

(a) concurrently with the delivery of the annual financial statements referred to in Section 7.1(b)(i), a certificate of the independent certified public accountants reporting on such financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Event of Default, except as specified in such certificate;

(b) concurrently with the delivery of the financial statements referred to in clauses (i) and (ii) of Section 7.1(b), a compliance certificate in a form reasonably satisfactory to the Purchaser (each, a "**Compliance Certificate**"), under which a Responsible Officer certifies on behalf of Company that no Default or Event of Default has occurred or is continuing;

(c) promptly after the same are sent, copies of all financial statements and reports which any Credit Party sends to holders of its Equity Interests; and promptly after the

same are filed, copies of all financial statements and regular, periodic or special reports which any Credit Party may make to, or file with, the Commission or any successor or similar Governmental Authority;

(d) at the same time such reports or information are provided to the board of directors or similar governing body of any Credit Party, a copy of any financial management reports or similar financial information or report of operations delivered to the board of directors or similar governing body of such Credit Party, including any agenda and other information or materials distributed to such Credit Party's boards for regular board meetings;

(e) together with each delivery of financial statements pursuant to Section 7.1(b), a management report, in reasonable detail, signed by a Responsible Officer of Company, describing the operations and financial condition of Credit Parties and the Subsidiaries for the month and the portion of the Fiscal Year then ended (or for the Fiscal Year then ended in the case of annual financial statements), and together with each delivery of financial statements pursuant to Section 7.1(b), a report discussing the reasons for any significant variations from projections for the period covered thereby or the same period in the prior Fiscal Year;

(f) within 10 days of receipt thereof, copies of any reports submitted by the Company's certified public accountants in connection with each annual, interim or special audit or review of any type of the financial statements or internal control systems of Credit Parties and the Subsidiaries made by such accountants, including any comment letters submitted by such accountants to management of such Person in connection with their services;

(g) prompt notice of any actual or proposed working capital adjustments or other purchase price, escrow, indemnification or other similar determinations, claims or payments by any Credit Party; and

(h) promptly, such additional business, financial, corporate (or other organizational) and other information as the Purchaser may from time to time reasonably request.

7.3 Notices. Company shall notify the Purchaser of any of the following within three (3) days after a Responsible Officer becoming aware thereof:

(a) the occurrence or existence of any Event of Default;

(b) any breach or non-performance of, or any default under, any Contractual Obligation (other than a Material Agreement) of any Credit Party or any Subsidiary, or any violation of, or non-compliance with, any Law (other than Cannabis Laws), which, in either case, could reasonably be expected to result, either individually or in the aggregate, in a Material Adverse Effect, including a description of such breach, non-performance, default, violation or non-compliance and the steps, if any, such Credit Party or such Subsidiary has taken, is taking or proposes to take in respect thereof;

(c) any breach or non-performance of, or any default under, any Material Agreement of any Credit Party or any Subsidiary, or any violation of, or non-compliance with, any Cannabis Law, including a description of such breach, non-performance, default, violation or

non-compliance and the steps, if any, such Credit Party or such Subsidiary has taken, is taking or proposes to take in respect thereof;

(d) any material dispute, litigation, investigation, audit, proceeding or suspension which may exist at any time between any Credit Party or any Subsidiary and any Governmental Authority (other than LARA or any other Governmental Authority with jurisdiction over any Cannabis Laws) which could reasonably be expected to result, either individually or in the aggregate, in a Material Adverse Effect;

(e) any material dispute, litigation, investigation, audit, proceeding or suspension which may exist at any time between any Credit Party or any Subsidiary and any Governmental Authority with jurisdiction over any Cannabis Laws (including, without limitation, LARA);

(f) any event or development which could lead to the suspension or revocation of any Cannabis License held by a Cannabis License Holder, or any fine or penalty levied against any Cannabis License Holder which could reasonably be expected to materially and adversely affect a Cannabis License;

(g) the commencement of, or any material adverse development in, any litigation or proceeding affecting any Credit Party or any Subsidiary (i) in which the amount of damages claimed is \$500,000.00 (or its equivalent in another currency or currencies) or more, (ii) in which injunctive or similar relief is sought and which could reasonably be expected to have a Material Adverse Effect, or (iii) in which the relief sought is an injunction or other stay of the performance of this Agreement or any other Operative Document;

(h) any of the following if the same could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, together with a copy of any notice with respect to such event that may be required to be filed with a Governmental Authority and any notice delivered by a Governmental Authority to any ERISA Affiliate with respect to such event: (i) an ERISA Event; (ii) the adoption of any new, or the commencement of contributions to, any Title IV Plan or Multiemployer Plan by any Credit Party, any Subsidiary or any ERISA Affiliate; or (iii) the adoption of any amendment to a Title IV Plan, if such amendment results in a material increase in benefits or unfunded liabilities;

(i) any Material Adverse Effect subsequent to the date of the most recent consolidated financial statements of the Company delivered to the Purchaser pursuant to this Agreement;

(j) any material change in accounting policies or financial reporting practices by any Credit Party or any Subsidiary;

(k) the creation, establishment or acquisition of any Subsidiary;

(l) upon acquisition of any Owned Real Property or Material Leased Real Property, an updated Perfection Certificate (or, to the extent such request relates to specified information contained in the Perfection Certificate, such information) reflecting all changes since

the date of the information most recently received pursuant to this paragraph (l) or Section 4.1(b); and

(m) any other development specific to the Company or any of the Subsidiaries that is not a matter of general public knowledge and that has had, or could reasonably be expected to have, a Material Adverse Effect.

Each notice pursuant to this Section shall be accompanied by a written statement by a Responsible Officer on behalf of Credit Parties setting forth details of the occurrence referred to therein, and stating what action Credit Parties propose to take with respect thereto and at what time. Each notice of a Default or of an Event of Default shall describe with particularity any and all clauses or provisions of this Agreement or other Operative Document that have been breached or violated.

7 . 4 Preservation of Existence, Etc. Each Credit Party shall, and shall cause each Subsidiary to: (a) preserve and maintain in full force and effect its corporate, partnership, limited liability company or other existence and good standing under the laws of its state or jurisdiction of incorporation or formation; (b) preserve and maintain in full force and effect all rights, privileges, qualifications, permits, licenses and franchises necessary in the normal conduct of its business where failure to do so could reasonably be expected to result in a Material Adverse Effect; (c) use commercially reasonable efforts, in the Ordinary Course of Business, to preserve its business organization and preserve the goodwill and business of the customers, suppliers and others having material business relations with it; and (d) preserve or renew all of its registered trademarks, trade names and service marks necessary or useful in the operation of its business.

7 . 5 Maintenance of Property. Each Credit Party shall, and shall cause each Subsidiary to, maintain and preserve all of its Property which is used or useful in its business in good working order and condition (ordinary wear and tear excepted) and make all necessary repairs thereto and renewals and replacements thereof.

7 . 6 Property Insurance and Business Interruption Insurance. Each Credit Party shall, and shall cause each Subsidiary to, maintain, at its expense, such public liability and third party property damage insurance with financially sound and reputable insurers in such amounts and with such deductibles as is reasonably acceptable to the Purchaser. Each Credit Party shall, and shall cause each Subsidiary to, maintain, at such Person's expense, business interruption insurance (in amounts reasonably satisfactory to the Purchaser) and keep and maintain its Property insured against loss or damage by fire, theft, burglary, pilferage, loss in transit, explosion, spoilage and all other hazards and risks ordinarily insured against by other owners or users of such properties in similar businesses, in an amount at least equal to the greater of the full insurable value of all such Property or the amount which is necessary to avoid the application of co-insurance provisions. All such policies of insurance shall be in form and substance reasonably satisfactory to the Purchaser and no Credit Party shall or shall permit any Subsidiary to, amend or otherwise change any such policies in any way which may adversely affect the Purchaser without the prior written consent of the Purchaser. Credit Parties shall deliver to the Purchaser a certificate of insurance for each policy of liability insurance, which shall be accompanied by an additional insured endorsement in favor of the Purchaser. Without limiting

the foregoing, each Credit Party shall, and shall cause each Subsidiary to, (a) keep all of its physical Property insured with casualty or physical hazard insurance on an “all risks” basis, with broad form flood coverage (if any real property owned or leased by such Person is located in a special flood hazard area) and earthquake coverage and electronic data processing coverage, with a full replacement cost endorsement and an “agreed amount” clause in an amount equal to 100% of the full replacement cost of such real Property, (b) maintain all such workers’ compensation or similar insurance as may be required by law, (c) maintain, in amounts and with deductibles equal to those generally maintained by businesses engaged in similar activities in similar geographic areas, general public liability insurance against claims of bodily injury, death or property damage occurring on, in or about the Properties of such Person, and (d) maintain product liability insurance. The policy of liability insurance shall provide for the insurer to provide at least 30 days prior written cancellation notice to the Purchaser. The Company shall provide the Purchaser with prompt written notice of any change, amendment or modification to such insurance policy.

7.7 Payment of Liabilities. Each Credit Party shall, and shall cause each Subsidiary to, pay, discharge and perform as the same shall become due and payable or required to be performed, all of their respective obligations and liabilities (but subject to any restrictions contained in this Agreement), including: (a) all Federal income and other material Tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently prosecuted which stay the enforcement of any Lien and for which adequate reserves in accordance with GAAP are being maintained by such Credit Party or such Subsidiary; (b) all lawful claims which, if unpaid, would by law become a Lien upon its Property unless the same are being contested in good faith by appropriate proceedings diligently prosecuted which stay the imposition or enforcement of the Lien and for which adequate reserves in accordance with GAAP are being maintained by such Credit Party or such Subsidiary; (c) any Indebtedness, as and when due and payable, but subject to any restrictions contained in this Agreement, provisions in any applicable subordination agreement or provisions in any instrument or agreement evidencing such Indebtedness; and (d) all obligations under any Contractual Obligation to which such Credit Party or such Subsidiary is bound, or to which it or any of its Properties is subject.

7.8 Compliance with Laws. Each Credit Party shall, and shall cause each Subsidiary to, comply, in all material respects, with all Laws of any Governmental Authority having jurisdiction over it or its business (including all Cannabis Laws and Environmental Laws), except (a) such as may be contested in good faith by appropriate proceedings diligently prosecuted without risk of loss of any material portion of the assets of the Company, (b) as to which a bona fide dispute exists, and (c) for which appropriate reserves have been established on such Person’s financial statements.

7.9 Inspection of Property and Books and Records. Each Credit Party shall, and shall cause each Subsidiary to, maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of each Credit Party and each Subsidiary. Each Credit Party shall, and shall cause each Subsidiary to upon reasonable prior written notice, permit representatives and independent contractors of the Purchaser to visit and

inspect any of their respective Properties, to examine their respective organizational, corporate, limited liability company or partnership, as applicable, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss their respective affairs, finances and accounts with their respective directors, officers, and, so long as a senior member of Company's management is given a reasonable opportunity to be present, independent public accountants, at such reasonable times, during normal business hours, in a manner that would not reasonably be expected to disrupt the conduct of such Credit Party's or Subsidiary's business in the ordinary course and as the Purchaser may reasonably desire; provided that, unless an Event of Default has occurred and is continuing, no more than two (2) such visits or inspections shall occur per calendar year at the expense of the Credit Parties.

7.10 Use of Proceeds. The Company shall use the proceeds of the Debenture solely as follows: (a) to pay off the Prior Advances in full, (b) for the acquisition or development of marihuana facilities, proposed marihuana facilities and marihuana products, and the costs associated with such acquisitions and development efforts, and (c) for general working capital purposes.

7.11 Further Assurances. Each Credit Party shall, and shall cause each Subsidiary to, ensure that all written information, exhibits, schedules and reports furnished to the Purchaser do not and will not contain any untrue statement of a material fact and do not and will not omit to state any material fact necessary to make the statements contained therein not misleading in light of the circumstances in which made, and will promptly disclose to the Purchaser and correct any defect or error that may be discovered therein or in any Operative Document or in the execution, acknowledgment or recordation thereof (it being acknowledged and understood that forecasts and projections are not to be viewed as facts and actual results may differ significantly from projected results contained in such forecasts and projections). If reasonably requested by the Purchaser, within thirty (30) days after such request, deliver to the Purchaser a signed copy of an opinion, addressed to the Purchaser, of counsel for the Credit Parties reasonably acceptable to the Lender as to such matters set forth in this Section 7.11 or Section 7.12 as the Purchaser may reasonably request. Promptly upon request by the Purchaser, each Credit Party shall, and shall cause each Subsidiary to, take such additional actions as the Purchaser may reasonably require from time to time in order to carry out more effectively the purposes of this Agreement or any other Operative Document.

7.12 Additional Collateral.

(a) In the event any Credit Party forms or acquires any Subsidiary after the Closing Date, such Credit Party shall promptly upon (but no later than 30 days after) such formation or acquisition cause (i) such newly formed or acquired Subsidiary (each is a "**New Subsidiary**") to execute and deliver to the Purchaser such documents as the Purchaser may then require (including, without limitation, a Guaranty and a joinder agreement causing such new Subsidiary to become party to the Security Agreement as a "**Grantor**"), (ii) provide updates to existing schedules and exhibits or new schedules or other disclosures as appropriate to modify representations, warranties, covenants, conditions and other provisions applicable to such New Subsidiary), (iii) a certificate attaching (x) the Organization Documents of such New Subsidiary, (y) resolutions of the board of directors (or similar governing body) of such New Subsidiary

approving and authorizing the execution, delivery and performance of the documents described in this Section 7.11 and the other Operative Documents and the transactions contemplated thereby, and (z) signature and incumbency schedule of such New Subsidiary, all certified as of the date of delivery of such certificate by a Responsible Officer of such New Subsidiary as being true and complete and in full force and effect without modification and (iv) such other instruments, documents, and certificates reasonably required by the Purchaser in connection therewith.

(b) If any asset (other than real property, which is covered by paragraph (c) below) that has an individual fair market value (as determined in good faith by the Borrower) in an amount greater than US\$5,000,000 is acquired by the Company or any Subsidiary after the Closing Date or owned by an entity at the time it becomes a Credit Party (in each case other than (x) assets constituting Collateral under the Security Agreement that become subject to the Lien of the Security Agreement upon acquisition thereof and (y) assets that are not required to become subject to Liens in favor of the Purchaser pursuant to any Operative Document), the Company will (i) as promptly as practicable notify the Purchaser thereof and (ii) take or cause the Credit Parties to take such actions as shall be reasonably requested by the Purchaser to grant and perfect such Liens, all at the expense of the Credit Parties.

(c) The Company shall promptly notify the Purchaser of the acquisition of and grant and cause each of the Credit Parties to grant to the Purchaser security interests and Mortgages in such Owned Real Property and Material Leased Real Property of the Company or any such Credit Parties as are not covered by the Mortgages previously delivered and recorded pursuant to documentation substantially in the form of the Mortgages or in such other form as is reasonably satisfactory to the Purchaser (each, an “**Additional Mortgage**”) and constituting valid and enforceable Liens subject to no other Liens except Permitted Liens at the time of perfection thereof, record or file, and cause each such Credit Party to record or file, the Additional Mortgage or instruments related thereto in such manner and in such places as is required by law to establish, perfect, preserve and protect the Liens in favor of the Purchaser required to be granted pursuant to the Additional Mortgages and pay, and cause each such Credit Party to pay, in full, all Taxes, fees and other charges payable in connection therewith. Unless otherwise waived by the Purchaser, with respect to each such Additional Mortgage, the Company shall deliver to the Purchaser contemporaneously therewith a title insurance policy, flood determination and evidence of flood insurance, if required by law, legal opinion, FIRREA appraisal (if required by law) and a survey and otherwise comply with the requirements of the Operative Documents applicable to Mortgages and Mortgaged Property.

(d) The Company shall furnish to the Purchaser promptly (and in any event within thirty (30) days after such change) written notice of any change (A) in any Credit Party’s corporate or organization name, (B) in any Credit Party’s identity or organizational structure, (C) in any Credit Party’s organizational identification number, or (D) in any Credit Party’s jurisdiction of organization; provided that the Company shall not effect or permit any such change unless all filings have been made, or will have been made within any statutory period, under the Uniform Commercial Code or otherwise that are required in order for the Purchaser to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral with the same priority as prior to such change (it being understood that,

subject to the foregoing, any Credit Party may change the name under which it conducts its business or its corporate name, trade name, trademarks, brand name or other public identifiers).

(e) Not later than thirty (30) days after any new deposit account or securities account is opened by any Credit Party (excluding any accounts used solely to fund payroll or employee benefits), deliver to the Purchaser a Control Agreement with respect to each such account.

7.13 Anti-Terrorism Laws. Each Credit Party shall, and shall cause each Subsidiary to, (a) ensure that no Person that directly or indirectly owns a controlling interest in or otherwise controls such Person is or shall be listed in any of the listings described in Section 5.22, (b) not use or permit the use of the proceeds of the Debenture to violate any of the foreign asset control regulations of OFAC or any enabling statute or order relating thereto or the Executive Order and (c) comply in all material respects with all applicable Bank Secrecy Act laws and regulations.

7.14 Fees and Expenses.

(a) Each Credit Party shall bear all of its own expenses in connection with this Agreement and the other Operative Documents, and the transactions contemplated hereby and thereby.

(b) Any action taken by any Credit Party under or with respect to any Operative Document, even if required under any Operative Document or at the request of the Purchaser, shall be at the expense of the Credit Parties, and the Purchaser shall not be required under any Operative Document to reimburse any Credit Party or any Subsidiary of any Credit Party therefor except as expressly provided therein. In addition, upon an Event of Default, the Credit Parties agree to pay or reimburse upon demand (i) the Purchaser for all reasonable and invoiced out-of-pocket costs and expenses incurred by it or any of its Related Persons in connection with the investigation, development, preparation, negotiation, execution, interpretation or administration of, any modification of any term of or termination of, any Operative Document or Equity Document, any commitment or proposal letter therefor, any other document prepared in connection therewith or the consummation and administration of any transaction contemplated therein, in each case including reasonable Attorney Costs of the Purchaser, the reasonable and invoiced out-of-pocket cost of environmental audits, background checks and similar expenses, to the extent permitted hereunder, (ii) the Purchaser for all reasonable and invoiced out-of-pocket costs and expenses incurred by it or any of its Related Persons in connection with internal audit reviews, audits by Governmental Authorities, field examinations and examinations, and (iii) each of the Purchaser, and its Related Persons for all invoiced out-of-pocket costs and expenses incurred in connection with (A) any refinancing or restructuring of the credit arrangements provided hereunder in the nature of a “work-out”, (B) the enforcement or preservation of any right or remedy under any Operative Document, any Obligation, or any other related right or remedy or (C) the commencement, defense, conduct of, intervention in, or the taking of any other action (including preparation for and/or response to any subpoena or request for document production relating thereto) with respect to, any proceeding (including any bankruptcy or insolvency proceeding) related to any Credit Party, any

7.15 Taxes. Each Credit Party and each Subsidiary shall file all Tax returns and reports required to be filed, and will pay or cause to be paid Taxes, assessments, fees and other governmental charges levied or imposed upon it or its Properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently prosecuted and for which adequate reserves have been provided in accordance with GAAP.

ARTICLE VIII

NEGATIVE COVENANTS

Each Credit Party covenants and agrees that, from and after the date hereof until the Debenture and all other amounts under the Operative Documents have been finally paid in full in accordance with their terms (other than contingent indemnification or reimbursement obligations to the extent no claim giving rise thereto has been asserted), such Credit Party shall not, and shall not cause, suffer or permit any Subsidiary to, directly or indirectly:

8.1 Liens. Create, incur, assume or suffer to exist any Lien on any of its assets, other than the following (collectively, “**Permitted Liens**”): (a) liens securing the payment of Taxes either not yet delinquent or the validity of which is being contested in good faith by appropriate proceedings, and as to which such Credit Party or such Subsidiary shall, under GAAP, have set aside on its books and records adequate reserves; (b) pledges, deposits or Liens made or arising under worker’s compensation, unemployment insurance, social security and other similar laws, or to secure the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure indemnity, performance or other similar bonds for the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure statutory obligations or surety, stay, appeal or custom bonds, or to secure indemnity, performance or other similar bonds in the Ordinary Course of Business; (c) Liens in favor of the Purchaser; (d) Liens which arise by operation of law, other than Liens which arise by operation of Environmental Laws, incurred in the Ordinary Course of Business (for sums not constituting borrowed money) that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP (if so required); (e) zoning restrictions, building codes, easements, rights of way, licenses, covenants and other similar restrictions affecting the use of real property that do not secure monetary obligations and do not materially impair the use of such real property for its intended purposes or the value thereof; (f) Liens described on Schedule 8.1, provided that such Liens shall secure only those obligations which they secure on the Closing Date; (g) purchase money security interests on equipment of any Credit Party or any Subsidiary securing Capital Leases or purchase money Indebtedness in each case permitted by Section 8.2(b); (h) Liens arising from the filing of precautionary UCC financing statements solely as a precautionary measure in connection with operating leases, licenses or consignment of goods; (i) rights of offset or statutory banker’s Liens arising in the Ordinary Course of Business in favor of commercial banks; provided that any such Lien shall only extend to deposits and Property in possession of such commercial bank; (j) any interest or title of a licensor,

sublicensor, lessor or sublessor with respect to any assets under any license or lease agreement expressly permitted under this Agreement and entered into in the Ordinary Course of Business which do not (i) interfere in any material respect with the business of any Credit Party or (ii) secure any Indebtedness; (k) judgment Liens for sums not exceeding an amount that would be an Event of Default; provided that the enforcement of such Liens is effectively stayed and the claims secured thereby are being actively contested in good faith and by appropriate proceedings; (l) security deposits made in the Ordinary Course of Business to secure obligations under leases or subleases; (m) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by any Credit Party in the Ordinary Course of Business in accordance with the past practices of such Credit Party and extending solely to such goods; (n) non-exclusive outbound licenses or sublicenses of patents, copyrights, trademarks and other intellectual property rights granted by any Credit Party in the Ordinary Course of Business and not interfering in any respect with the ordinary conduct of or materially detracting from the value of the business of such Credit Party; and (o) mortgages for real property purchased by the Credit Parties in connection with acquisitions of marihuana facilities or proposed marihuana facilities securing Indebtedness in an amount no greater than \$5,000,000 in the aggregate. No Credit Party shall, or shall permit any Subsidiary to, permit the filing of any financing statement naming such Person as debtor, except for financing statements filed with respect to Permitted Liens.

8.2 Indebtedness. Incur, create, assume, become or be liable in any manner with respect to, or permit to exist, any Indebtedness, except for any of the following: (a) the Obligations; (b) Capital Leases and purchase money Indebtedness (including Capital Leases and purchase money Indebtedness listed on Schedule 8.2), incurred to finance the purchase of equipment, not to exceed \$1,000,000.00 in the aggregate at any time outstanding; (c) trade obligations and normal accruals made in accordance with GAAP in the Ordinary Course of Business not yet due and payable, or with respect to which such Credit Party or such Subsidiary is contesting in good faith the amount or validity thereof by appropriate proceedings, and then only to the extent that such Credit Party or such Subsidiary has set aside on its books adequate reserves therefor, if appropriate under GAAP; (d) Indebtedness described on Schedule 8.2 and any refinancing, renewal, replacement or extension of such Indebtedness in a principal amount not in excess of that which is outstanding on the Closing Date (as such amount has been reduced following the Closing Date); (e) unsecured intercompany Indebtedness arising from loans made by any Credit Party to any other Credit Party, provided, however, that upon the request of the Purchaser at any time, such Indebtedness shall be evidenced by promissory notes having terms reasonably satisfactory to the Purchaser; (f) Indebtedness to the extent (and without duplication) constituting Investments made by the Credit Parties as expressly permitted under Section 8.5; (g) Indebtedness arising from the honoring by a bank or other financing institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the Ordinary Course of Business; provided, however, that such Indebtedness is extinguished within ten (10) days of incurrence; (h) to the extent constituting Indebtedness obligations, Indebtedness incurred in the Ordinary Course of Business in connection with the financing of unpaid insurance premiums (not in excess of one year's premiums and so long as the Purchaser has received written notice of such financing); (i) Contingent Obligations arising from indemnification obligations in favor of directors, managers, employees and officers incurred in the Ordinary Course of Business and expressly permitted hereunder; (j) Contingent

Obligations of the Credit Parties or any Subsidiary in respect of guarantees of Indebtedness otherwise permitted under this Agreement of the Credit Parties, provided that (i) any such guaranty obligations of a Credit Party shall only be in respect of Indebtedness otherwise permitted under this Agreement of another Credit Party and (ii) if such obligation or Indebtedness is subordinated to the Obligations, such guarantee shall be subordinated to the same extent; (k) Indebtedness representing any Tax payment obligations to the extent such Taxes are being contested by a Credit Party in good faith by appropriate proceedings and adequate reserves are being maintained in accordance with GAAP; and (l) Indebtedness secured by mortgages for real property purchased by the Credit Parties in connection with acquisitions of provisioning centers securing Indebtedness in an amount no greater than \$3,000,000.00 in the aggregate. Except as otherwise expressly permitted by this Agreement, no Credit Party shall, or shall permit any Subsidiary to, pay or offer or agree to pay any obligations or Indebtedness before the same is due, except for the early payment of trade obligations in the Ordinary Course of Business. Any Indebtedness that is subordinated to the Obligations shall continue to be subordinated to the Obligations on terms and conditions that are at least as favorable to the Purchaser as are in effect on the date hereof or otherwise on terms and conditions reasonably satisfactory to the Purchaser. Notwithstanding any provision herein to the contrary, no Credit Party shall, or shall permit any Subsidiary to, incur any Indebtedness that is senior in any respect in right of payment to any of the Obligations.

8 . 3 Disposition of Assets. Sell, assign, license, lease, convey, transfer or otherwise dispose of (whether in one or a series of transactions) any Property (including accounts and notes receivable, with or without recourse) or enter into any agreement to do any of the foregoing (including any agreement to statutorily divide), except dispositions of Inventory in the Ordinary Course of Business.

8 . 4 Consolidations, Conversions and Mergers. Do any of the following: (a) convert its status as a type of Person (e.g., corporation, limited liability company, partnership) or the jurisdiction in which it is organized, formed or created, unless it shall have provided 30 days prior written notice to the Purchaser, (b) consummate a statutory division, merge or consolidate with or into, any Person, except in connection with a Permitted Acquisition, (c) convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, (d) liquidate, wind-up or dissolve, or (e) agree to do any of the foregoing, except that upon 10 Business Days' prior written notice to the Purchaser, any Credit Party may merge or consolidate with or acquire the Equity Interests issued by, an interest in, or the assets of, another Credit Party (and, in the case of such merger or consolidation or, in the case of the conveyance or distribution of all such assets, the non-surviving or selling entity, as the case may be, may be liquidated, wound up or dissolved); provided that if Company is a party to such transaction, Company must be the surviving entity.

8 . 5 Loans and Investments. Do any of the following: (a) purchase or acquire, or make any commitment for, any Equity Interest or any evidence of Indebtedness or obligations or other securities of, or any interest in, any Person, including the establishment or creation of or statutory division into a Subsidiary or enter into any joint ventures, (b) make or commit to make any Acquisitions, or any other acquisition of all or substantially all of the assets of another

Person, or of any business or division of any Person, including by way of merger, consolidation or other combination, or (c) make or commit to make any advance, loan, extension of credit or capital contribution to, or assume the debt of, purchase or acquire any other debt or interest in, or make any other investment in, any Person including any Affiliate of any Credit Party or any Subsidiary (the items described in clauses (a), (b) and (c) are referred to as “**Investments**”), except for: (i) Investments in cash and Cash Equivalents and checking and demand deposit accounts maintained in the Ordinary Course of Business; (ii) each Credit Party’s ownership of the Equity Interests of its Subsidiaries; (iii) the Investments listed on Schedule 8.5; (iv) each Credit Party’s ownership of the Equity Interests of its Subsidiaries including Subsidiaries established or created after the Closing Date in compliance with all applicable terms of the Operative Documents; (v) non-cash proceeds from dispositions permitted under Section 8.3; (vi) prepaid expenses and deposits for lease obligations or in connection with the provision of goods or services, in each case incurred in the Ordinary Course of Business; (vii) accounts created and trade debt extended in the Ordinary Course of Business; and (viii) Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary to prevent or limit loss.

8.6 Transactions with Affiliates. Enter into any transaction or series of transactions with, or pay any compensation or other amounts to, any Affiliate of any Credit Party or any Subsidiary unless such transactions are pursuant to terms no less favorable to such Credit Party or such Subsidiary than would be obtained in a comparable arm’s length transaction with a Person not an Affiliate of such Credit Party or such Subsidiary.

8.7 Use of Proceeds. Use any portion of the proceeds of the Debenture, directly or indirectly, to purchase or carry Margin Stock or repay or otherwise refinance Indebtedness of any Credit Party or any Subsidiary or others incurred to purchase or carry Margin Stock, or otherwise in any manner which is in contravention of any Law or in violation of this Agreement.

8.8 Contingent Obligations. Create, incur, assume or suffer to exist any Contingent Obligations except in respect of the Obligations and except: (a) endorsements for collection or deposit in the Ordinary Course of Business; (b) Contingent Obligations incurred in the Ordinary Course of Business with respect to surety and appeal bonds, performance bonds and other similar obligations; (c) guaranties in favor of the Purchaser; (d) endorsements for collection or deposit in the Ordinary Course of Business; (e) Contingent Obligations in respect of, or constituting, Indebtedness permitted under Section 8.2; and (f) guaranties of the Obligations by any Credit Party other than the Company.

8.9 Compliance with ERISA. Except as would not reasonably be expected to have a Material Adverse Effect, either individually or in the aggregate, cause or permit (a) to exist any ERISA Event; or (b) any Title IV Plan to have vested Unfunded Benefit Liabilities determined as of the most recent valuation date for each such Title IV Plan.

8.10 Restricted Payments. Do any of the following (clauses (a), (b) and (c) are referred to herein, collectively, as “**Restricted Payments**”): (a) declare or make any dividend payment or other distribution of assets, properties, cash, rights, obligations or securities on account of any Equity Interests, (b) consummate a statutory division or (c) issue, purchase,

redeem, retire or otherwise acquire any Equity Interests now or hereafter outstanding, or set apart assets for a sinking or other analogous fund therefor, in each case, other than Restricted Payments made, with the prior written consent of the Purchaser.

8.11 Change in Business. Engage in any material line of business substantially different from those lines of business carried on by it on the date hereof, other than ancillary or related businesses or reasonable extensions thereof.

8.12 Change in Structure. Amend, modify or restate any of its Organization Documents in any manner adverse to the Purchaser, or make any changes in its equity capital structure (including in the terms of its outstanding Equity Interests).

8.13 Accounting Changes; Fiscal Year. Make any material change in accounting treatment or reporting practices (except as required by GAAP), or change its Fiscal Year.

8.14 Subsidiaries. Form, acquire or permit to exist any Subsidiaries, other than those in existence on the Closing Date and listed on Schedule 5.18 and other than those established or created after the Closing Date in compliance with Section 7.12.

8.15 Environmental. Fail to conduct its business so as to comply in all respects with all Environmental Laws and Environmental Permits in all jurisdictions in which it is or may at any time be doing business, except for such failures to comply that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; provided, however, that nothing contained in this Section 8.15 shall prevent any Credit Party or any Subsidiary from contesting, in good faith by appropriate legal proceedings, any such law, regulation, interpretation thereof or application thereof, provided, further, that such Credit Party or such Subsidiary shall not fail to comply with the order of any court or other Governmental Authority of applicable jurisdiction relating to such laws unless such Credit Party or such Subsidiary shall currently be prosecuting an appeal or proceedings for review and shall have secured a stay of enforcement or execution or other arrangement postponing enforcement or execution pending such appeal or proceedings for review.

8.16 Limits on Restrictive Agreements. Create, enter into or otherwise cause or suffer to exist or become effective any contractual or other restriction on the ability of (a) any Credit Party or any Subsidiary to perform and comply with their respective obligations under the Operative Documents, or (b) any Credit Party or any Subsidiary to (i) make Restricted Payments in respect of any Equity Interests of such Subsidiary held by, or pay any Indebtedness owed to, any Credit Party, (ii) make loans or advances to, or other Investments in, any Credit Party, or (iii) transfer any of its assets to any Credit Party, except for such encumbrances or restrictions existing under or by reason of this Agreement, the other Operative Documents and under the arrangements described in clauses (b) through (e) of Section 8.19 to the extent they contain provisions restricting the transfer of assets.

8.17 Management and Consulting Agreements. Enter into any management or consulting arrangement with any Affiliate of any Credit Party or any Subsidiary or any holder of Indebtedness of such Credit Party or such Subsidiary (excluding the Purchaser or any of its

Affiliates), or pay or accrue any management, consulting or similar fees to any Affiliate of any Credit Party or any Subsidiary or any holder of Indebtedness of such Credit Party or such Subsidiary (excluding the Purchaser or any of its Affiliates); provided that, notwithstanding the foregoing, a Credit Party and any Subsidiary may enter into any management, consulting or fee agreement (a) which does not contemplate the issuance or potential issuance of any Equity Interest of any Credit Party or Subsidiary to any Person, and (b) the terms of which are no less favorable to the Credit Party or such Subsidiary, as applicable, than would be obtained in a comparable arm's-length transaction with a Person that is not an Affiliate. If this Section 8.17 is waived by the Purchaser, all such management or consulting arrangements must be commercially reasonable and any stock grants pursuant to this Section 8.17 must be approved by the Purchaser.

8.18 Sale-Leaseback Transactions. Become or remain liable as lessee or as guarantor or other surety with respect to any lease, whether an operating lease or a Capital Lease, of any property (whether real, personal or mixed, and whether now owned or hereafter acquired) (a) that any Credit Party or any Subsidiary has sold or transferred (or is to sell or transfer) to a Person that is not a Credit Party or (b) that any Credit Party or any Subsidiary intends to use for substantially the same purpose as any other Property that, in connection with such lease, has been sold or transferred by any Credit Party or any Subsidiary to another Person.

8.19 No Other Negative Pledges. Enter into or suffer to exist any agreement or restriction that, directly or indirectly, prohibits or conditions the creation, incurrence or assumption of any Lien upon or with respect to any part of its property or assets, whether now owned or hereafter acquired, or agree to do any of the foregoing, except for such agreements or restrictions existing under or by reason of (a) this Agreement and the other Operative Documents, (b) applicable Laws, (c) any agreement or instrument creating a Permitted Lien (but only to the extent such agreement or restriction applies to the assets subject to such Permitted Lien), (d) customary provisions in leases and licenses of real or personal property entered into by any Credit Party or any Subsidiary as lessee or licensee in the Ordinary Course of Business, restricting the granting of Liens therein or in Property that is the subject thereof, and (e) customary restrictions and conditions contained in any agreement relating to the sale of assets pending such sale, provided that such restrictions and conditions apply only to the assets being sold and such sale is permitted under this Agreement.

8.20 Press Release; Public Offering Materials. No Credit Party shall, nor shall either of them cause or permit any Subsidiary or Affiliate to, issue any press releases or other public disclosure, including any prospectus, proxy statement or other materials filed with any governmental authority or body relating to a public offering of the Equity Interests of any Credit Party, using the name of the Purchaser or its affiliates or referring to this Agreement or the other Operative Documents without at least ten (10) Business Days' prior notice to the Purchaser and without the prior written consent of the Purchaser, which consent shall not be unreasonably withheld, unless (and only to the extent that) such Credit Party or Affiliate is required to do so under law and then, in any event, such Credit Party or Affiliate shall consult with the Purchaser before issuing such press release or other public disclosure. Each Credit Party consents to the publication by the Purchaser of a tombstone or similar advertising material relating to the financing transactions contemplated by this Agreement; provided, that, if requested by the

Company, the Purchaser shall provide a draft of any such tombstone or similar advertising material to the Company for review and comment prior to the publication thereof. The Purchaser reserves the right to provide to industry trade organizations information necessary and customary for inclusion in league table measurements.

ARTICLE IX EVENTS OF DEFAULT

9.1 Events of Default Defined; Acceleration of Maturity. If any one or more of the following events (each herein called an “**Event of Default**”) shall have occurred:

(a) all or any part of the principal or interest of any of the Debenture is not paid on the date such principal and/or interest shall become due and payable, whether at the maturity thereof, by acceleration, by conversion, by notice of prepayment, or otherwise;

(b) all or any part of any other amount owing by any Credit Party or any Subsidiary to the Purchaser pursuant to the terms of this Agreement, the Debenture or any other Operative Document (including, without limitation, amounts owed or reimbursable under Section 7.14) is not paid when such other amount becomes due and payable and such non-payment is not remedied within ten (10) Business Days after written demand therefor was made (if required by the Operative Documents or, otherwise, after written notice thereof to such Credit Party by the Purchaser);

(c) any Credit Party fails or neglects to perform, keep or observe any of its covenants, conditions or agreements contained in:

(i) Sections 7.1, 7.2(a), 7.2(b) or 7.2(d), 7.3, 7.4(a) or (b), 7.6, 7.10, 7.12 or ARTICLE VIII; or

(ii) any other covenant, condition or agreement contained in this Agreement or other Operative Document (and, if any grace or cure period is expressly applicable thereto as set forth therein, the same shall continue past such grace period) and such failure shall continue for thirty (30) days after the earlier of (i) delivery by the Purchaser to any Credit Party of notice of such non-compliance or (ii) a Responsible Officer of any Credit Party becoming aware of such failure;

(d) any warranty or representation now or hereafter made by any Credit Party herein, in any other Operative Document, or other certificate, report or other delivery required to be made by Company to the Purchaser hereunder, is untrue or incorrect in any material respect (or, in the case of any such representation or warranty that is qualified as to materiality or Material Adverse Effect, untrue or incorrect in any respect) when made or deemed made;

(e) a judgment or order in excess of \$100,000 shall be rendered against any Credit Party (except for judgments which are not a Lien on personal property and which are being contested by such Person in good faith) and such judgment or order shall remain unsatisfied or undischarged and in effect for forty five (45) consecutive days without a stay of

enforcement or execution; provided, that, if such an Event of Default occurs or is reasonably imminent, the Purchaser may satisfy and discharge such judgment on behalf of a Credit Party;

(f) a notice of Lien, levy or assessment is filed or recorded with respect to all or a substantial part of the assets of any Credit Party by the United States, or any department, agency or instrumentality thereof, or by any state, county, municipality or other governmental agency, or any Taxes or debts owing at any time or times hereafter to any one or more of them become a Lien upon all or a substantial part of the assets of the Company, or any Equity Interests pledged to the Purchaser, and (i) such Lien, levy or assessment is not discharged or released or the enforcement thereof is not stayed within forty five (45) days of the notice or attachment thereof, or (ii) if the enforcement thereof is stayed, such stay shall cease to be in effect, provided that this Section 9.1(f) shall not apply to any Liens, levies or assessments which relate to current Taxes not yet due and payable;

(g) there shall occur any loss, theft, substantial damage or destruction of any item or items of assets of the Company which is not fully insured as required by this Agreement, the other Operative Documents or any guarantee (a “**Loss**”), to the extent the amount of such Loss not fully covered by insurance (including any deductible in connection therewith), together with the amount of all other Losses not fully covered by insurance (including any deductibles in connection therewith) occurring in the same Fiscal Year, exceeds \$1,000,000.00;

(h) all or any part of assets of the Company is attached, seized, subjected to a writ or distress warrant, or is levied upon, or comes within the possession of any receiver, trustee, custodian or assignee for the benefit of creditors and on or before forty five (45) days thereafter such assets are not returned to and/or such writ, distress warrant or levy is not dismissed, stayed or lifted and if the amount of such assets or collateral, together with any other assets and collateral that is so attached, seized, subjected to writ or distress warrant or levied upon, exceeds \$1,000,000 at any time;

(i) a proceeding under any bankruptcy, reorganization, arrangement of debt, insolvency, readjustment of debt or receivership law or statute is filed (i) against any Credit Party and an adjudication or appointment is made or order for relief is entered, or such proceeding remains undismissed for a period in excess of forty five (45) days, or (ii) by any Credit Party; any Credit Party makes an assignment for the benefit of creditors; any Credit Party voluntarily or involuntarily dissolves or is dissolved, or terminates or is terminated; any Credit Party takes any corporate, limited liability company or partnership, as applicable, action to authorize any of the foregoing; or any Credit Party becomes insolvent or fails generally to pay its debts as they become due;

(j) the Company or any Subsidiary involuntarily dissolves or is involuntarily dissolved, or involuntarily terminates its existence or involuntarily has its existence terminated;

(k) any Credit Party or any Cannabis License Holder is enjoined, restrained, or in any way prevented by the order of any Governmental Authority from conducting all or any material part of its business affairs, and such order is not dismissed, stayed or discharged within ten (10) Business Days;

(l) as to any Indebtedness of any Credit Party or any other Subsidiary, (i) any Credit Party or any other Subsidiary shall fail to make any payment due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) on any such Indebtedness and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness; (ii) any other default or event of default under any agreement or instrument relating to any such Indebtedness, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument if the effect of such default, event of default or event is to accelerate, or to permit the acceleration of, the maturity of such Indebtedness; or (iii) any such Indebtedness shall be declared to be due and payable or required to be prepaid (other than by a regularly scheduled required payment) prior to the stated maturity thereof;

(m) default (after giving effect to any notice periods applicable thereto) in the payment when due, or in the performance or observance of, any material obligation of, or condition agreed to by, the Company with respect to any material purchase or lease of goods or services in excess of \$5,000,000.00 or which could have a Material Adverse Effect (except only to the extent that Company is contesting the existence of any such default in good faith and by appropriate proceedings), and such failure shall continue for thirty (30) days after the earlier of (i) delivery by the Purchaser to any Credit Party of notice of such default or (ii) a Responsible Officer of any Credit Party becoming aware of such failure;

(n) any Guarantor shall, or shall attempt to, terminate or revoke any of its obligations under the applicable guarantee agreement in favor of the Purchaser in connection with the Obligations or breach any of the terms of such guarantee agreement, or any Person executing a fidelity guaranty in favor of the Purchaser in connection with the Obligations shall, or shall attempt to, terminate or revoke such guaranty;

(o) a Change of Control shall occur;

(p) Any material adverse change in the Business of the Company and its Subsidiaries, from time to time, taken as a whole or the occurrence of any event that is a Material Adverse Effect.

(q) any Person shall, or shall attempt to, terminate, discontinue or revoke any of its obligations under any Operative Document;

(r) the occurrence of an ERISA Event results in, or would reasonably be expected to result in, a Material Adverse Effect or a Lien in excess of \$1,000,000 on the assets of any Credit Party's Property; or

(s) any Operative Document to which any Credit Party is now or hereafter a party shall for any reason cease to be in full force and effect, or any Credit Party shall assert any of the foregoing.

then, when any Event of Default (other than an Event of Default described in clause (h), (i) or above) has occurred and shall be continuing after Purchaser delivers written notice thereof and has not been waived, the principal of the Debenture and the interest accrued thereon and all other

amounts due under any Operative Document (collectively, the “**Other Payments**”), shall, upon written notice from the Purchaser, forthwith become and be due and payable, if not already due and payable, without presentment, further demand or other notice of any kind. If any Event of Default described in clauses (h), (i) or (j) above occurs, the principal of all of the Debenture, the interest accrued thereon and the Other Payments shall immediately become due and payable, without presentment, demand, or notice of any kind. If any principal, installment of interest or Other Payment is not paid in full on the due date thereof (whether by maturity, prepayment or acceleration) or any Event of Default has occurred and is continuing after delivery of written notice, then the outstanding principal balance of the Debenture, any overdue installment of interest (to the extent permitted by applicable law), including interest accruing after the commencement of any proceeding under any bankruptcy or insolvency law and all Other Payments will bear additional interest from the due date of such payment, or from and after an Event of Default, at a rate equal to the lesser of (i) the highest rate allowed by applicable law or (ii) an amount equal to the then applicable interest rate on the Debenture, plus two percent (2%) per annum (such rate being referred to as the “**Default Rate**”), compounded quarterly, until the payment is received or the Event of Default is cured, if permitted, or waived in writing in accordance with the terms hereof. If payment of the Debenture is accelerated, then the outstanding principal balance thereof shall bear interest at the Default Rate from and after the Event of Default. The Credit Parties shall pay to the Purchaser all invoiced out-of-pocket costs, fees and expenses incurred by the Purchaser in any effort to collect the Debenture, and the other payments, including reasonable attorneys’ fees and expenses for services rendered in connection therewith, and pay interest on such costs and expenses to the extent not paid when demanded at the Default Rate.

Without limiting the generality of the foregoing, and in addition thereto, if an Event of Default under clause (a) above has occurred and is continuing after Purchaser delivers written notice thereof and has not been waived, then the Purchaser may declare all or any portion of the outstanding principal amount of the Debenture (together with all accrued interest thereon and all other amounts due and payable with respect thereto) to be immediately due and payable and may demand immediate payment of all or any portion of the outstanding principal amount of the Debenture (together with all such other amounts then due and payable to it).

9.2 Suits for Enforcement. If any Event of Default has occurred and is continuing, the Purchaser may proceed to protect and enforce its rights either by suit in equity or by action at law, or both, whether for the specific performance of any covenant or agreement contained in this Agreement, or in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right or remedy of the Purchaser.

9.3 Delays or Omissions. No failure to exercise or delay in the exercise of any right, power or remedy accruing to the Purchaser upon any breach or default of any Credit Party under this Agreement or any other Operative Document shall impair any such right, power or remedy of the Purchaser nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring.

9 . 4 Remedies Cumulative. All remedies under this Agreement and the other Operative Documents, by law or otherwise, afforded to the Purchaser shall be cumulative and not alternative.

9 . 5 Set-off. If an Event of Default shall have occurred and be continuing, the Purchaser and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by the Purchaser or any such Affiliate, to or for the credit or the account of any Credit Party against any and all of the obligations of such Credit Party now or hereafter existing under this Agreement or any other Operative Document to the Purchaser or any of its Affiliates, irrespective of whether or not the Purchaser or Affiliate shall have made any demand under this Agreement or any other Operative Document and although such obligations of such Credit Party may be contingent or unmatured or are owed to a branch, office or Affiliate of the Purchaser different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness. The rights of the Purchaser and its Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that the Purchaser and its Affiliates may have. The Purchaser agrees to notify the Company and the Purchaser promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

ARTICLE X MISCELLANEOUS

10.1 Consent to Amendments; Waivers. Except as otherwise expressly provided herein, the provisions of this Agreement or the other Operative Documents may be amended, modified, supplemented, waived or consented to at any time only by the written agreement of the Credit Party a party thereto and the Purchaser. Any waiver, permit, consent or approval of any kind or character on the part of the Purchaser of any provisions or conditions of this Agreement or any other Operative Document must be made in writing and shall be effective only to the extent specifically set forth in such writing.

10.2 Survival of Terms. All representations, warranties and covenants contained herein or made in writing by any party in connection herewith will be made as of the Closing Date and each Funding Date, and, as so made, will survive the execution and delivery of this Agreement and any investigation made at any time by or on behalf of the Purchaser.

10.3 Successors and Assigns.

(a) Except as otherwise expressly provided herein, all covenants and agreements contained in this Agreement and the other Operative Documents by or on behalf of any of the parties hereto will bind and inure to the benefit of the respective successors of the parties hereto, whether so expressed or not and by the permitted registered assigns of the parties hereto including, without limitation, any subsequent holders of the Debenture. This Agreement and the rights and obligations of the Purchaser hereunder and under the Debenture may be assigned by the Purchaser; provided, however, that if no Default or Event of Default has

occurred and is continuing, the Company must consent to any such assignment, which consent of the Company shall not be unreasonably conditioned, withheld or delayed and which consent of the Company shall not be required in connection with an assignment to a partner, member or Affiliate of the Purchaser. This Agreement and the rights and obligations of the Credit Parties shall not be assigned without the prior written consent of the Purchaser.

(b) Notwithstanding any other provision contained in this Agreement or any other Operative Document to the contrary, the Purchaser may pledge all or any portion of the Debenture held by it to its unaffiliated lenders for collateral security purposes, provided that any payment in respect of such assignment made by the Company to or for the account of the Purchaser in accordance with the terms of this Agreement shall satisfy the Company's obligations hereunder in respect to such assigned or pledged Debenture to the extent of such payment.

10.4 Severability. Whenever possible, each provision of this Agreement and the other Operative Documents shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement or any other Operative Documents is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement or such other Operative Documents, as applicable, unless the consummation of the transaction contemplated hereby is materially adversely affected thereby.

10.5 Descriptive Headings. The descriptive headings of this Agreement are inserted for convenience of reference only and do not constitute a part of and shall not be utilized in interpreting this Agreement.

10.6 Notices. Any notices required or permitted to be sent hereunder or under any other Operative Documents shall be delivered personally or mailed, certified mail, return receipt requested and postage prepaid, or delivered by commercial overnight courier service, with charges prepaid, to the following addresses, or such other address as any party hereto designates by written notice to the Credit Parties and the Purchaser, and shall be deemed to have been given upon delivery, if delivered personally, three (3) days after mailing, if mailed, or one Business Day after delivery to the courier, if delivered by overnight courier service:

If to any Credit Party, to:

PharmaCo, Inc.
1009 Bruce Rd.
Cottrellville, Michigan 48039
Attention: James Skinner
Electronic Mail: (REDACTED)

With a copy (which shall not constitute Notice) to:

Plunkett Cooney, P.C.
38505 Woodward Ave Suite 100

Bloomfield Hills, Michigan 48304
Attention: (REDACTED)
Electronic Mail: (REDACTED)

If to the Purchaser, to:

MichiCann Medical Inc.
8820 Jane Street
Concord, Ontario L4K 2M9
Canada
Attention: Michael Marchese
Electronic Mail: (REDACTED)

With a copy to:

Honigman Miller Schwartz and Cohn LLP
222 N. Washington Square, Suite 400
Lansing, Michigan 48933
Attention: (REDACTED)
Electronic Mail: (REDACTED)

Any party may change the address to which notices to it are to be sent by written notice given to the other parties hereto.

10.7 Governing Law. All questions concerning the construction, validity and interpretation of this Agreement, the other Operative Documents and the exhibits and schedules hereto and thereto shall be governed by the internal law, and not the law of conflicts, of the State of Michigan, applicable to contracts made and wholly to be performed in that state.

10.8 Exhibits and Schedules. All exhibits and schedules hereto are an integral part of this Agreement.

10.9 Exchange, Transfer, or Replacement of Debenture.

(a) Subject to any restrictions on transfer contained in this Agreement, upon surrender by any holder to the Company of any certificate or instrument evidencing securities of the Company, together in each case with a duly executed assignment (including, without limitation, any of the Debenture) (collectively, the “**Securities**”), the Company at its own expense will issue (or cause to be issued) in exchange therefor and deliver to such holder, a new certificate(s) or instrument(s) evidencing such Securities that are being exchanged, in such denominations as may be requested by the holder. Upon surrender for transfer of any of the Debenture, the Company at its own expense will execute and deliver, in the name of the transferee designated by the then holder of the Debenture, one or more debentures of the same type and of a like aggregate principal amount. All debentures issued upon any exchange or transfer, upon issuance, will be the legal and valid obligations of the Company, evidencing the same debt, and entitled to the same benefits as the note surrendered for transfer or exchange.

(b) Upon receipt of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of any security of the Company, at its expense, will issue and deliver to the holder a new security of like tenor, in lieu of such lost, stolen, destroyed or mutilated security. Any new security issued in exchange for, or upon the loss, theft or destruction of the security, all as provided herein, shall be in substantially the form of the security so exchanged, lost, stolen or destroyed.

10.10 Final Agreement; Release. This Agreement, together with the Debenture and all the documents, certificates and charter documents delivered herewith or therewith, constitute the final agreement of the parties concerning the matters referred to herein, and supersedes all prior agreements and understandings. Execution of this Agreement by the Credit Parties constitutes a full, complete and irrevocable release of any and all claims which any Credit Party may have at law or in equity in respect of all prior discussions and understandings, oral or written, relating to the subject matter of this Agreement and the other Operative Documents. The Purchaser shall not be liable to any Credit Party or any other Person on any theory of liability for any special, indirect, consequential or punitive damages.

10.11 Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and such counterparts together shall constitute one instrument. Delivery of an executed signature page of this Agreement by facsimile transmission or electronic transmission shall be as effective as delivery of a manually executed counterpart hereof.

10.12 Taxes; Etc.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Credit Party under any Operative Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of a withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, unless such Tax is a tax on the overall net income of the Purchaser, then the sum payable by the applicable Credit Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the Purchaser receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Credit Parties. The Credit Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Purchaser timely reimburse it for the payment of, any present or future stamp, court or documentary, excise, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of,

from the receipt or perfection of a security interest under, or otherwise with respect to, any Operative Document.

(c) Indemnification by the Credit Parties. The Credit Parties shall jointly and severally indemnify the Purchaser, within ten (10) days after demand therefor, for the full amount of any Taxes other than Taxes imposed on the overall net income of Purchaser (including Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by the Purchaser or required to be withheld or deducted from a payment to the Purchaser and any reasonable and invoiced expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate prepared in good faith, setting forth in reasonable detail the basis for calculating the amount of such payment or liability and delivered to the Company by the Purchaser shall be conclusive absent manifest error.

(d) Evidence of Payments. As soon as practicable after any payment of Taxes by any Credit Party to a Governmental Authority pursuant to this Section, such Credit Party shall deliver to the Purchaser the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Purchaser.

(e) Status of the Purchaser.

(i) If the Purchaser is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Operative Document, it shall deliver to the Company, at the time or times reasonably requested by the Company, such properly completed and executed documentation reasonably requested by the Company as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, the Purchaser, if reasonably requested by the Company, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Company as will enable the Company to determine whether or not the Purchaser is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation shall not be required if in the Purchaser's reasonable judgment such completion, execution or submission would subject the Purchaser to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of the Purchaser.

(f) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all invoiced out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant

Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(g) Survival. Each party's obligations under this Section shall survive any assignment of rights by the Purchaser and the repayment, satisfaction or discharge of all obligations under any Operative Document.

10.13 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall: (i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Purchaser; (ii) subject the Purchaser to any Taxes (other than Taxes imposed on the overall net income of the Purchaser) on the Debenture, or its deposits, reserves, other liabilities or capital attributable thereto; or (iii) impose on the Purchaser any other condition, cost or expense affecting this Agreement or the investment in the Debenture made by the Purchaser; and the result of any of the foregoing shall be to increase the cost to the Purchaser of making, converting to, continuing or maintaining any investment in the Debenture, or to reduce the amount of any sum received or receivable by the Purchaser hereunder (whether of principal, interest or any other amount) then, upon request of the Purchaser, the Company will pay to the Purchaser, as the case may be, such additional amount or amounts as will compensate the Purchaser, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If the Purchaser determines that any Change in Law affecting the Purchaser or its shareholders, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on the Purchaser's capital or on the capital of its shareholders as a consequence of this Agreement, or the Debenture, to a level below that which the Purchaser or its shareholders could have achieved but for such Change in Law (taking into consideration the Purchaser's policies and the policies of its shareholders with respect to capital adequacy), then from time to time the Company will pay to the Purchaser such additional amount or amounts as will compensate the Purchaser or its shareholders for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of the Purchaser prepared in good faith, setting forth in reasonable detail the basis for the calculation of the amount or amounts necessary to compensate the Purchaser or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Company, shall be

conclusive absent manifest error. The Company shall pay the Purchaser the amount shown as due on any such certificate within ten (10) Business Days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of the Purchaser to demand compensation pursuant to this Section shall not constitute a waiver of the Purchaser's right to demand such compensation; provided that the Company shall not be required to compensate the Purchaser pursuant to this Section for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that the Purchaser notifies the Company of the Change in Law giving rise to such increased costs or reductions, and of the Purchaser's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine (9)-month period referred to above shall be extended to include the period of retroactive effect thereof).

10.14 Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement and the other Operative Documents shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement and the other Operative Documents. The parties intend that each representation, warranty, and covenant contained herein shall have independent significance. If any party has breached any representation, warranty or covenant contained herein in any respect or any Event of Default shall occur, the fact that there exists another representation, warranty or covenant or Event of Default relating to the same subject matter (regardless of the relative levels of specificity) which such party has not breached shall not detract from or mitigate the fact that such party is in breach of the first representation, warranty or covenant or that the first Event of Default shall have occurred.

10.15 Further Cooperation. At any time and from time to time, and at its own expense, the Credit Parties shall promptly execute and deliver all such agreements, documents and instruments, and do all such acts and things, as the Purchaser reasonably may request in order to further effect the purposes of this Agreement.

10.16 WAIVERS BY THE CREDIT PARTIES. EXCEPT AS OTHERWISE PROVIDED FOR IN THIS AGREEMENT OR AS REQUIRED BY APPLICABLE LAW, (A) EACH OF THE CREDIT PARTIES WAIVES PRESENTMENT, DEMAND AND PROTEST, AND NOTICE OF PRESENTMENT WITH RESPECT TO THIS AGREEMENT OR THE DEBENTURE AND (B) EACH PARTY HERETO WAIVES ITS RIGHT TO A JURY TRIAL IN THE EVENT OF ANY LITIGATION INSTITUTED IN RESPECT OF THIS AGREEMENT, THE DEBENTURE OR ANY OF THE OTHER OPERATIVE DOCUMENTS. EACH PARTY HERETO ACKNOWLEDGES THAT THE FOREGOING WAIVERS ARE A MATERIAL INDUCEMENT TO EACH OTHER PARTY'S ENTERING INTO THIS AGREEMENT AND THAT SUCH OTHER PARTY IS RELYING UPON THE FOREGOING WAIVERS IN ITS FUTURE DEALINGS WITH THE OTHER PARTIES. EACH PARTY HERETO WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THE FOREGOING WAIVERS WITH ITS LEGAL COUNSEL AND HAS KNOWINGLY AND VOLUNTARILY WAIVED ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL

COUNSEL. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

10.17 CONSENT TO FORUM. AS PART OF THE CONSIDERATION FOR NEW VALUE RECEIVED, AND REGARDLESS OF ANY PRESENT OR FUTURE DOMICILE OR PRINCIPAL PLACE OF BUSINESS OF THE CREDIT PARTIES OR THE PURCHASER, EACH OF THE CREDIT PARTIES HEREBY CONSENTS AND AGREES THAT THE UNITED STATES DISTRICT COURT OR ANY OTHER COURT HAVING SITUS WITHIN DETROIT, MICHIGAN, SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THE CREDIT PARTIES AND THE PURCHASER PERTAINING TO, ARISING OUT OF, OR RELATING TO THIS AGREEMENT, THE DEBENTURE AND THE OTHER OPERATIVE DOCUMENTS. EACH OF THE CREDIT PARTIES WAIVES ANY OBJECTION BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS. EACH OF THE CREDIT PARTIES HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINT AND OTHER PROCESS MAY BE MADE BY COMPLYING WITH THE PROVISIONS FOR GIVING NOTICE AS SET FORTH IN THIS AGREEMENT. NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO AFFECT THE RIGHT OF THE PURCHASER TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW, OR TO PRECLUDE THE ENFORCEMENT BY THE PURCHASER OF ANY JUDGMENT OR ORDER OBTAINED IN SUCH FORUM OR THE TAKING OF ANY ACTION UNDER THIS AGREEMENT TO ENFORCE SAME IN ANY OTHER APPROPRIATE FORUM OR JURISDICTION.

10.18 Indemnification. The Company shall indemnify the Purchaser and each of its Related Persons (each such Person being called an “**Indemnitee**”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable and invoiced fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including any Credit Party) other than such Indemnitee and its Related Persons arising out of, in connection with, or as a result of (a) the execution or delivery of this Agreement, any other Operative Document, or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (b) any loan or other credit extension or investment or the use or proposed use of the proceeds therefrom, (c) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Credit Party or any of its Subsidiaries, or any environmental liability related in any way to any Credit Party or any of its Subsidiaries, or (d) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Credit Party, and regardless of whether any Indemnitee is a party thereto; provided, that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or

(y) result from a claim brought by the Company against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Operative Document, if the Company have obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

10.19 Patriot Act Notification. The Purchaser hereby notifies the Credit Parties that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies each Credit Party, which information includes the name and address of each Credit Party and other information that will allow the Purchaser to identify each Credit Party in accordance with the Patriot Act.

10.20 Confidential Information. The Purchaser agrees to use commercially reasonable efforts (equivalent to the efforts the Purchaser applies to maintain the confidentiality of its own confidential information) to maintain as confidential all information provided to them by any Credit Party, except that the Purchaser may disclose such information (a) to Persons employed or engaged by the Purchaser or any of their Affiliates in evaluating, approving, structuring or administering the Debenture and to its and its Affiliates' partners (or prospective partners), managers, members (or prospective managers), advisors, counsel and consultants (it being understood that the Persons to whom such disclosure is made will first be informed of the confidential nature of such information and instructed to keep such information confidential); (b) to any assignee or potential assignee that has agreed to comply with the covenant contained in this Section 10.20 (and any such assignee or potential assignee may disclose such information to Persons employed or engaged by them or as otherwise as described in clause (a) above); (c) as required or requested by any federal or state regulatory authority or examiner (including the U.S. Small Business Administration), or any insurance industry association, or as reasonably believed by the Purchaser to be compelled by any court decree, subpoena or legal or administrative order or process; (d) as, on the advice of the Purchaser's counsel, is required by law; (e) in connection with the exercise of any right or remedy under the Operative Documents or in connection with any litigation to which the Purchaser is a party; (f) to any nationally recognized rating agency or investor of the Purchaser that requires access to information about the Purchaser's investment portfolio in connection with ratings issued or investment decisions with respect to such the Purchaser; (g) that ceases to be confidential through no fault of the Purchaser; or (h) with the written consent of a Credit Party. Notwithstanding the foregoing, the Credit Parties consent to the publication by the Purchaser of a tombstone or similar advertising material relating to the financing transactions contemplated by this Agreement, and the Purchaser reserves the right to provide to industry trade organizations information necessary and customary for inclusion in league table measurements.

[Remainder of page intentionally left blank; Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Debenture Purchase Agreement on the date first set forth above.

PURCHASER:

**MICHICANN MEDICAL
INC.**

By: “Michael Marchese”
Name: Michael Marchese
Title: President

COMPANY:

PHARMACO, INC.

By: “ Fernando diCarlo”
Name: Fernando diCarlo
Title: Vice President

EXHIBIT A

Form of Debenture

See attached.

THIS DEBENTURE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF EXCEPT IN COMPLIANCE WITH, OR PURSUANT TO AN EXEMPTION FROM, THE REQUIREMENTS OF SUCH ACT OR SUCH LAWS AND IN COMPLIANCE WITH THE PURCHASE AGREEMENT (AS DEFINED HEREIN).

PHARMACO, INC.

SENIOR SECURED CONVERTIBLE DEBENTURE

Principal Amount: USD\$114,734,209.00

Issue Date: January 4, 2019

PHARMACO, INC., a Michigan corporation (the “**Company**”), for value received, hereby promises to pay to MichiCann Medical Inc., a corporation formed under the laws of the Province of Ontario, Canada or his, her or its permitted assigns or successors (the “**Holder**”), the principal amount of up to One Hundred Fourteen Million Seven Hundred Thirty Four Thousand Two Hundred Nine Dollars (\$114,734,209.00) (the “**Principal Amount**”), without demand, together with any accrued and unpaid interest due thereon, on the Maturity Date (as hereafter defined). This Debenture shall bear interest at a fixed rate of eight percent (8%) per annum, beginning on the Issue Date. Interest shall be computed based on a 360-day year of twelve 30-day months and shall be payable, along with the Principal Amount, only on the Maturity Date. Except as set forth in Section 3.1, payment of all principal and interest due shall be in such coin or currency of the United States of America as shall be legal tender for the payment of public and private debts at the time of payment.

This Debenture is the “Debenture” referred to in that certain Debenture Purchase Agreement (the “**Purchase Agreement**”), between Company and the Holder. The amounts advanced by the Purchaser hereunder shall be advanced in multiple advances in accordance with the Purchase Agreement. Each such advance shall be recorded by the Purchaser in Schedule 1 hereto.

1. DEFINITIONS.

1.1 Definitions. The terms defined in this Section 1 whenever used in this Debenture shall have the respective meanings hereinafter specified. Each capitalized term not defined herein shall have the meaning ascribed to it in the Purchase Agreement.

“**Debenture**” means this Senior Secured Convertible Debenture, as amended, modified or restated from time to time.

“**Conversion Shares**” means the Shares issued or issuable to the Holder upon a conversion pursuant to Section 3.1.

“**Disqualifying Event**” means that a governmental authority has advised the Company or the Holder in writing that the Holder is ineligible under applicable Law to hold any direct or indirect interest in the Company (as a shareholder or otherwise), to become a shareholder of the Company, or to make any loan to the Company (under this Debenture or otherwise).

“**Holder**” or “**Holders**” means the Person named above.

“**Issue Date**” means the issue date stated above.

“**Maturity Date**” shall mean the earlier of (a) the fourth anniversary of the Issue Date, (b) a bankruptcy, liquidation, dissolution or winding up of the Company, (c) any Event of Default set forth in Section 9 of the Purchase Agreement, (d) the effective date of a Change of Control, or (e) the date all of the principal and interest hereunder is converted into Shares of the Company.

“**Outstanding Balance**” means the principal amount outstanding hereunder plus all interest accrued to the relevant date of determination.

“**Person**” means an individual, corporation, partnership, limited liability company, association, trust, joint venture, unincorporated organization or any government, governmental department or agency or political subdivision thereof.

“**Securities Act**” means the United States Securities Act of 1933, as amended.

“**Shares**” means common stock of the Company.

2. GENERAL PROVISIONS.

2.1 Prior Advances. The Company hereby acknowledges and agrees that the Purchaser made the Prior Advances to the Company prior to the date hereof, and that the amount of such Prior Advances is included in the principal amount hereof and shall accrue interest and be subject to prepayment and conversion in the same manner as the rest of the principal amount and accrued interest under this Debenture.

2.2 Loss, Theft, Destruction of Debenture. Upon receipt of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of this Debenture and, in the case of any such loss, theft or destruction, upon receipt of indemnity or security reasonably satisfactory to the Company, or, in the case of any such mutilation, upon surrender and cancellation of this Debenture, the Company will make and deliver, in lieu of such lost, stolen, destroyed or mutilated Debenture, a new Debenture of like tenor and unpaid principal amount dated as of the date hereof. This Debenture shall be held and owned upon the express condition that the provisions of this Section 2.2 are exclusive with respect to the replacement of a mutilated, destroyed, lost or stolen Debenture and shall preclude any and all other rights and remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement of negotiable instruments or other securities without their surrender.

2.3 Prepayment.

(a) This Debenture may not be prepaid by the Company other than as follows: at the election of the Company, the Company may prepay this Debenture by paying the Outstanding Balance in one lump sum of immediately available funds by wire transfer to the account(s) designated by the Holder on the Prepayment Date, provided that:

(i) A Disqualifying Event has not occurred (and such Disqualifying Event has not been waived by the Company);

(ii) The Holder has notified the Holder in writing of its intention to prepay the Outstanding Balance at least 180 days prior to the proposed date of prepayment (the “**Prepayment Date**”);

(iii) The Holder has not submitted to LARA an application seeking permission to convert this Debenture and own the Conversion Shares (the “**Holder Application**”) on or before the Prepayment Date;

(iv) If the Holder has submitted a Holder Application prior to the Prepayment Date, LARA has denied the Holder Application, and all opportunities to correct or revise the application, and all appeals and opportunities to appeal with respect thereto, have been exhausted or expired; and

(v) If LARA has approved the Holder Application, the Holder has not converted the Debenture into the Conversion Shares under Section 3.1 on or prior to the date that is 30 days after the Holder received LARA’s written approval of the Holder Application (provided that, for purposes of determining such date, any delays resulting from the Company’s any of its Affiliates’ actions or inaction in connection with the conversion process under Section 3.1 shall increase the number of days available to the Holder to complete the conversion of the Debenture in an amount determined by the Holder in its reasonable discretion).

(b) In the event of a prepayment of this Debenture under this Section 2.2, this Debenture will be cancelled on the books and records of the Company and shall represent only the right to receive the Outstanding Balance in immediately available funds. Promptly after the Holder’s receipt of the Outstanding Balance in accordance with this Section 2.2, the Holder shall deliver to the Company the original executed Debenture and such other documents, instruments and agreements as may be reasonably requested by the Company in furtherance of such prepayment.

2.4 Advances.

(a) The attached Schedule 1 shows the date and amount of each advance made hereunder, and such schedule shall be maintained and updated as needed by Purchaser and will be presumed correct absent manifest error.

3. CONVERSION OF DEBENTURE.

3.1 Conversion.

(a) The Holder has the right (the “**Conversion Right**”), from time to time and at any time on or prior to 5:00 p.m. (Eastern time) on the earlier of the Business Day immediately preceding (i) the Maturity Date and (ii) the date described in Section 2.3(a)(v), to convert all of the Outstanding Balance into all of the then issued and outstanding Shares, at a price equal to the Outstanding Balance divided by the total number of Shares then issued and outstanding (the “**Conversion Price**”). Any such conversion completed under this Debenture is a “**Conversion**”.

(b) Notwithstanding the foregoing, the Conversion is subject to, and shall be effective only upon, the Holder and the Company having obtained all required Permits from Governmental Authorities in connection with the Holder’s ownership of the Conversion Shares, including, without limitation, all required Cannabis Licenses or related Permits issued by LARA, but excluding any Permit or other requirement which arises or may arise under any Excluded Law (collectively, the “**Required Regulatory Approvals**”). The Company hereby covenants and agrees (x) to cooperate fully and in good faith with the Holder’s efforts to obtain all Required Regulatory Approvals and to obtain any such Required Regulatory Approvals for its own behalf, to the extent required or advisable under applicable Law, and (y) not to hinder, obstruct or intentionally delay any of the Holder’s efforts to obtain any Required Regulatory Approval.

(c) **Other Conversion Requirements.** The Company shall do (and cause to be done) everything required and desirable or advisable under applicable Law and the Operative Documents to cause the Holder to own all of the issued and outstanding Shares of the Company effective simultaneously with the Conversion, including, without limitation, delivering to the Holder all outstanding Shares of the Company in accordance with the Put/Call Agreement.

(d) **Cancellation.** Upon and as of the date a Conversion becomes effective, this Debenture will be cancelled on the books and records of the Company and shall represent the right to receive the Conversion Shares. Promptly upon the Company’s request following such cancellation, the Holder shall deliver to the Company the original executed Debenture and such other documents, instruments and agreements as may be reasonably requested by the Company in furtherance of such Conversion.

3.2 Confirmation of Issuance of Securities Upon Conversion.

(a) As soon as is practicable after the Conversion Date, the Company shall deliver to the Holder a statement confirming that the Conversion Shares have been issued to the Holder.

(b) Upon conversion of this Debenture, the Company shall take all such actions as are necessary in order to ensure that the Conversion Shares so issued upon such conversion shall be validly issued, fully paid and nonassessable.

4. STATUS; RESTRICTIONS ON TRANSFER.

4.1 Status of Debenture. This Debenture is a direct, general and unconditional obligation of the Company, and constitutes a valid and legally binding obligation of the Company, enforceable in accordance with its terms subject, as to enforcement, to Debtor Relief Laws. This Debenture does not confer upon the Holder any right to vote or to consent or to receive notice as a member of the Company, as such, in respect of any matters whatsoever, or any other rights or liabilities as a member, prior to conversion hereof into Conversion Shares.

4.2 Restrictions on Transferability.

(a) The Holder agrees that this Debenture may not be sold, transferred, exchanged, assigned, gifted, conveyed, pledged, encumbered, hypothecated or otherwise disposed of, whether directly or indirectly, voluntarily or involuntarily, conditionally or unconditionally, by change of control, operation of law or otherwise, except as provided in the Purchase Agreement, and any attempt or purported sale, transfer, exchange, assignment, gift, conveyance, pledge, encumbrance, hypothecation or disposal in contravention of this Section 4.2(a) shall be null and void ab initio.

(b) This Debenture and any Conversion Shares issued with respect to this Debenture have not been registered under the Securities Act, or under any state securities or so-called “blue sky laws,” and may not be offered, sold, transferred, hypothecated or otherwise assigned except (i) pursuant to a registration statement with respect to such securities which is effective under the Act or (ii) upon receipt from counsel satisfactory to the Company of an opinion, which opinion is satisfactory in form and substance to the Company, to the effect that such securities may be offered, sold, transferred, hypothecated or otherwise assigned (x) pursuant to an available exemption from registration under the Act and (y) in accordance with all applicable state securities and so-called “blue sky laws.”

(c) In addition, this Debenture shall be subject to the restrictions on transfer set forth in the Purchase Agreement.

(d) The Holder further consents that the certificates representing the Conversion Shares that may be issued with respect to this Debenture, if any, may bear a restrictive legend to such effect.

(e) The Holder agrees to be bound by all restrictions on transfer set forth in this Section 4.2.

5. EVENTS OF DEFAULT; REMEDIES.

5.1 Effects of Default. If an Event of Default occurs and is continuing, then and in every such case (a) the Holder may declare this Debenture to be due and payable immediately, by a notice in writing to the Company, and upon any such declaration, the Company shall pay to the Holder the Outstanding Balance, or (b) the Holder may take any other action available to it under the Operative Documents, by law or otherwise.

5 . 2 Remedies Not Waived; Exercise of Remedies. No course of dealing between the Company and the Holder or any delay in exercising any rights hereunder shall operate as a waiver by the Holder. No failure or delay by the Holder in exercising any right, power or privilege under this Debenture shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Applicable Law.

6. MISCELLANEOUS.

6.1 Severability. If any provision of this Debenture shall be held to be invalid or unenforceable, in whole or in part, neither the validity nor the enforceability of the remainder hereof shall in any way be affected.

6 . 2 Notice. Where this Debenture provides for notice of any event, such notice shall be given (unless otherwise herein expressly provided) in writing in accordance with Section 10.6 of the Purchase Agreement.

6 . 3 Governing Law. All questions concerning the construction, validity and interpretation of this Debenture shall be governed by the internal law, and not the law of conflicts, of the State of Michigan, applicable to contracts made and wholly to be performed in that state.

6 . 4 Headings. The headings of the Articles and Sections of this Debenture are inserted for convenience only and do not constitute a part of this Debenture.

6 . 5 Amendments. This Debenture may be amended or waived only as provided in Section 10.1 of the Purchase Agreement.

SIGNATURES ON THE FOLLOWING PAGE

IN WITNESS WHEREOF, the Company and the Holder have caused this Debenture to be signed by their duly authorized representatives on the date hereinabove written.

PHARMACo INC.

By: _____
Name: _____
Title: _____

ACKNOWLEDGED AND AGREED:

HOLDER:

(Printed Name of the Holder)

(Signature: by authorized officer if a corporation; by authorized member or manager if a limited liability company; by general partner if a partnership; by owner of a sole proprietorship; by the trustee if a trust, by the Holder if an individual)

(Title, if signing on behalf of an entity)

SIGNATURE PAGE TO SENIOR SECURED CONVERTIBLE DEBENTURE

29475775

Schedule 1

[illegible]

SCHEDULE 1.1(a)

Cannabis License Applications

1. Entity/Individual Prequalification Application Packet (Record # ERGA-18-000091) and Marihuana Facility License Application (Record # GRA-C-18-000014).

SCHEDULE 1.1(b)

Mortgaged/Leased Property

1. 20561 Dwyer Street, Detroit, Michigan 48234.
2. 33493 W. 14 Mile Road, Suite 100, Farmington Hills, MI 48331.

SCHEDULE 5.2

Equity Ownership

Credit Party	Authorized Equity Interests
Pharmaco, Inc.	60,000 common shares

Person Owning Equity Interests	Issued and Outstanding Equity Interests
Darrell Blalock	1,120 common shares
James Skinner	17,200 common shares
Oakshire Holdings Limited	30,000 common shares

SCHEDULE 5.3

Government Consents

None.

SCHEDULE 5.5

Litigation

None.

SCHEDULE 5.8

ERISA Compliance

None.

SCHEDULE 5.12

Closing Date Financial Statements

To be attached.

Pharmaco, Inc.
Pro Forma Closing Balance Sheet
January 4, 2019

Assets

Cash	\$17,139,919
Investment in Inventory	15,547
Acquisition Deposits	6,657,921

Total Assets	<u>\$23,813,387</u>
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Liabilities and Equity

Debenture Payable	\$21,300,778
Advances from Oakshire Holdings Limited	3,699,895
Capital Stock	50,000
Redemption Premium Paid	(445,000)
Deficit	(792,286)

Total Liabilities and Equity	<u>\$23,813,387</u>
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**Pharmaco, Inc. Statement of
Operating Loss
For the Year Ended December 31, 2018**

Expenses

Consulting Fees	\$332,260
Professional Services Fees	85,772
Business Licenses and Permits	35,117
Insurance	17,198
Occupancy	11,400
Travel	9,125
Charitable Contributions	9,059
Office Operating	4,692
Technology	3,806
Promotional	1,909
Other	1,156

Operating Loss for the Year	511,494
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Deficit, Beginning of Year	280,792
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Deficit, End of Year	<u>\$792,286</u>
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SCHEDULE 5.17

Patents, Trademarks, Copyrights and Service Marks

None.

SCHEDULE 5.18

Subsidiaries

None.

SCHEDULE 5.19

Broker's Fees

None.

SCHEDULE 8.1

Liens

None.

SCHEDULE 8.2

Indebtedness

None.

SCHEDULE 8.5

Investments

None.

SCHEDULE 8.6

Transactions with Affiliates

None.

PUT/CALL OPTION AGREEMENT

THIS PUT/CALL OPTION AGREEMENT (the “**Agreement**”) is made this 4th day of January, 2019 by and between MICHICANN MEDICAL INC., a corporation incorporated under the laws of the Province of Ontario (“**MichiCann**”), JAMES SKRINNER, an individual resident in the State of Michigan (“**Party 1**”), DARRELL BLALOCK, an individual resident in the State of Michigan (“**Party 2**”), OAKSHIRE HOLDINGS LIMITED, a corporation incorporated under the laws of the Province of Ontario (“**Party 3**”, together with Party 1 and Party 2, the “**PharmaCo Shareholders**”) and PHARMACO INC., a corporation incorporated under the laws of the State of Michigan (“**PharmaCo**”).

CONTEXT OF THIS AGREEMENT

A . MichiCann has purchased a senior secured convertible debenture of PharmaCo in the principal amount of up to USD \$114,685,617.37 (the “**Debenture**”) on the date hereof.

B . Party 1 is the owner of 17,200 common shares of PharmaCo (“**PharmaCo Shares**”) representing 35.596% of the total PharmaCo Shares, Party 2 is the owner of 1120 PharmaCo representing 2.318% of the total PharmaCo Shares and Party 3 is the owner of 30,000 PharmaCo representing 62.086% of the total PharmaCo Shares. Collectively, the PharmaCo Shareholders are the owners of 48,320 PharmaCo Shares representing 100% of the total PharmaCo Shares.

C . In connection with MichiCann’s purchase of the Debenture, the parties wish to provide for certain put and call options with respect to the PharmaCo Shares, all on the terms and conditions set out in this Agreement.

FOR GOOD AND VALUABLE CONSIDERATION , the receipt and adequacy of which is acknowledged, the parties agree as follows:

1. Definitions and Interpretative Terms

In this Agreement, capitalized words shall have the meanings set out in Schedule 1 and the parties agree that this Agreement shall be interpreted in accordance with the provisions of Schedule 1. Schedule 1 is incorporated by reference into this Agreement and is deemed to be a part thereof.

2. MichiCann’s Call Right

- a) Upon entering into this Agreement, MichiCann shall have the right, but not the obligation, at its sole discretion, to purchase all, but not less than all, of the PharmaCo Shares held by the PharmaCo Shareholders (the “**Call Right**”) for the Option Price.
 - b) The Call Right shall be exercised by MichiCann by the delivery of a written notice (the “**Call Notice**”) to the PharmaCo Shareholders.
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- c) The closing of the exercise of the Call Right shall take place as provided in Section 7 below and shall be subject to LARA and other regulatory approvals.

3. **PharmaCo Shareholders' Put Right**

- a) Upon entering into of this Agreement, and subject to Section 3.b) herein, each PharmaCo Shareholder shall have the right, but not the obligation, at its sole discretion, to sell to PharmaCo all, but not less than all, of the PharmaCo Shares held by it (the "**Put Right**") for the Option Price.
- b) The Put Right may only be exercised by a PharmaCo Shareholder upon MichiCann becoming a supplementary applicant on the PharmaCo License following an amendment to the Michigan Medical Marihuana Facilities Licensing Act or accompanying rules and regulations that increase the ownership threshold for supplemental applicants to a minimum of 10%.
- c) The Put Right shall be exercised by a PharmaCo Shareholder by the delivery of a written notice (the "**Put Notice**") to MichiCann.
- d) The closing of the exercise of the Put Right shall take place as provided in Section 6 below.

4. **Adjustment of the Number of MichiCann Shares**

- a) The number of MichiCann Shares to be issued to PharmaCo Shareholders upon exercise of the Call Right or the Put Right, as the case may be, may be subject to adjustment in the following events only and in the manner following:
 - (i) in the event of a subdivision of MichiCann Shares as constituted on the date hereof, at any time while the Call Right or the Put Right is in effect, into a greater number of MichiCann Shares, MichiCann will thereafter deliver at the closing of the exercise of the Call Right or the Put Right, as the case may be, in addition to the number of Conversion Shares in respect of which the right to purchase is then being exercised, such additional number of MichiCann Shares pro rata as result of the subdivision without PharmaCo Shareholder(s) making any additional payment or giving any other consideration therefor;
 - (ii) in the event of a consolidation of the MichiCann Shares as constituted on the date hereof, at any time while the Call Right or the Put Right is in effect, into a lesser number of MichiCann Shares, MichiCann will thereafter deliver and PharmaCo Shareholder(s) will accept, at the closing of the exercise of the Call Right or the Put Right, as the case may be, in lieu of the number of Conversion Shares in respect of which the right is then being exercised, the lesser number of MichiCann Shares pro rata as result from the consolidation;

- (iii) in the event of any change of MichiCann Shares as constituted on the date hereof, at any time while the Call Right or the Put Right is in effect, the MichiCann will thereafter deliver at the closing of the exercise of the Call Right or the Put Right, as the case may be, the number of shares resulting from the change as a PharmaCo Shareholder would have been entitled to receive in respect of the number of MichiCann Shares pro rata subject to the Call Right or the Put Right, as the case may be, had the Call Right or the Put Right, as the case may be, been exercised before such change;
- (iv) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of MichiCann, a consolidation, merger or amalgamation of MichiCann with or into any other company or a sale of the property of MichiCann as or substantially as an entirety at any time while the Call Right or the Put Right is in effect, a PharmaCo Shareholder will thereafter receive, in lieu of the Conversion Shares immediately theretofore purchasable and receivable upon the exercise of the Call Right or the Put Right, as the case may be, the kind and amount of shares and other securities and property equal in value, as a result upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which a PharmaCo Shareholder would have received had the capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale of MichiCann, as the case may be, not occurred. The subdivision or consolidation of MichiCann Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of MichiCann for the purposes of this section;
- (v) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;
- (vi) notwithstanding anything contained herein or by law to the contrary, any dilution or reduction in the number of Conversion Shares to be issued to the PharmaCo Shareholders shall only be done on pari passu basis with the existing shareholders of MichiCann as of the date of the event giving rise to such dilution or reduction; and
- (vii) if any questions arise at any time with respect to the Option Price or number of MichiCann Shares deliverable upon exercise of the Put Right or the Call Right in any of the events set out in this section, such questions will be conclusively determined by a mutually acceptable certified public accounting firm in Detroit, Michigan and who will be granted access to all appropriate records and such determination will be binding upon the Parties.

5. Representations and Warranties of Each PharmaCo Shareholder

Each PharmaCo Shareholder jointly and severally represents and warrants to MichiCann, acknowledging that MichiCann is relying on such representations and warranties in connection with the entering into of this Agreement and completing the transactions contemplated thereby:

a) The authorized capital of PharmaCo is 60,000 common shares of which 60,000 PharmaCo Shares are issued and outstanding as at the date of this Agreement. Each PharmaCo Shareholder owns and is the holder of record of the PharmaCo Shares set out in the recitals hereto free and clear of all encumbrances. No Person has any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase of any PharmaCo Shares.

b) Each PharmaCo Shareholder has full capacity and authority to enter into this Agreement and to take, perform or execute all proceedings, acts and instruments necessary or advisable to consummate the actions and transactions contemplated in this Agreement and to fulfil its respective obligations under this Agreement.

c) PharmaCo is a corporation existing under the laws of the State of Michigan, and is registered or otherwise qualified to carry on business in all jurisdictions in which the nature of its assets or business makes such registration or qualification necessary or advisable.

d) None of the execution nor delivery of this Agreement, the consummation of the transactions contemplated hereby, or compliance with and fulfilment of the terms and provisions of this Agreement will:

(i) conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under:

(A) any of the constating documents or by-laws of PharmaCo; or

(B) any instrument, agreement, mortgage, judgment, order, award, decree or other instrument or restriction to which such PharmaCo Shareholder or PharmaCo is a party of or by which any of them is bound; or

(ii) require any affirmative approval, consent, authorization or other order or action by any court, governmental authority or regulatory body or by any creditor of such PharmaCo Shareholder or PharmaCo or any party to any agreement to which such PharmaCo Shareholder or PharmaCo is a party or by which it is bound, except as shall have been previously obtained.

e) This Agreement and other instruments contemplated herein, when executed, will constitute, legal, valid and binding obligations of each PharmaCo Shareholder and PharmaCo, enforceable against each PharmaCo Shareholder and PharmaCo in accordance with the terms hereof and thereof subject, however, to limitations with respect to enforcement imposed in

connection with laws affecting the rights of creditors generally including, without limitation, applicable bankruptcy, insolvency, moratorium, re-organization or other similar laws, and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.

f) Each of the Operative Documents to which PharmaCo is a party constitutes the legal, valid and binding obligations of PharmaCo, enforceable against in accordance with their respective terms, except as enforceability may be limited by applicable Debtor Relief Laws or by equitable principles relating to enforceability.

g) Except as specifically disclosed, there are no actions, suits, proceedings, claims or disputes pending, or to the knowledge of each PharmaCo Shareholder, threatened, at law, in equity, in arbitration or before any Governmental Authority, against PharmaCo or any of its properties or assets. No injunction, writ, temporary restraining order or any order of any nature has been issued by any court or other Governmental Authority purporting to enjoin or restrain the execution, delivery or performance of this Agreement, any other Operative Document, or directing that the transactions provided for herein or therein not be consummated as herein or therein provided.

h) Neither PharmaCo nor any Subsidiary or their respective properties or assets is in violation of (nor will the continued operation of their material properties and assets as currently conducted violate) any Law other than any Excluded Law and Cannabis Law or any restriction of record or agreement affecting any Mortgaged Property, or is in default with respect to any judgment, writ, injunction or decree of any Governmental Authority, where such violation or default could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

i) PharmaCo, each of its Subsidiaries and each Cannabis License Holder is in compliance with all Cannabis Laws that are applicable to such Person and its businesses and all Cannabis Licenses. None of PharmaCo, any of its Subsidiary or any Cannabis License Holder or their respective properties or assets is in violation of (nor will the continued operation of their material properties and assets as currently conducted violate) any Cannabis Law, or is in default with respect to any judgment, writ, injunction or decree of any Governmental Authority with respect to any Cannabis Law. Neither PharmaCo nor any Subsidiary has received any notice or communication from any Person or Governmental Authority in the United States or any state or municipality thereof alleging a defect, default, violation, breach or claim in respect of any of its or their Cannabis License or Cannabis License Application. Each PharmaCo Shareholder does not have knowledge of or anticipate any variations or difficulties in the renewal of any of PharmaCo's or any Cannabis License. All product research and development activities, including quality assurance, quality control, testing, and research and analysis activities, conducted by PharmaCo, any Subsidiary and, to the knowledge of each PharmaCo Shareholder, any Cannabis License Holder and any Person in which PharmaCo directly or indirectly holds an investment, in connection with their business is being conducted in accordance with industry standard practices and in compliance, in all material respects, with all industry, laboratory safety, management and training standards applicable to its current and proposed business, and all such processes,

procedures and practices, required in connection with such activities are in place as necessary and are being complied with, in all material respects.

j) PharmaCo, each Subsidiary, each Cannabis License Holder and, to the knowledge of each PharmaCo Shareholder, each Person in which PharmaCo directly or indirectly holds an investment, has security measures and safeguards in place to protect personal information it collects from registered patients and customers and other parties from illegal or unauthorized access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of third parties. PharmaCo and, to the knowledge of each PharmaCo Shareholder, each Cannabis License Holder and any Person in which PharmaCo directly or indirectly holds an investment, have complied, in all material respects, with all applicable privacy and consumer protection legislation and none has collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by privacy laws, whether collected directly or from third parties, in an unlawful manner.

k) Each PharmaCo Shareholder has no knowledge of any pending or threatened change in any Law governing PharmaCo, any Cannabis License Holder or any Person in which PharmaCo or any Subsidiary has an investment which could reasonably be expected to have a Material Adverse Effect.

l) Each PharmaCo Shareholder has no knowledge of any licensing or legislation, regulation, by-law or other lawful requirement of any Governmental Authority having lawful jurisdiction over PharmaCo, any Subsidiary, any Cannabis License Holder or any Person in which PharmaCo or any Subsidiary has an investment presently in force or, to its knowledge, proposed to be brought into force, or any pending or contemplated change to any Law, licensing or regulation, by-law or other lawful requirement of any Governmental Authority having lawful jurisdiction over PharmaCo, any Subsidiary, any Cannabis License Holder or any Person in which PharmaCo or any Subsidiary has an investment presently in force, that PharmaCo anticipates that it, any Subsidiary, any Cannabis License Holder or any Person in which PharmaCo or any Subsidiary has an investment, as applicable, will be unable to comply with or which could reasonably be expected to have a Material Adverse Effect.

m) As of (i) the Closing Date, (ii) the date on which any real property is acquired or leased by PharmaCo or a Subsidiary and (iii) the applicable date of the delivery of Mortgages, PharmaCo has or will have (A) good and marketable fee simple title to, or valid leasehold interests in, or easements or other limited property interests in, all its real Properties (including all Mortgaged Properties) and (B) good title to its personal property and assets, in each case, except for Permitted Liens. The Mortgaged Properties are free from defects that materially adversely affect, or could reasonably be expected to materially adversely affect, the Mortgaged Properties' suitability, taken as a whole, for the purposes for which they are contemplated to be used (as contemplated under the Operative Documents). Each parcel of real property and the use thereof (as contemplated under the Operative Documents) complies in all material respects with all applicable Laws (including building and zoning ordinances and codes) and with all insurance

requirements except such failure which would not reasonably be expected to have a Material Adverse Effect.

n) As of the Closing Date (i) PharmaCo and any Subsidiaries have complied in all material respects with all obligations under all material leases to which it is a party, (ii) all leases to which they are a party are legal, valid, binding and in full force and effect and are enforceable in accordance with their terms, except where such failure would not reasonably be expected to have an Material Adverse Effect and (iii) neither PharmaCo nor any of its Subsidiaries has defaulted, or with the passage of time would be in default, under any leases to which it is a party, except for such defaults as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. PharmaCo and any Subsidiaries enjoy peaceful and undisturbed possession under the leases to which they are a party, except for leases in respect of which the failure to enjoy peaceful and undisturbed possession would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. No claim is being asserted or, to the knowledge of each PharmaCo Shareholder, threatened, with respect to any lease payment under any lease other than any such Lien or claim that would not reasonably be expected to have a Material Adverse Effect.

o) As of the Closing Date, none of PharmaCo or any Subsidiaries have received any written notice of, nor is there, to the knowledge of each PharmaCo Shareholder, any pending, threatened or contemplated condemnation proceeding affecting any portion of the Mortgaged Properties in any material respect or any sale or disposition thereof in lieu of condemnation.

p) As of the Closing Date, none of PharmaCo or any Subsidiaries are obligated under any right of first refusal, option or other contractual right to sell, assign or otherwise dispose of any Mortgaged Property or any interest therein.

q) Each Mortgaged Property is served by installed, operating and adequate water, electric, gas, telephone, sewer, sanity sewer, storm drain facilities and other public utilities necessary for the uses contemplated under the Operative Documents to the extent required by applicable Law, except such failure to be served that would not reasonably be expected to cause a Material Adverse Effect.

r) PharmaCo and each Subsidiary has filed all Tax returns and reports required to be filed, and has paid all Taxes, assessments, fees and other governmental charges levied or imposed upon it or its Properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently prosecuted and for which adequate reserves have been provided in accordance with GAAP. There is no Tax assessment proposed in writing by a Governmental Authority against PharmaCo or any Subsidiary that would, if the assessment were made, be reasonably expected to have a Material Adverse Effect.

s) All of PharmaCo's point of sale systems equipment is in good operating condition and repair, ordinary wear and tear and normal repairs and replacements excepted, are usable in the Ordinary Course of Business and have been installed and maintained in accordance with all applicable Laws, regulations, ordinances and normal industry practice and are suitable for the

purposes for which they are presently used. All reports generated by PharmaCo's point of sale systems are true, accurate and complete in all respects of the date generated.

t) All balance sheets and the related statements of income and shareholder equity delivered to MichiCann (the "**PharmaCo Historical Financial Statements**") are true, accurate and complete in all respects. The PharmaCo Historical Financial Statements fairly present in all material respects the assets, liabilities and financial position of PharmaCo and its results of operations and changes in financial position and cash flows as of the respective dates and for the periods specified. The PharmaCo Historical Financial Statements are consistent with the books and records of PharmaCo, which books and records are accurate and complete in all material respects. PharmaCo has made and kept true, correct and complete books and records and accounts, which accurately and fairly reflect, in reasonable detail, the activities of PharmaCo in all material respects and which have been maintained in accordance with sound business practices and applicable law. There has been no material change in the accounting methods or practices of PharmaCo since the earliest date covered by the PharmaCo Historical Financial Statements.

u) Since January 1, 2018, there has been no Material Adverse Effect.

v) Neither PharmaCo nor any Subsidiary has any Indebtedness (other than as permitted by MichiCann) or any Contingent Obligations (other than as permitted by MichiCann). PharmaCo has delivered to MichiCann the pro forma balance sheet of PharmaCo and its Subsidiaries as of the Closing Date after giving effect to the issuance of the Debenture and statement of income for the period ending November 30, 2018 (the "**Closing Date Financial Statements**"). The Closing Date Financial Statements presents fairly in all material respects, the financial position of PharmaCo and the Subsidiaries as of the Closing Date, subject to changes occurring in the Ordinary Course of Business since November 30, 2018.

w) The operations of PharmaCo and each Subsidiary comply in all respects with all Environmental Laws, except where the failure to comply therewith, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. PharmaCo and each Subsidiary has obtained all licenses, permits, authorizations and registrations required under any Environmental Law ("**Environmental Permits**") and necessary for its respective Ordinary Course of Business, all such Environmental Permits are in good standing, and PharmaCo and each Subsidiary is in compliance with all material terms and conditions of such Environmental Permits, except whether the failure to do so, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Neither PharmaCo nor any Subsidiary, nor any of their respective present Property or operations, is subject to any outstanding written order from or agreement with any Governmental Authority, or subject to any judicial or docketed administrative proceeding, respecting any Environmental Law, Environmental Claim or Hazardous Material. Neither PharmaCo nor any Subsidiary has received any written notice that alleges any of them is in violation of or potentially liable under any Environmental Laws. There are no Hazardous Materials or other environmental conditions or circumstances existing with respect to any real Property owned, leased or operated by PharmaCo or any Subsidiary, or, to each PharmaCo Shareholder's knowledge, arising from operations

thereon prior to the Closing Date, except where such Hazardous Materials or other environmental conditions or circumstances, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. In addition, neither PharmaCo nor any Subsidiary has any underground storage tanks that are (a) not properly registered or permitted under applicable Environmental Laws or (b) to each PharmaCo Shareholder's knowledge, leaking or releasing Hazardous Materials. There are no facts, circumstances or conditions arising out of or relating to PharmaCo, its Subsidiaries or any of their respective operations or any facilities currently or formerly owned, leased or operated, or by any of PharmaCo or its Subsidiaries that could reasonably be expected to require investigation, remedial activity, corrective action or cleanup by, or on behalf of, PharmaCo or any Subsidiary or could reasonably be expected to result in any material Environmental Claim.

x) All representations and warranties of PharmaCo, the PharmaCo Shareholders, any Subsidiary or any other party (other than MichiCann) to any Operative Document contained in any Operative Document are true and correct in all material respects (except to the extent such representations and warranties expressly refer to a specific date, in which case they are true and correct in all material respects as of such date).

y) None of PharmaCo, any Subsidiary or any Person controlling any such Person is (a) an "investment company" or required to be registered as an "investment company" within the meaning of the Investment Company Act of 1940; or (b) subject to regulation under the Federal Power Act, the Interstate Commerce Act, any state public utilities code, or any other Federal or state statute or regulation limiting its ability to incur Indebtedness.

z) There are no strikes, lockouts or other general labor disputes against PharmaCo or any Subsidiary, or, to each PharmaCo Shareholder's knowledge, threatened against or affecting PharmaCo or any Subsidiary, and no significant unfair labor practice complaint is pending against PharmaCo or any Subsidiary or, to the knowledge of each PharmaCo Shareholder, threatened against PharmaCo or any Subsidiary before any Governmental Authority. PharmaCo and each Subsidiary has at all times operated its business in material compliance with all applicable provisions of the Federal Fair Labor Standards Act, as amended.

aa) The Debenture Purchase Agreement identifies as of the Closing Date (a) all United States, state and foreign patents, trademarks, service marks, trade names and copyrights, and all registrations and applications for registration thereof and all licenses thereof, owned or held by PharmaCo or any Subsidiary (other than off-the-shelf licensed software), (b) any material licenses granted to third parties for the use of such intellectual property and (c) the jurisdictions in which such registrations and applications have been filed. Except as otherwise disclosed in the Debenture Purchase Agreement, PharmaCo and each Subsidiary is the sole beneficial owner of, or has the right to use, free from any Lien (other than Liens in favor of MichiCann) or other restrictions, claims, rights, encumbrances or burdens (other than customary restrictions in connection with commercially licensed software), the intellectual property identified in the Debenture Purchase Agreement and all other processes, designs, formulas, computer programs, computer software packages, trade secrets, inventions, product manufacturing instructions, technology, research and development, know-how and all other

intellectual property that are necessary for the operation of PharmaCo's and each Subsidiary's businesses as being operated on the Closing Date. Each patent, trademark, service mark, trade name, copyright and license listed in the Debenture Purchase Agreement is in full force and effect. Except as set forth in the Debenture Purchase Agreement, to the knowledge of each PharmaCo Shareholder (a) none of the present or contemplated products or operations of PharmaCo or any Subsidiary infringes in any material respect any patent, trademark, service mark, trade name, copyright, license of intellectual property or other right owned by any other Person, and (b) there is no pending or, to the knowledge of each PharmaCo Shareholder, threatened claim or litigation against or affecting PharmaCo or any Subsidiary contesting the right of any of them to manufacture, process, sell or use any such product or to engage in any such operation. None of the trademark registrations set forth in the Debenture Purchase Agreement is an "intent-to-use" registration.

bb) As of the Closing Date, PharmaCo has no direct or indirect Subsidiaries or Equity Interests in any other Person other than those set forth in the Debenture Purchase Agreement.

cc) Except as disclosed in the Debenture Purchase Agreement, neither PharmaCo nor any Subsidiary has any obligation to any Person in respect of any finder's, broker's or investment banker's fee or other fee in connection with the transactions contemplated hereby, other than fees payable under any Operative Document.

dd) PharmaCo and each Subsidiary and their respective Properties are insured with financially sound and reputable insurance companies which are not Affiliates of PharmaCo or any Subsidiary, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar Properties in localities where PharmaCo or any Subsidiary operates. A true and complete listing of such insurance, including issuers, coverages and deductibles, has been provided to MichiCann.

ee) None of the representations or warranties made by PharmaCo or any Subsidiary in the Operative Documents as of the date such representations and warranties were made or deemed made, and none of the statements contained in each exhibit, report, statement or certificate furnished by or on behalf of PharmaCo or any Subsidiary in connection with the Operative Documents (including offering and disclosure materials, if any, delivered by or on behalf of PharmaCo or any Subsidiary to MichiCann prior to the Closing Date) contains any untrue statement of a material fact or omits any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading as of the time when made or delivered in light of the circumstances at the time made; provided, that with respect to any forecasts or projections delivered to MichiCann, PharmaCo or each Subsidiary represents only that such information was prepared in good faith based upon assumptions believed to be fair and reasonable at the time in light of current market conditions and that such forecasts or projections are not to be viewed as facts, and that the actual results during such period or periods covered by any such forecasts or projections may differ significantly from projected results.

ff) Neither PharmaCo nor any Subsidiary, nor to each PharmaCo Shareholder's knowledge, any Affiliate of PharmaCo or any Subsidiary, or brokers or other agents of any such Person acting or benefiting in any capacity in connection with the Debenture or other Obligations: (a) is in violation of any laws relating to terrorism or money laundering ("**Anti-Terrorism Laws**"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "**Executive Order**"), and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, signed into law October 26, 2001 (the "**USA Patriot Act**"); (b) is a Person: (i) that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (ii) that is owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (iii) with which MichiCann is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law; (iv) that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order or has done so or plans to do so; or (v) that is named as a "specially designated national and blocked person" on the most current list published by the USA Treasury Department Office of Foreign Assets Control ("**OFAC**") at its official website or any replacement website or other replacement official publication of such list; (c) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in clause (b) above; (d) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order; or (e) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

gg) PharmaCo and its Subsidiaries, taken as a whole (before and after giving effect to the transactions to occur on the Closing Date) (a) are not "insolvent" as that term is defined in Section 101(32) of the Bankruptcy Code, Section 2 of the Uniform Fraudulent Transfer Act ("UFTA") or Section 2 of the Uniform Fraudulent Conveyance Act ("**UFCA**"), (b) do not have "unreasonably small capital," as that term is used in Section 548(a)(1)(B)(II) of the Bankruptcy Code or Section 5 of the UFCA, (c) are not engaged or about to engage in a business or a transaction for which their remaining Property is "unreasonably small" in relation to such business or transaction as that term is used in Section 4 of the UFTA, (d) are not unable to pay their debts as they mature or become due, within the meaning of Section 548(a)(1)(B)(III) of the Bankruptcy Code, Section 4 of the UFTA and Section 6 of the UFCA, and (e) own assets having a value both at "fair valuation" and at "present fair salable value" greater than the amount required to pay their "debts" as such terms are used in Section 2 of the UFTA and Section 2 of the UFCA. PharmaCo and its Subsidiaries, taken as a whole, shall not be rendered insolvent (as such term is defined above) by the execution and delivery of this Agreement or any of the other Operative Documents or by the transactions contemplated hereunder or thereunder.

hh) The Security Agreement will, upon execution and delivery thereof, be effective to create in favor of MichiCann, legal, valid and enforceable Liens on, and security interests in, the collateral described therein to the extent intended to be created thereby, and (1) when financing statements and other filings in appropriate form are filed in each applicable filing office for each applicable jurisdiction and (2) upon the taking of possession or control by MichiCann of such

collateral with respect to which a security interest may be perfected only by possession or control (which possession or control shall be given to MichiCann to the extent possession or control by MichiCann is required by the Security Agreement), the Liens created by the Security Agreement shall constitute fully perfected first-priority Liens on, and security interests in (to the extent intended to be created thereby), all right, title and interest of the grantors in such collateral to the extent perfection can be obtained by filing financing statements or the taking of possession or control, in each case subject to no Liens other than Permitted Liens.

ii) Upon recording thereof in the appropriate recording office, each Mortgage is effective to create, in favor of MichiCann, legal, valid and enforceable perfected Liens on, and security interest in, all of PharmaCo and its Subsidiaries' right, title and interest in and to the Mortgaged Properties and the proceeds thereof, subject only to Permitted Liens, and when the Mortgages are filed in the appropriate recording office, the Mortgages shall constitute fully perfected Liens on, and security interests in, all right, title and interest of PharmaCo and its Subsidiaries in the Mortgaged Properties and the proceeds thereof, in each case prior and superior in right to any other Person, other than Permitted Liens.

jj) All representations and warranties contained in this Agreement or any of the other Operative Documents shall survive the execution and delivery of this Agreement.

6. Representations and Warranties of MichiCann

MichiCann represents and warrants to each Pharmaco Shareholder, acknowledging that each Pharmaco Shareholder is relying on such representations and warranties in connection with the entering into of this Agreement and completing the transactions contemplated thereby:

a) The authorized capital of MichiCann is an unlimited number of common shares of which 39,280,000 common shares are issued and outstanding as at the date of this Agreement. As of the date hereof, no Person has any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase of any shares of MichiCann.

b) MichiCann has full capacity and authority to enter into this Agreement and to take, perform or execute all proceedings, acts and instruments necessary or advisable to consummate the actions and transactions contemplated in this Agreement. All necessary corporate action to authorize execution of this Agreement and effectuate the transactions contemplated herein has been taken.

c) MichiCann is a corporation existing under the laws of the Province of Ontario, and is registered or otherwise qualified to carry on business in all jurisdictions in which the nature of its assets or business makes such registration or qualification necessary or advisable.

d) None of the execution nor delivery of this Agreement, the consummation of the transactions contemplated hereby, or compliance with and fulfilment of the terms and provisions of this Agreement will:

(i) conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under:

(A) any of the constating documents or by-laws of MichiCann; or

(B) any instrument, agreement, mortgage, judgment, order, award, decree or other instrument or restriction to which MichiCann is a party of or by which it is bound; or

(ii) require any affirmative approval, consent, authorization or other order or action by any court, governmental authority or regulatory body or by any creditor of MichiCann or any party to any agreement to which MichiCann is a party or by which it is bound, except as shall have been previously obtained.

e) This Agreement and other instruments contemplated herein, when executed, will constitute, legal, valid and binding obligations of MichiCann, enforceable against MichiCann in accordance with the terms hereof and thereof subject, however, to limitations with respect to enforcement imposed in connection with laws affecting the rights of creditors generally including, without limitation, applicable bankruptcy, insolvency, moratorium, re-organization or other similar laws, and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.

f) In the event of any of the events described in Section 4, MichiCann will promptly (i) advise each Pharmaco Shareholder of such event, including a summary of the transactions and the resulting number of MichiCann Shares to be issued to the Pharmaco Shareholders as the Option Price and (ii) provide each Pharmaco Shareholder with copies of all documents executed in connection with such transaction.

g) As long as the Put Right is outstanding, MichiCann will not, without the prior written consent of the holders of 50.1% or more of the current PharmaCo Shareholders, issue or authorize the issuance of any preferred or other classes of stock or other type of instruments that would grant a preference or priority to any shares to be received by the Pharmaco Shareholders if either the Put Right or the Call Right is exercised.

h) As long as the Put Right is outstanding, MichiCann shall at all times receive or keep available out of its authorized but unissued common stock the maximum number of MichiCann Shares issuable upon the exercise of the Call Right or the Put Right, as the case may be. MichiCann shall also take all such actions as may be necessary or appropriate in order that MichiCann may validly and legally issue fully paid and non-assessable shares of its common stock to the Pharmaco Shareholders upon the exercise of the Put Right or the Call Right.

i) The MichiCann Shares issuable upon the exercise of the Put Right or the Call Right shall be, upon issuance, and MichiCann shall take all such actions as may be necessary or appropriate in order that such shares are, validly issued, fully paid and non-assessable, issued without violation of any pre-emptive or similar rights of any stockholder of MichiCann and free and clear of all taxes, liens and charges.

j) MichiCann shall take all such actions as may be necessary to ensure that all such shares are issued without violation by MichiCann of any applicable law or governmental regulation or any requirements of any domestic securities exchange.

7. Closing

The closing (the “**Closing**”) of the purchase and sale of the PharmaCo Shares pursuant to the exercise of the Call Right or the Put Right provided for in this Agreement shall take place 10 Business Days after the receipt of LARA approval and other regulatory approvals following delivery of the Put Notice or the Call Notice, as the case may be (the “**Closing Date**”). The Closing shall take place at the offices of Honigman, Miller, Schwartz & Cohn LLP in Detroit, Michigan, or such other location as is mutually agreed upon by the Parties. The price payable for the PharmaCo Shares pursuant to this Agreement shall be paid by the issuance by MichiCann of the Share Consideration to the PharmaCo Shareholders on a pro rata basis against delivery of certificates representing the PharmaCo Shares endorsed for transfer.

8. Non-Competition and Non-Solicitation

- a) During the term of this Agreement and for 2 years following any sale of PharmaCo Shares pursuant to the terms of this Agreement, each PharmaCo Shareholder agrees that he, she or it will not, without MichiCann’s prior written approval, directly or indirectly, either as principal, agent, employee, consultant, officer, director, stockholder (except as a holder of 2% or less of the capital stock of a corporation whose securities are publicly traded), partner, member or in any other capacity, engage in or have any financial interest in any business competitive with the business of PharmaCo in the Territory.
- b) During the term of this Agreement and for 2 years following any sale of PharmaCo Shares pursuant to the terms of this Agreement, each PharmaCo Shareholder agrees that he, she or it will not, without MichiCann’s prior written approval, directly or indirectly:
 - (i) contact or solicit any employee, consultant, independent contractor or agent of PharmaCo with the intention or effect of encouraging such party to terminate his, her or its employment, agency or other relationship with PharmaCo or hire any current or former employee, consultant, independent contractor or agent of PharmaCo; or
 - (ii) contact or otherwise solicit, accept business from, or compete for existing or prospective customers or suppliers, licensors or licensees, franchisors or franchisees of PharmaCo with the intention or effect of encouraging such party to terminate or reduce the volume of its business with PharmaCo or place any portion of its business elsewhere.
- c) The restrictions contained in this Section 8 are necessary for the protection of the business and goodwill of PharmaCo and is considered by each PharmaCo

Shareholder to be reasonable for this purpose. Each PharmaCo Shareholder agrees that any breach of this Section 8 will cause PharmaCo substantial and irrevocable damage and therefore, in the event of any such breach, in addition to such other remedies which may be available, PharmaCo will have the right to seek specific performance and injunctive relief.

- d) The obligations of each PharmaCo Shareholder under this Section 8 will survive the termination of this Agreement for any reason whatsoever.

9. Miscellaneous

a) Confidentiality

The parties will hold in confidence and will use their best efforts to have all of their officers, directors and personnel hold in confidence, all knowledge and information with respect to the terms of this Agreement and will not disclose, publish or make use of the same without the consent of the other parties, except:

- (i) to their respective professional advisors;
- (ii) to the extent that such information shall have become public knowledge other than by breach of this Agreement by such party; or
- (iii) as may be required by law.

The parties agree that any party's remedy at law for any breach of this Section would be inadequate and that such party shall be entitled to injunctive relief in addition to any other remedy it may have upon breach of any provision of this Section.

b) Time of Essence

Time is of the essence of this Agreement.

c) Notices

Any notice or other communication required or permitted to be given in connection with this Agreement (the "**Notice**") must be given in writing on a Business Day and may be given by personal delivery, or by e-mail. Any Notice, if given by personal delivery, will be deemed to have been received on the day of actual delivery, if transmitted by e-mail before 5:00 p.m. EST on a Business Day, will be deemed to have been received on that Business Day and if transmitted by e-mail after 5:00 p.m. EST on a Business Day, will be deemed to have been received on the next Business Day.

Notices will be addressed as follows:

To MichiCann: 8820 Jane Street
Concord, Ontario L4K 2M9

Attn: Michael Marchese, President
E-mail: (REDACTED)

To Party 1: c/o 33493 W 14 Mile Road, Suite 100
Farmington Hills, Michigan, 48331
Attn: James Skrinner
E-mail: (REDACTED)

To Party 2: c/o 33493 W 14 Mile Road, Suite 100
Farmington Hills, Michigan, 48331
Attn: Darrell Blalock
E-mail: (REDACTED)

To Party 3: c/o 33493 W 14 Mile Road, Suite 100
Farmington Hills, Michigan, 48331
Attn: Fernando DiCarlo
E-mail: (REDACTED)

d) **Assignment**

This Agreement shall not be assigned by any party without the prior written consent of the others.

e) **Counterparts**

This Agreement may be signed by electronic signature and in counterpart, all of which shall constitute one and the same Agreement and each of which shall constitute an original.

[The remainder of this page is intentionally left blank]

PHARMACO INC.

By: "Fernando DiCarlo"
Name: Fernando DiCarlo
Title: Vice President

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)
)
"Witness" _____) "James Skinner"
Witness _____) James Skinner
)
)
)

)
)
)
"Witness" _____) "Darrel Blalock"
Witness _____) Darrel Blalock
)
)
)

OAKSHIRE HOLDINGS LIMITED

By: "Fernando DiCarlo"
Name: Fernando DiCarlo
Title: CEO

MICHICANN MEDICAL INC.

By: "Michael Marchese"
Name: Michael Marchese
Title: President

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SCHEDULE 1

DEFINITIONS AND INTERPRETATIVE TERMS

1.1 Definitions

“Bankruptcy Code” means the Federal Bankruptcy Reform Act of 1978 (11 U.S.C. §101, et seq.).

“Business Day” means a day other than a Saturday, Sunday or statutory holiday in the Province of Ontario or the State of Michigan.

“Call Notice” is defined in Section 2.b).

“Call Right” is defined in Section 2.a).

“Cannabis Laws” means any Law relating to the farming, growth, production, processing, packaging, sale or distribution of cannabis or any cannabidiol product (other than Excluded Laws).

“Cannabis License” means a Permit issued by any Governmental Authority pursuant to applicable United States state Cannabis Laws;

“Cannabis License Applications” means the applications and other documents which PharmaCo has submitted to a Governmental Authority for the purpose of obtaining a Cannabis License.

“Cannabis License Holder” means any Person to whom a Cannabis License has been issued that (i) is a Subsidiary of PharmaCo, (ii) has a Material Agreement with PharmaCo or any of its Subsidiaries or (iii) has received or is the subject of any investment made by PharmaCo or any of its Subsidiaries as and to the extent permitted by applicable Laws. In the context used, if “Cannabis License Holder” is used in the same list as the term “Subsidiary” or “Subsidiary of PharmaCo”, the meaning of “Cannabis License Holder” shall not include clause (i) of the definition thereof;

“Capital Lease” means, as to any Person, any leasing or similar arrangement which, in accordance with GAAP, is or should be classified as a capital lease on the balance sheet of such Person.

“Capital Lease Obligations” means, as to any Person, all monetary obligations of such Person under any Capital Leases.

“Closing” is defined in Section 6.

“Closing Date” is defined in Section 6.

“Contingent Obligation” means, as to any Person, any direct or indirect liability, contingent or otherwise, of such Person: (a) with respect to any indebtedness, lease,

dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto; (b) with respect to any letter of credit issued for the account of such Person or as to which such Person is otherwise liable for reimbursement of drawings; (c) under any Rate Contracts; (d) to make take-or-pay or similar payments if required regardless of nonperformance by any other party or parties to an agreement; or (e) for the obligations of another through any agreement to purchase, repurchase or otherwise acquire such obligation or any Property constituting security therefor, to provide funds for the payment or discharge of such obligation or to maintain the solvency, financial condition or any balance sheet item or level of income of another Person. The amount of any Contingent Obligation shall be equal to the amount of the obligation so guaranteed or otherwise supported or, if not a fixed and determined amount, the maximum amount so guaranteed or supported.

“Conversion Shares” means the MichiCann Shares issuable to the PharmaCo Shareholders upon exercise of the Call Right or the Put Right, as the case may be.

“Debtor Relief Laws” means the Bankruptcy Code, the Bankruptcy Reform Act of 1996 as amended or any Canadian counterpart, Bankruptcy and Insolvency Act (Canada), the Companies’ Creditors Arrangement Act (Canada), and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

“Debenture Purchase Agreement” means the debenture purchase agreement between PharmaCo and MichiCann.

“Environmental Claims” means all written claims by any Governmental Authority or other Person alleging potential liability or responsibility for violation of any Environmental Law, or for release or injury to the environment or threat to public health, personal injury (including sickness, disease or death), property damage, natural resources damage, or otherwise alleging liability or responsibility for damages (punitive or otherwise), cleanup, removal, remedial or response costs, restitution, civil or criminal penalties, injunctive relief, or other type of relief, resulting from or based upon the presence, placement, discharge, emission or release (including intentional and unintentional, negligent and non-negligent, sudden or non-sudden, accidental or non-accidental, placement, spills, leaks, discharges, emissions or releases) of any Hazardous Material at, in, or from Property, whether or not owned by PharmaCo or any Subsidiary.

“Environmental Laws” means all applicable federal, state or local laws, statutes, common law duties, rules, regulations, ordinances and codes, together with all administrative orders, licenses, authorizations and permits of, and agreements with, any Governmental Authorities, in each case relating to environmental matters and the control,

shipment, storage or disposal of Hazardous Materials, pollutants, environmental contaminants or other toxic or hazardous substances; including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Clean Air Act, the Federal Water Pollution Control Act of 1972, the Solid Waste Disposal Act, the Federal Resource Conservation and Recovery Act, the Toxic Substances Control Act, and/or the Emergency Planning and Community Right-to-Know Act.

“Equity Interests” means the membership interests, partnership interests, capital stock of any class or type or any other equity interests of any type or class of any Person and options, warrants and other rights to acquire, or exercisable or convertible into, membership interests, partnership interests, capital stock or other equity interests of any type or class or any other equity interest of such Person.

“GAAP” means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession), which are applicable to the circumstances as of the date of determination, and consistently applied.

“Governmental Authority” means any nation or government, any state, province or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

“Hazardous Materials” means all those substances which are regulated by, or which may form the basis of liability under, any Environmental Law.

“Indebtedness” of any Person means, without duplication, all of the following as to such Person: (a) all indebtedness for borrowed money; (b) all obligations issued, undertaken or assumed as the deferred purchase price of Property or services (other than trade payables incurred in the Ordinary Course of Business or accrued expenses paid or payable on customary terms in the Ordinary Course of Business which payables or expenses are not past due for more than 90 days); (c) all reimbursement or payment obligations (whether or not contingent) with respect to letters of credit, surety bonds and other similar instruments; (d) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of Property, assets or businesses; (e) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to Property acquired by such Person (even though the rights and remedies of the seller or the Person providing financing under such agreement in the event of default are limited to repossession or sale of such Property); (f) all Capital Lease Obligations; (g) all Equity Interests of such Person subject to repurchase or redemption

(other than at the sole option of such Person); (h) all “earnouts” and similar payment obligations under merger, acquisition, purchase or similar or related agreements; (i) all obligations under Rate Contracts; (j) all Indebtedness and obligations referred to in clauses (a) through (i) above secured by (or for which the holder of such Indebtedness or obligations has an existing right, contingent or otherwise, to be secured by) any Lien upon or in Property (including accounts and contracts rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness or obligations; and (k) all Contingent Obligations described in clause (a) of the definition thereof in respect of Indebtedness or obligations of others of the kinds referred to in clauses (a) through (j) above.

“**Laws**” means all laws, statutes, codes, ordinances, decrees, rules, regulations, treaty, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, policies, voluntary restraints, guidelines or other legal requirement of any Governmental Authority, or any provisions of the foregoing, including general principles of common and civil law and equity, in each case applicable to or binding upon such Person or any of its Property or to which such Person or any of its Property is subject, whether applicable in Canada or the United States or any other jurisdiction; and “**Law**” means any one of them. Notwithstanding the foregoing, the definition of Laws excludes any U.S. federal laws, statutes, codes, ordinances, decrees, rules, regulations which apply to the production, trafficking, distribution, processing, extraction, and/or sale of marijuana (cannabis) and related substances (collectively, the “**Excluded Laws**”).

“**LARA**” means The Department of Licensing and Regulatory Affairs in the State of Michigan or as it otherwise may be known from time to time.

“**Lien**” means any mortgage, deed of trust, pledge, hypothecation, assignment, charge or deposit arrangement, encumbrance, lien (statutory or other) or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including, but not limited to, those created by, arising under or evidenced by any conditional sale or other title retention agreement, the interest of a lessor under a Capital Lease, any financing lease having substantially the same economic effect as any of the foregoing, or the filing of any financing statement naming the owner of the asset to which such lien relates as debtor, under the UCC or any comparable law), and any contingent or other agreement to provide any of the foregoing, but not including the interest of a lessor under an operating lease which is not a Capital Lease

“**Material Adverse Effect**” means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties or financial condition of PharmaCo, individually, or PharmaCo and the Subsidiaries taken as a whole; (b) a material impairment of the ability of PharmaCo, individually, or of PharmaCo and its Subsidiaries taken as a whole, to perform in any material respect any obligations under any Operative Document; (c) any change in any Law or Excluded Law or the failure to renew, suspension, termination or revocation of any Cannabis License which has materially

restricted, or could reasonably be expected to materially restrict, PharmaCo and its Subsidiaries' ability to generate revenue for 30 days or more; or (d) a material adverse effect upon the legality, validity, binding effect or enforceability of any Operative Document.

"MichiCann Shares" are common shares in the capital of MichiCann.

"Material Agreement" means any agreement, understanding or other arrangement, including, without limitation, all contracts, letters of intent, memoranda of understanding, term sheets and other preliminary or informal arrangements, (a) between, among, made or accepted by, as applicable, PharmaCo or any of its Subsidiaries on the one hand, and a Cannabis License Holder on the other hand, or (b) which has generated and/or is reasonably expected to generate revenue to PharmaCo on a consolidated basis in excess of \$100,000 per Fiscal Year;

"Material Leased Real Property" means any real property leased by PharmaCo or any Subsidiary that (i) has a fair market value in excess of \$5,000,000, (ii) on which PharmaCo or any Subsidiary develops improvements thereon with a fair market value in excess of \$5,000,000 on an as-built basis, (iii) is necessary for the ownership or operation of the business of PharmaCo, any of its Subsidiaries or any Cannabis License Holder, or for any such Person's compliance with applicable Laws.

"Mortgaged Property" means, collectively, the Owned Real Properties and the Material Leased Real Properties (to the extent a Mortgage on a leasehold interest is permitted thereunder (it being understood that PharmaCo shall, and it shall cause its Subsidiaries, to include mortgage protection provisions in any future lease of Material Leased Real Property)) and the improvements thereto owned by PharmaCo or any Subsidiary as encumbered by a Mortgage pursuant to any Operative Document, and each additional Owned Real Property and Material Leased Real Property encumbered by a Mortgage;

"Mortgages" means, collectively, the deeds of trust, trust deeds, deeds to secure debt, hypothecs and mortgages made by PharmaCo in favor or for the benefit of MichiCann creating and evidencing a Lien on a Mortgaged Property in form and substance reasonably satisfactory to MichiCann with such terms and provisions as may be required by the applicable Laws of the relevant jurisdiction, and any other mortgages executed and delivered, in each case, as may from time to time be amended, restated, supplemented, or otherwise modified.

"Non-Competition and Non-Solicitation Agreement" means the non-competition and non-solicitation agreement between each PharmaCo Shareholder and MichiCann.

"Notice" is defined in Section 9.c).

"Obligations" means all loans, advances, indebtedness, obligations and liabilities of PharmaCo to MichiCann under this Agreement or any of the other Operative Documents, together with all other indebtedness, obligations and liabilities whatsoever of PharmaCo

to MichiCann arising under or in connection with this Agreement or any other Operative Documents, in each case whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, joint or several, due or to become due, now existing or hereafter arising; provided, however, that for purposes of calculating the Obligations outstanding under this Agreement or any of the Operative Documents, the direct and absolute and contingent obligations of PharmaCo shall be determined without duplication.

“Operative Documents” means this Agreement, the Debenture, the Debenture Purchase Agreement, the Security Agreement, the Non-Competition and Non-Solicitation Agreement, the Perfection Certificate, each Mortgage and each other document, instrument or agreement executed in connection herewith.

“Option Price” shall be an aggregate of 37,000,000 MichiCann Shares (representing 45.52% of the total issued outstanding shares of MichiCann as of the date hereof) to be issued to PharmaCo Shareholders on a pro-rata basis, subject to adjustment in Section 4.

“Ordinary Course of Business” means, in respect of any transaction involving PharmaCo or any Subsidiary, the ordinary course of such Person’s business, as conducted by any such Person in accordance with past practice and undertaken by such Person in good faith and not for purposes of evading any covenant or restriction in any Operative Document.

“Owned Real Property” means each parcel of real property that is owned in fee by PharmaCo.

“Permit” means a license, permit, approval, consent, certificate, registration or authorization (whether governmental, regulatory or otherwise).

“Permitted Liens” means (a) liens securing the payment of Taxes either not yet delinquent or the validity of which is being contested in good faith by appropriate proceedings, and as to which PharmaCo or any Subsidiary shall, under GAAP, have set aside on its books and records adequate reserves; (b) pledges, deposits or Liens made or arising under worker’s compensation, unemployment insurance, social security and other similar laws, or to secure the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure indemnity, performance or other similar bonds for the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure statutory obligations or surety, stay, appeal or custom bonds, or to secure indemnity, performance or other similar bonds in the Ordinary Course of Business; (c) Liens in favor of MichiCann; (d) Liens which arise by operation of law, other than Liens which arise by operation of Environmental Laws, incurred in the Ordinary Course of Business (for sums not constituting borrowed money) that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP (if so required); (e) zoning restrictions, building codes, easements, rights of way, licenses, covenants and other similar restrictions affecting the

use of real property that do not secure monetary obligations and do not materially impair the use of such real property for its intended purposes or the value thereof; (f) purchase money security interests on equipment of PharmaCo or any Subsidiary securing Capital Leases or permitted purchase money indebtedness; (g) Liens arising from the filing of precautionary UCC financing statements solely as a precautionary measure in connection with operating leases, licenses or consignment of goods; (h) rights of offset or statutory banker's Liens arising in the Ordinary Course of Business in favor of commercial banks; provided that any such Lien shall only extend to deposits and Property in possession of such commercial bank; (i) any interest or title of a licensor, sublicensor, lessor or sublessor with respect to any assets under any license or lease agreement expressly permitted under this Agreement and entered into in the Ordinary Course of Business which do not (1) interfere in any material respect with the business of PharmaCo or any Subsidiary or (2) secure any Indebtedness; (j) security deposits made in the Ordinary Course of Business to secure obligations under leases or subleases; (k) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by PharmaCo or any Subsidiary in the Ordinary Course of Business in accordance with the past practices of PharmaCo or any Subsidiary and extending solely to such goods; (l) non-exclusive outbound licenses or sublicenses of patents, copyrights, trademarks and other intellectual property rights granted by PharmaCo or any Subsidiary in the Ordinary Course of Business and not interfering in any respect with the ordinary conduct of or materially detracting from the value of the business; and (m) mortgages for real property purchased by PharmaCo or any Subsidiary in connection with acquisitions of provisioning centers securing Indebtedness in an amount no greater than \$5,000,000 in the aggregate. PharmaCo shall not, nor shall it permit any Subsidiary to, permit the filing of any financing statement naming such Person as debtor, except for financing statements filed with respect to Permitted Liens.

"Perfection Certificate" means the perfection certificate executed by PharmaCo and delivered to MichiCann on the Closing Date.

"Person" means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other form of entity.

"PharmaCo License" mean the Step 1 prequalification by the Medical Marihuana Licensing Board of the State of Michigan on October 18, 2019, File No. ERGA-18-000091 issued to PharmaCo.

"PharmaCo Shares" is defined in the context of this Agreement.

"Property" means any property or interest of any type in any kind of property or asset, whether real, personal or mixed, and whether tangible or intangible.

"Put Notice" is defined in Section 3.c).

"Put Right" is defined in Section 3.a).

“Rate Contract” means swap agreements (as such term is defined in Section 101 of the Bankruptcy Code) and any other agreements or arrangements designed to provide protection against fluctuations in interest or currency exchange rates, including any agreement or arrangement which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

“Security Agreement” means the security agreement between PharmaCo and MichiCann.

“Subsidiary” means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (a) if a corporation, a majority of the total voting power of Equity Interests entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (b) if a limited liability company, partnership, association or other business entity, a majority of the limited liability company, partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control (or have the power to be or control) the general partner or other governing body of such limited liability company, partnership, association or other business entity.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Territory” means the State of Michigan.

1.2 Headings

The inclusion of headings in this Agreement is for convenience of reference only and will not affect the construction or interpretation of this Agreement.

1.3 Gender and Number

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.4 Currency

Except where otherwise expressly provided, all amounts in this Agreement are stated and will be paid in currency of the United States of America.

1.5 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision. To the extent permitted by applicable law, the parties waive any provision of law that renders any provision of this Agreement invalid or unenforceable in any respect.

1.6 Entire Agreement

This Agreement and all contemporaneously entered written agreements constitute the entire agreement between the parties pertaining to the subject matter of this Agreement. There are no warranties, conditions, or representations (including any that may be implied by statute) and there are no agreements in connection with the subject matter except as specifically set forth or referred to in this Agreement. No reliance is placed on any warranty, representation, opinion, advice or assertion of fact made by one party to this Agreement or its directors, officers, employees or agents, to the other party to the Agreement or its directors, officers, employees or agents, except to the extent that that reliance has been reduced to writing and included as a term of this Agreement. Accordingly, there will be no liability, either in tort or in contract, assessed in relation to any warranty, representation, opinion, advice or assertion of fact, except to the extent aforesaid. This Agreement supersedes and replaces, in its entirety, all prior agreements, representations and understandings relating to its subject matter, whether oral or written.

1.7 Waiver, Amendment

Except as expressly provided in this Agreement, no amendment, waiver or termination of this Agreement will be binding unless executed in writing by the party to be bound by it. No waiver of any provision of this Agreement will constitute a waiver of any other provision nor will any waiver constitute a continuing waiver unless otherwise expressly provided.

1.8 Governing Law

This Agreement is governed by the internal substantive laws of the State of Michigan and the laws of the United States of America applicable therein, without regard to its conflict of laws rules, and in the case of any dispute hereunder or in respect of any agreement contemplated hereby, each of the parties submits to the exclusive jurisdiction of the courts of the State of Michigan in Detroit, Michigan.

1.9 Independent Legal Advice

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

SECOND AMENDING AGREEMENT

This Second Amending Agreement (this "**Amendment**") is entered into this 11th day of September, 2019.

BETWEEN:

TIDAL ROYALTY CORP.

(the "Creditor")

- and - MICHICANN MEDICAL INC. (the "Corporation")

WHEREAS, the Corporation and the Creditor entered into a senior secured convertible debenture dated as of February 25, 2019 and due on September 30, 2019 (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified to the date hereof, including the First Amending Agreement entered into on August 28, 2019, the "**Convertible Debenture**");

AND WHEREAS, the parties hereto wish to further amend the Convertible Debenture on the terms and subject to the conditions set forth herein;

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

1. Interpretation & Incorporation of Terms.

(a) Capitalized terms used not otherwise defined in this Amendment shall have the respective meanings assigned to them in the Convertible Debenture.

(b) The provisions of Article One and Article Seven of the Convertible Debenture are incorporated into, and shall apply to, this Amendment, *mutatis mutandis*, as if set out in full herein.

2. Amendments to the Convertible Debenture.

(a) The principal amount of the Convertible Debenture is hereby increased from CDN \$15,000,000 to CDN \$15,000,000 plus USD \$2,000,000.

(b) In order to give effect to the foregoing, all references to \$15,000,000 in the Convertible Debenture are hereby deleted and replaced with CDN \$15,000,000 plus USD \$2,000,000.

(c) Section 7.16 of the Convertible Debenture is hereby deleted in its entirety and replaced with the following provision:

The Corporation shall make each payment under the Convertible Debenture (whether on account of principal, interest, fees, costs or any other amount) in

the currency in which the Obligations are denominated (the "**Agreed Currency**"). If the Creditor receives any payment in any currency other than the Agreed Currency, that payment will constitute satisfaction of the Corporation's obligations only to the extent of the amount of the Agreed Currency that the Creditor, in accordance with its normal banking procedures, could purchase with that amount of the first Business Day after the day of receipt. All payments shall be made in freely transferable, immediately available funds and without set-off, withholding or deduction of any kind whatsoever except to the extent required by applicable law.

3. Limited Effect. Except as expressly provided herein, all of the terms and provisions of the Convertible Debenture and the other Loan Documents are and shall remain in full force and effect and are hereby ratified and confirmed by the Corporation. The amendments contained herein shall not be construed as a waiver or amendment of any other provision of the Convertible Debenture or the other Transaction Documents or for any purpose except as expressly set forth herein or a consent to any further or future action on the part of the Corporation that would require the waiver or consent of the Creditor.

4. Conditions Precedent. This Amendment shall become effective upon the date (the "**Effective Date**") on which the Creditor shall have received this Amendment, duly executed and delivered by the parties hereto.

5. Representations and Warranties. The Corporation, for and on behalf of itself, and on behalf of each of its subsidiaries, hereby represents and warrants to the Creditor (before and after giving effect to this Amendment) that:

(a) The execution, delivery and performance by the Corporation of this Debenture, and the extension of credit (or continued extension of credit) under the Convertible Debenture as amended and as further amended by this Amendment (the "**Amended Convertible Debenture**"):

- (i) are within the Corporation's corporate power;
- (ii) have been duly authorized by all necessary or proper corporate action;
- (iii) do not contravene any provision of the Corporation's constituting documents or bylaws or any resolutions passed by the directors (or any committee thereof) or shareholders of the Corporation;
- (iv) do not result in any breach or violation of any statute or any judgment, decree, order, rule, policy or regulation of any court, governmental authority, arbitrator, stock exchange or securities regulatory authority applicable to the Corporation or any of its subsidiaries or any of their respective properties or assets;
- (v) do not conflict with or result in the breach or termination of, constitute a default under or accelerate or permit the acceleration of any performance required by, any indenture, mortgage, deed of trust, lease, agreement or other instrument to which the Corporation is a party or by which the Corporation, or any of its property or assets is bound; and

- (vi) do not require the consent, approval, authorization, order or agreement of, or registrations or qualification with any Governmental Authority or any other Person;

(b) This Amendment has been duly executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation enforceable against it in accordance with its terms, subject only to:

- (i) applicable bankruptcy, insolvency, liquidation, reorganization, reconstruction, moratorium laws or similar laws affecting creditors' rights generally; and
- (ii) the fact that the availability of equitable remedies, such as specific performance and injunctive relief, are in the discretion of a court and may not be available where damages are considered an equitable remedy;

(c) No Default or Event of Default has occurred and is continuing, or will result from this Amendment or any extension of credit, including any continued extension of credit, under the Amended Convertible Debenture;

(d) No consent or authorization of, filing with, notice to or other act by, or in respect of, any Governmental Authority or any other Person is required in connection with this Amendment, the extensions of credit under the Amended Convertible Debenture or the execution, delivery, performance, validity or enforceability of this Amendment, or the performance, validity or enforceability of the Amended Convertible Debenture, except consents, authorizations, filings and notices which have been obtained or made and are in full force and effect; and

(e) Each of the representations and warranties of the Corporation contained in this Amendment and in all certificates delivered pursuant to or contemplated by this Amendment will survive the execution of this Amendment.

6. Confirmation of Security. The Corporation hereby confirms that the Security Agreement is and continues to be in full force and effect as continuing security for the payment and performance by it of all its present and future indebtedness, liabilities and obligations to the Creditor now or hereafter arising, to the extent provided therein, and the Security Agreement is enforceable against the Corporation by the Creditor in accordance with its terms.

7. Transaction Document. The parties each acknowledge and agree that this Amendment is a "Transaction Document", as such term is defined in the Convertible Debenture.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

MICHICANN MEDICAL INC.

Per: "Michael Marchese"

Name: Michael Marchese

Title: President

I have authority to bind the corporation.

TIDAL ROYALTY CORP. , as Creditor

Per: "Johannes van der Linde"

Name: Johannes (Theo) van der Linde

Title: Director

I have authority to bind the corporation.

AMENDMENT NO. 2 TO AGREEMENT AND PLAN OF MERGER

THIS AMENDMENT NO. 2 TO AGREEMENT AND PLAN OF MERGER (this “Amendment”) is made effective as of January 9, 2020, by and among Michicann Medical Inc., Mid-American Growers, Inc., RWB Acquisition Sub, Inc. and Arthur VanWingerden and Ken VanWingerden, as Sellers.

BACKGROUND

WHEREAS, the parties entered into that certain Agreement and Plan of Merger, dated as of October 9, 2019, as amended by that Amendment No. 1 to Agreement and Plan of Merger dated as of November 1, 2019 (as amended, the “Merger Agreement”); and

WHEREAS, the parties desire to amend certain terms and conditions of the Merger Agreement as set forth herein in accordance with the terms of Section 11.4 of the Merger Agreement and to provide for the joinder of certain additional parties to the Merger Agreement.

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Waiver of RTO Closing Condition.

a. In exchange for the amendments to certain terms and conditions of the Merger Agreement as set forth herein, each of Buyer and Sellers hereby waives the closing condition set forth in Section 7.3(b) that requires completion of the RTO prior to Closing.

2. Hemp Operations Payable

a. Section 7.3(c) of the Merger Agreement is hereby deleted and replaced as Section 7.1(p) of the Merger Agreement as follows:

(p) Sellers shall provide evidence satisfactory to Buyer that the Hemp Operations Payable has been paid or satisfied by the Company in full prior to Closing.

b. Section 9.6 of the Merger Agreement is hereby amended and restated in its entirety as follows:

Hemp Operations Payable. Prior to Closing, the Sellers will cause the Company to pay in full or otherwise satisfy the Hemp Operations Payable and terminate that certain confirmation of payable agreement dated October 9, 2019, so that as of Closing, the Company shall not owe any payables or any other amounts or obligations to NZ Newco, LLC, a Kentucky limited liability company (“NZ”). Evidence of such payment or other satisfaction of the Hemp Operations

Payable shall include, without limitation, acknowledgment by NZ in a separate letter agreement that such payable is deemed satisfied and the Company no longer owes any such amounts or obligations to NZ or its affiliates and the letter agreement is deemed terminated with no further force or effect. Without limiting the foregoing, but for the avoidance of doubt, the Hemp Operations Payable is an Excluded Liability that shall not remain a Company obligation following the Closing.

c. Section 10.1(f) of the Merger Agreement is hereby amended and restated in its entirety as follows:

(f) any Excluded Liabilities (including the Hemp Operations Payable);

3. Amendments Relating to Merger Consideration.

a. Section 2.2 of the Merger Agreement is hereby amended and restated in its entirety as follows:

(a) Within two (2) Business Days of execution of this Agreement, Buyer shall pay to Sellers a cash payment equal to \$5,000,000 and (ii) on or around November 1, 2019, Buyer shall pay to Sellers a cash payment equal to \$1,000,000 (together, the payments under clauses (i) and (ii), the “Deposit”), which Deposit shall be applied toward the Aggregate Purchase Price at Closing, or should the Closing not occur and this Agreement is terminated, such Deposit shall be fully refundable to Buyer by Sellers in accordance with Section 8.3.

(b) At the Closing, Sellers shall deliver and surrender to Buyer (or to Buyer’s agent) the Certificates formerly representing the issued and outstanding Company Capital Stock.

(c) At the Closing, Buyer shall deliver to the applicable party listed below the following:

(i) to Sellers, a cash payment equal to the Estimated Merger Consideration, minus the Deposit, by wire transfer of immediately available funds in accordance with the distribution schedule and to the account or accounts designated by Sellers on Schedule 2.2, subject to that Letter of Direction to be delivered by Sellers at Closing with respect to Bruce Daniel; and

(ii) At Buyer’s election, Buyer shall cause the refinancing of the Specified Indebtedness in connection with the Closing (or, if permissible, the parties shall cause the Company shall to retain the Specified Indebtedness at the Closing, in either case, Specified Indebtedness shall be deemed paid by Buyer as a result of such refinancing or assumption; and

(iii) Buyer shall pay, or cause to be paid, on behalf of Sellers, the

Estimated Seller Transaction Expenses by wire transfer of immediately available funds as directed by Sellers.

(iv) **[Intentionally Omitted]**.

(d) **[Intentionally Omitted]**.

(e) Upon Closing, by virtue of this Section 2.2(e), Buyers shall be deemed to have issued to Sellers a non-transferrable, fully paid right (at the time specified below) to receive the shares of RWB Stock (pro rata in accordance with each Seller's percentage set forth on Schedule 2.2) (the "RWB Stock Issuance Right"), which Stock Issuance Right entitles Sellers to the actual issuance of RWB Stock as follows:

(i) If the RTO will be completed prior to June 1, 2020, immediately prior to completion of the RTO, Buyer shall cause the issuance to Sellers of Michicann Stock in escrow (pro rata in accordance with each Seller's percentage set forth on Schedule 2.2), without payment of any additional consideration by Sellers, and in connection with the completion of the RTO promptly thereafter, Sellers shall exchange such Michicann Stock for the shares issued in the RTO at the same exchange ratio available to other common stock holders of Michicann Stock, in accordance with the RTO exchange procedures and subject to and conditioned upon Sellers executing a mutually agreeable lock-up escrow agreement with Buyer, which will require a lock-up period expiring no later than six (6) months following the Closing Date for all of the RWB Stock (and, in any event, full lock-up in escrow of 20% of the RWB Stock for the later of 12 months after Closing or the date of the closure of the LUST Matter in accordance with this Agreement), and subject to the foregoing, will provide for the release of the RWB Stock to Sellers in accordance with a distribution schedule, with such legends as required by applicable securities laws. Buyer shall deposit directly with the escrow agent all shares of Michicann Stock and upon exchange of such shares in the RTO, all RWB Stock shall be deposited with the escrow agent accordingly.

(ii) If the RTO is not completed prior to June 1, 2020, then on June 1, 2020, (x) Buyer shall deliver to Sellers an aggregate cash payment equal to \$5,000,000 by wire transfer of immediately available funds to the account or accounts designated by Sellers on Schedule 2.2 and (y) Buyer shall cause the issuance to Sellers of the shares of Michicann Stock (pro rata in accordance with each Seller's percentage set forth on Schedule 2.2, as reduced by shares of Michicann Stock deposited in escrow as provided herein), subject to and conditioned upon Sellers and Buyer executing a mutually agreeable lock-up escrow agreement, which will require full lock-up in escrow of 20% of the RWB Stock for the later of 12 months

after Closing or the date of the closure of the LUST Matter in accordance with this Agreement, and executing a shareholder's agreement containing a drag-along provision in favor of the controlling shareholders substantially similar to the following:

In the event that shareholders of Michicann holding at least 51% of the issued and outstanding common shares of Michicann (the "Controlling Shareholders") propose to sell or transfer all of their Common Shares to a third party on a share exchange, amalgamation, plan of arrangement or similar transaction in connection with an initial public offering, reverse takeover, qualifying transaction or other going public transaction involving Michicann or a sale of all of the shares of Michicann (the "Liquidity Event"), the Controlling Shareholders may, subject to compliance with all applicable securities laws, by written notice delivered to the Subscriber (the "Drag Along Notice") require the Subscriber to transfer the Purchased Shares, and any additional shares of Common Shares which the Subscriber may own, for a consideration that is the same as the consideration per share of Common Shares at which the Controlling Shareholders propose to sell or transfer shares to the third party, all but not less than all the Common Shares owned by such Subscriber (the "Dragged Shares"). The delivery by the Controlling Shareholders of a Drag Along Notice shall bind the undersigned to sell or transfer the Dragged Shares. The date on which the sale or transfer is to close and the other closing arrangements (which shall be the same, mutatis mutandis, as those for the sale or transfer between the Controlling Shareholders and the third party) shall be as specified in the Drag Along Notice. Except as specifically provided for above, the Drag Along Notice shall contain only such terms and conditions, if any, as are identical to those pursuant to which the Controlling Shareholders propose to sell or transfer to the third party. This drag along shall terminate upon the earlier of (i) there being one beneficial owner of all of the shares of Michicann; and (ii) the date of closing of the Liquidity Event.

Buyer shall deposit directly with the escrow agent all shares of Michicann Stock subject to such escrow arrangement.

(iii) Except as otherwise specifically provided in clauses (i) and (ii) above, prior to the issuance to Sellers of the RWB Stock, Sellers shall not be entitled to vote or receive dividends or be deemed the holder of shares of capital stock of Michicann or its successor in the RTO for any purpose, nor shall anything contained in the RWB Stock Issuance Right be construed to confer upon any Seller any of the rights of a shareholder of Michicann or its successor in the RTO or any right to vote, give or

withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise. Notwithstanding the foregoing, Michicann shall provide the Sellers with copies of the same notices and other information given to the shareholders of Michicann generally, contemporaneously with the giving thereof to the shareholders. Sellers acknowledge the RWB Stock Issuance Right is not transferrable by Sellers. Without limiting the foregoing, Sellers further acknowledge and agree that the RWB Stock Issuance Right and the RWB Stock is not and at the time of issuance will not be registered under the Securities Act of 1933, as amended, or any state securities laws, and may not be transferred or sold except pursuant to the registration provisions of the Securities Act of 1933, as amended, or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable. The RWB Stock will be issued with such legends as required by applicable securities laws.

b. Section 2.6(i) (Lock-Up Escrow Agreements) in the Merger Agreement is hereby amended and restated in its entirety as follows: **[Intentionally Omitted]**

c. Section 5.4 of the Merger Agreement is hereby amended and restated as follows: "Upon issuance in accordance with this Agreement, the RWB Stock will be duly and validly issued, outstanding as fully paid and non-assessable."

d. Section 11.9 of the Merger agreement is hereby amended to add the following new definitions (to be placed in alphabetical order accordingly):

(i) "Lock-Up Escrow Agreements" means those certain escrow agreements executed by the Sellers in form mutually agreeable to Buyer and Sellers as contemplated by Section 2.2(e).

(ii) "Michicann Stock" means 17,133,600 shares of common stock in Michicann (which is an aggregate number of shares of such common stock equal to the quotient of \$64,900,000, multiplied by a 1.32 exchange rate, and then divided by the Fixed Stock Price).

e. Certain definitions in Section 11.9 of the Merger agreement are hereby amended and restated as follows:

"Cash Consideration" means \$7,100,000.

"RWB Stock" means the Michicann Stock, unless and until it is exchanged by Sellers for stock in the RTO as contemplated by and in accordance with this Agreement, at which point, RWB Stock means the class of stock of Michicann's successor to be listed on the Canadian

Securities Exchange or other similar exchange following completion of the RTO.

f. The terms (and related definitions) of “Post-Closing Cash Consideration” and “Stock Consideration” in the Merger agreement are deleted in their entirety.

4. Amendments Relating to Milestone Payment and Earn-Out Payment.

a. Section 2.4 of the Merger Agreement is hereby amended and restated in its entirety as follows:

(a) Milestone Payment.

(i) So long as Sellers have used commercially reasonable efforts to assist Buyer and the Company in achieving the Milestone Event, subject to offset under Section 10.8, (i) Buyer shall issue to Sellers an aggregate 2,640,000 additional shares of Michicann Stock (which is an aggregate number of shares of such common stock equal to the quotient of \$10,000,000, multiplied by a 1.32 exchange rate, and then divided by the Fixed Stock Price), subject to applicable escrow agreements (the “Milestone Payment”), and (ii) only if the Milestone Event is achieved during calendar year 2020, Buyer shall pay to Sellers in the aggregate an additional \$5,000,000 cash payment (the “Additional Milestone Payment”), upon the achievement by or on behalf of Buyer and the Company of the following (the “Milestone Event”):

If by the date which is twelve (12) months following the Closing, the State of Illinois Department of Agriculture and/or such other applicable regulatory authorities (acceptable to Buyer) shall have issued to the Company a commercial cultivation center license for the Illinois Facility, which license permits a minimum of 200,000 square feet of cultivation of cannabis products, including the packaging and processing of cannabis.

(ii) Buyer shall promptly notify Sellers after the Milestone Event has been achieved. Within five (5) Business Days of notification by Buyer to Sellers of the realization of the Milestone Event (but in no event less than ten (10) days following realization of the Milestone Event), Buyer shall (i) if the RTO is not yet completed at such time, issue the Milestone Payment in Michicann Stock to the account or accounts designated by Sellers on Schedule 2.2, subject to and conditioned upon Sellers executing an escrow agreement, which will require that 20% of such Milestone Payment is held in escrow for the later of 12 months after Closing or the date of the closure of the LUST Matter in accordance with this Agreement, or (ii) if the RTO has previously been completed, issue RWB Stock to Sellers in exchange for the Milestone Payment (which for

clarity, was 2,640,000 shares of Michicann Stock) at the same exchange ratio that was available to other common stock holders of Michicann Stock upon the original RTO closing, subject to any applicable RTO exchange procedures, and subject to and conditioned upon Sellers executing a mutually agreeable lock-up escrow agreement with Buyer, which will require a lock-up period expiring no later than six (6) months following the Closing Date for all of the RWB Stock so issued (and, in any event, full lock-up in escrow of 20% of the RWB Stock for the later of 12 months after Closing or the date of the closure of the LUST Matter in accordance with this Agreement), and subject to the foregoing, will provide for the release of the RWB Stock to Sellers in accordance with a distribution schedule, with such legends as required by applicable securities laws. Buyer shall deposit directly with the escrow agent all shares of Michicann Stock or RWB Stock, as applicable, with the escrow agent accordingly in connection with realization of the Milestone Event. Additionally, if the Milestone Event is achieved in accordance with this Agreement during calendar year 2020, Buyer shall also pay to Sellers the Additional Milestone Payment by wire transfer in immediately available funds during the time period set forth above.

(iii) Upon Buyer's payment of the Milestone Payment and any applicable Additional Milestone Payment, if any, all amounts due by Buyer under this Agreement with respect to the Milestone Event will be deemed paid in full.

(v) The right of Sellers to receive the Milestone Payment and Additional Milestone Payment (i) is solely a contractual right and is not a security for purposes of any federal or state securities Laws, (ii) will not be represented by any form of certificate or instrument, (iii) does not give Sellers any equityholder rights, including, without limitation, any dividend rights, voting rights, liquidation rights, preemptive rights or other rights common to holders of Buyer's equity securities, (iv) is not redeemable and (v) may not be sold, assigned, pledged, gifted, conveyed, transferred or otherwise disposed of (a "Transfer"), except by operation of Law (and any Transfer in violation of this Section 2.4(d) shall be null and void).

(vi) Sellers and Buyer agree to treat and report any Milestone Payment and Additional Milestone Payment as additional consideration for the Company Capital Stock, unless otherwise required pursuant to a "final determination" within the meaning of Section 1313(a) of the Code.

(b) Earn-out.

(i) As additional Final Merger Consideration, so long as Sellers have used commercially reasonable efforts to continue to assist Buyer and the Company to produce and sell Company Hemp Products

during the Earn-Out Period, subject to Buyer's holdback and offset rights under Section 10.8, Buyer shall pay to Arthur VanWingerden, Ken VanWingerden and Bruce Daniel, collectively (the "Earn-Out Sellers"), with respect to each Calculation Period within the Earn-Out Period an aggregate amount, if any (each an "Earn-Out Payment"), equal to the product of (x) the Revenue for such Calculation Period multiplied by (y) twenty-three percent (23%).

(ii) During the Earn-Out Period, Buyer will prepare quarterly statements setting forth the calculations necessary to determine the amount of the actual Earn-Out Payments to be paid to such Sellers based on the Company's fiscal quarters. Buyer shall deliver such statements within 30 days of the end of each corresponding Calculation Period. Each Earn-Out Payment, if any, is due within 45 days after the end of each Calculation Period based on the quarterly statement delivered by Buyer for that fiscal quarter provided the Earn-Out Sellers have provided applicable wire instructions to Buyer.

(iii) The Earn-Out Sellers shall have the right to audit the Company's relevant books and records to ensure compliance with the terms of this Agreement with respect to the Earn-Out Payments. The audit shall be conducted only by a representative of a nationally recognized independent certified public accounting firm who signs a non-disclosure agreement reasonably acceptable to Buyer. Buyer shall be entitled to 30 days written notice to schedule the audit on a mutually convenient date. The audit shall be conducted during normal business hours in such a manner as not to interfere with normal business activities and shall occur only one time with respect to the Earn-Out Payments. The auditor's report shall only confirm compliance or noncompliance with the terms of this Agreement with respect to the Earn-Out Payments and shall, in no event, include information considered by Buyer to be confidential. The Earn-Out Sellers shall be responsible for the costs of such audit.

(iv) The Earn-Out Payments are speculative in that Buyer (and the Company, after the Closing) make no representations, warranties, covenants, promises or guarantees as to the level of efforts they will expend in the production, marketing, distribution or sales of the Company Hemp Products. Similarly, Buyer (and the Company, after the Closing) make no representations, warranties, covenants, promises or guarantees as to the amount of resulting Revenue or the amount of any Earn-Out Payments that may be earned by Earn-Out Sellers during the Earn-Out Period. Sellers acknowledge that Buyer may elect not to release the Company Hemp Products for a period of time after Closing. Sellers also acknowledge that Buyer (and the Company, after the Closing) may market and sell the Company Hemp Products at their sole discretion and Buyer (and the Company, after the Closing) may discontinue all production,

marketing, distribution and sales of the Company Hemp Products during the Earn-Out Period for any or no reason.

(c) Company Operations. Subsequent to the Closing, Buyer and the Company shall have sole discretion with regard to all matters relating to the operation of the Company and the Business; provided, that Buyer shall not, directly or indirectly, take any actions in bad faith that would have the purpose of avoiding the Milestone Payment or Earn-Out Payments hereunder.

b. Section 2.6(h) (Consulting Agreement) of the Merger Agreement is hereby amended and restated in its entirety as follows: **[Intentionally Omitted]**

c. Section 11.9 of the Merger agreement is hereby amended to add the following new definitions (to be placed in alphabetical order accordingly):

(i) “Company Hemp Products” means any product produced by the Greenhouse at the Illinois Facility that is hemp as defined in the 2018 Farm Bill or the Illinois 2019 Industrial Hemp Act.

(ii) “Earn-Out Period” means the period from April 1, 2020 through March 31, 2021.
(iii) “Revenue” means, with respect to any Calculation Period, the net amount of revenue attributable to the Company Hemp Products that are produced, sold and for which payment has been received by the Company, as recognized by Buyer and the Company in accordance with then-existing accounting and corporate policies, less product returns, customer and distributor discounts and excluding amounts invoiced for any other product, shipping, taxes, duties or other similar amounts.

(iii) “Calculation Period” means (a) the period beginning April 1, 2020 and ending on last day of June 2020, and (b) each of the Company’s fiscal quarters ending on September 30, 2020, December 31, 2020 and March 31, 2021, respectively.

2. Amendments Relating to Setoff and Holdback Rights.

a. Section 9.7 of the Merger Agreement is hereby amended and restated in its entirety as follows:

Escrow Agreement. Buyer and Sellers will enter into a mutually agreeable escrow agreement as a condition to the actual issuance of the RWB Stock underlying the RWB Stock Issuance Right as contemplated by Section 2.2(e). Such escrow agreement will include, among other things (as applicable), escrow indemnity provisions with respect to Buyer’s setoff rights against the RWB Stock under Section 10.8 substantially similar to the following:

(a) Subject to the terms and conditions of the Merger Agreement, in addition to such other lock-up terms, as applicable, the escrow agent will hold in an escrow account (the “Escrow Account”) a number shares of RWB Stock issued to Sellers equal to an aggregate of 20% of all RWB Stock issued to Sellers pursuant to Section 2.2(e) and the RWB Stock issuable in connection with the Milestone Event) (the “Escrowed Property”).

(b) At any time and from time to time on or prior to (i) the twelve (12) month anniversary of the Closing or (ii) the date of closure of the LUST Matter in accordance with the Merger Agreement, whichever is later (the “Escrow Release Date”), if any Buyer Indemnified Party makes a claim for indemnity pursuant to and in accordance with Section 10.1 (a “Claim”), the Buyer Indemnified Party (or Buyer on its behalf) shall deliver to the escrow agent (the “Escrow Agent”) and any Seller a written notice (an “Escrow Notice”) setting forth in reasonable detail the amount, nature, and basis of the Claim by the Buyer Indemnified Party.

(c) If a Seller, in good faith, delivers to the Escrow Agent and Buyer a written objection (a “Dispute Notice”) to any Claim or portion thereof or the amount of such Claim within ten (10) business days following both the Escrow Agent’s and such Seller’s receipt of such Escrow Notice, then the Escrow Agent shall not distribute to Buyer any portion of the Escrow Property in the Escrow Account that is the subject of the Dispute Notice until the Escrow Agent receives either (i) joint written instructions signed by the Sellers and Buyer authorizing the release to Buyer of the portion of the Escrow Property in the Escrow Account that is agreed upon as the amount recoverable in respect of the Dispute Notice or (ii) a final and non-appealable order of any court of competent jurisdiction directing the release to Buyer of the portion of the Escrow Property in the Escrow Account that is determined to be the amount recoverable in respect of the Dispute Notice; provided, that notwithstanding the foregoing, if a Seller objects in part to the amount of the Claim, the Escrow Agent shall, after the lapse of the aforementioned time period, deliver to Buyer an amount from the Escrow Account equal to the portion of the Claim not objected to by such Seller (determined as a number of shares of RWB Stock equal to the quotient of the dollar amount of such undisputed portion of the Claim (multiplied by a 1.32 exchange rate) divided by the Fixed Stock Price. Upon receipt of such joint written instructions or such final and non-appealable order, as the case may be, the Escrow Agent shall release to Buyer such amount of the Escrow Property in the Escrow Account in accordance with such written instructions or final and non-appealable order.

(d) If Seller delivers to the Escrow Agent and Buyer a written notice (a “Cash Election Notice”) within ten (10) business days following both the Escrow Agent’s and such Seller’s receipt of an Escrow Notice, whereby Sellers elect to pay immediately available funds to such Buyer Indemnified Party (in lieu of Escrow Property) to satisfy such Claim, then Escrow Agent shall not release such Escrow Property in connection with such Escrow Notice, so long as Sellers make

such cash payment in the amount of such Claim to Buyer Indemnified Party and provide evidence of such payment to Escrow Agent within five (5) business days after delivering the Cash Election Notice.

(e) If neither a Dispute Notice nor Cash Election Notice is received by Buyer and the Escrow Agent from Sellers within ten (10) business days after Buyer's delivery of an Escrow Notice to the Escrow Agent and any Seller, then the entire amount set forth in the Claim shall be deemed valid, conclusive and binding upon Buyer and Sellers, and shall be satisfied by the Escrow Agent from the Escrow Property (or in part, if the Escrow Property is not sufficient to satisfy the Claim in full) on the next business day by return and release of such Escrow Property to Buyer of such number of shares of RWB Stock equal to the quotient of the dollar amount of such Claim identified in the Escrow Notice (multiplied by a 1.32 exchange rate) divided by the Fixed Stock Price.

b. Section 10.8 of the Merger Agreement is hereby amended and restated in its entirety as follows:

(a) Earn-Out Holdback. Buyer shall be entitled to holdback 20% of each Earn-Out Payment, if any, payable to the Earn-Out Sellers for a Calculation Period during the Earn-Out Period (the "Earn-Out Holdback"), as partial security for Losses payable to a Buyer Indemnified Party pursuant to Article X. Subject to the limitations set forth in Article X (including the Basket, the Cap and Environmental Cap), Buyer shall be entitled to satisfy any resulting Losses payable to a Buyer Indemnified Party pursuant to Article X from the Earn-Out Holdback in accordance with clause (b) below. Following (i) the twelve (12) month anniversary of the Closing or (ii) the date of closure of the LUST Matter, whichever is later (the "Holdback Period") (but no later than 10 business days thereafter), Buyer shall pay to the Earn-Out Sellers any remaining Earn-Out Holdback (that was not previously used as offset by Buyer to satisfy Losses in accordance with clause (b) below), less the estimated amount of any unresolved Claim made by a Buyer Indemnified Party in accordance with Article X prior to expiration of the Holdback Period, which amount may continue to be held by Buyer and applied for offset in accordance with clause (b) below through resolution of such Claim.

(b) Manner of Payment. Subject to the limitations set forth in this Article X (including the Basket, the Cap and Environmental Cap), any Losses payable to a Buyer Indemnified Party pursuant to this Article X shall be satisfied: (i) (A) from the RWB Stock (including shares of RWB Stock to be issued pursuant to the RWB Stock Issuance Right) whether at such time only existing as a contractual RWB Stock Issuance Right under this Agreement or RWB Stock actually held in escrow after issuance directly to the escrow agent pursuant to an applicable lockup escrow agreement or otherwise, (x) prior to the actual issuance of such RWB Stock in accordance with Section 2.2(e) or Section 2.4, as applicable, Buyer shall cancel such number of shares of RWB Stock that would be issued pursuant to the

RWB Stock Issuance Right determined by dividing the amount of such Loss (multiplied by 1.32 exchange rate) by the Fixed Stock Price (provided such setoff of RWB Stock shall not exceed in the aggregate twenty percent (20%) of the RWB Stock issuable to Sellers under 2.2(e) plus the RWB Stock issuable to Sellers in connection with the Milestone Payment) or (y) after the actual issuance of such RWB Stock directly to the escrow agent in accordance with Section 2.2(e) or Section 2.4, by Buyer requesting return of such RWB Stock to Buyer from the applicable escrow account for cancellation by Buyer (the number of shares of RWB Stock to be returned shall equal the quotient of the dollar amount of such Loss (multiplied by a 1.32 exchange rate) divided by the Fixed Stock Price) (provided such setoff of RWB Stock shall not exceed in the aggregate twenty percent (20%) of the RWB Stock issued to Sellers under Section 2.2(e) plus the RWB Stock issuable to Sellers in connection with the Milestone Payment) and (B) from the Earn-Out Holdback; and (ii) to the extent the amount of Losses exceeds the RWB Stock and Earn-Out Holdback available to the Buyer Indemnified Party for setoff, then directly from the Sellers. Notwithstanding the foregoing, at Sellers' option (subject to Sellers providing prompt notice of the same to the Buyer Indemnified Party), Sellers may pay immediately available funds to such Buyer Indemnified Party for such Losses in lieu of such Buyer Indemnified Party exercising its setoff rights against the RWB Stock or Earn-Out Holdback under this Section 10.8.

3. Amendments Relating to Pre-Closing Restructuring Transactions and Affiliates.

a. The parties acknowledge and agree that the Merger Agreement is hereby generally amended so that (i) references to the Pre-Closing Restructuring Transactions involving RetainCo shall now be references to Color Point, LLC, (ii) the Restructuring Transaction Documents shall be executed between the Company and Color Point, LLC, with Color Point, LLC taking assignment of such assets and assuming all Liabilities of the non-hemp related business and indemnifying the Company, Buyer and Buyer Indemnified Parties for all such Liabilities, and (iii) that such Restructuring Transaction Documents shall survive the transactions contemplated by the Merger Agreement and will inure to the benefit of the Company, Buyer and Buyer Indemnified Parties (as direct parties or third party beneficiaries) following the Closing.

b. Article VI of the Merger Agreement is hereby amended to add the following Section 6.12:

Section 6.12 Affiliate Transactions. Sellers and the Company represent, warrant and confirm that (i) any intercompany arrangements between the Company, on the one hand, and Color Point LLC or any of its affiliates, on the other hand, are terminated and of no further force or effect, except for that certain Transition Services Agreement dated as of October 23, 2019 between the Company and Color Point LLC and that Bill of Sale and Assignment dated July 1, 2019 between the Company and Color Point LLC and the Pre-Closing Restructuring Documents, which agreements

will remain in effect and survive Closing, and (ii) notwithstanding the foregoing, any intercompany obligations, liabilities or amounts owed to or payable now or in the future by the Company to Color Point LLC or any of its affiliates have been discharged, satisfied, terminated and are of no further force and effect (excluding only Company obligations under the Transition Services Agreement that arise or relate solely to post-Closing operations of the Company). For clarity, such intercompany obligations, liabilities and amounts are Excluded Liabilities under this Agreement, subject to indemnification by Sellers under Article X.

c. The parties acknowledge and agree that in the event the State of Delaware delays or denies the effectiveness of the Merger due to the nature of Merger Sub, Real Estate Buyer or the Company's business, the parties will use commercially reasonable efforts to re-domicile Merger Sub, Real Estate Buyer and the Company in the State of Illinois.

4. Amendments Relating to Additional Sellers.

a. Section 6.10 of the Merger Agreement is hereby amended and restated in its entirety as follows:

Additional Sellers. It is anticipated that Sellers may transfer a portion of their Company Capital Stock to each of their respective spouses, and the Company may issue shares to Bruce Daniel ("Mr. Daniel") prior to Closing; provided that the portion of Company Capital Stock issued to Mr. Daniel shall be less than 10% in the aggregate. Sellers shall provide evidence of such transfer satisfactory to Buyer, and each of Grace VanWingerden, Dawn VanWingerden (collectively, the "Additional Sellers"), and Mr. Daniel shall execute a counterpart signature page to this Agreement, whereby he or she will agree to be bound by the terms, conditions and obligations herein and make the representations of Sellers herein as though an original party hereto, and Sellers shall update Schedule 4.4 to reflect such issuance of Company Capital Stock. Sellers contemplate that in connection with the transfer of Company Capital Stock to Mr. Daniel, prior to Closing, the Sellers will make a loan to Mr. Daniel (the "Daniel Loan"), which loan arrangement shall be documented in a form reasonably acceptable to Buyer and on the condition that such Daniel Loan must be paid in full at Closing.

b. Section 7.1 of the Merger Agreement is hereby amended by adding the following clauses (q) and (r):

(q) Payoff of Daniel Loan. The Daniel Loan shall be paid in full at Closing in accordance with a Letter of Direction in a form substantially the same as the attached. Such payoff of the Daniel Loan shall satisfy the Daniel Loan in full or shall otherwise be satisfactory to Buyer.

(r) Stock Valuation. Sellers and the Company shall have delivered to Buyer a valuation report with respect to the Company Capital Stock prepared by Blue and Co. in a form satisfactory to Buyer, provided, however, that Buyer's acceptance of such valuation shall not (i) indicate Buyer's acceptance of the conclusions stated therein, (ii) bind Buyer to file any Tax Returns in a manner consistent with such valuation or to defend such valuation in any Tax audit or similar proceeding (provided that Sellers, at their

cost, may defend such valuation in a Tax Audit or similar proceeding), (iii) preclude Buyer from obtaining a separate valuation of the Company Capital Stock, or (iv) preclude Buyer from causing the Company to file Tax Returns (including amended Tax Returns for pre-Closing Tax periods) reflecting the conclusions in the separate valuation obtained by Buyer; provided that Buyer may only file or cause to be filed such amended returns in connection with a Tax Audit or similar proceeding, after Sellers have been provided a good faith opportunity to defend in good faith Blue and Co.'s valuation. Sellers agree to cooperate with Buyer and its Affiliates in the filing of any amended Tax Returns as required by this Section 7.1(r).

(s) Schedule with Respect To Taxes. Sellers shall have delivered a schedule of any Taxes payable by the Company and Mr. Daniel with respect to the Company's stock issuance and any bonus payment made to Mr. Daniel under that certain Grant and Cash Bonus Agreement between the Company and Mr. Daniel in accordance with Section 9.9 of this Agreement in a form satisfactory to Buyer; provided, however, that Buyer's acceptance of such schedule shall not indicate Buyer's acceptance of the amounts stated therein or limit Buyer's rights under Section 7.1(r). At Closing, Sellers (including Mr. Daniel) shall deliver to Buyer a certificate (in form satisfactory to Buyer) certifying to Buyer and the Company that all Taxes indicated pursuant to such schedule have been paid in full prior to Closing.

c. The following Section 9.9 is hereby added to the Merger Agreement:

Section 9.9 Taxes on Payments to Mr. Daniel. The Sellers and Mr. Daniel are responsible for any and all Taxes (including, but not limited to any income Taxes, income Tax withholding and employment Taxes) relating to the Company's stock issuance and any bonus payment made to Mr. Daniel under that certain Grant and Cash Bonus Agreement between the Company and Mr. Daniel. The Sellers and/or Mr. Daniel shall fund such Tax payments prior to or concurrent with the Closing (or, to the extent such funds provided by the Sellers and/or Mr. Daniel are insufficient, upon demand of Buyer), and shall also indemnify the Company and Buyer for all such Taxes (including, without limitation, any Taxes imposed as a result of any amended Tax Returns filed by the Company in compliance with Section 7.1(r)). The Sellers, Mr. Daniel, the Company, and the Buyer shall agree on the amount of such Taxes prior to the Closing, and the Sellers shall provide a schedule of such Tax calculations in a form satisfactory to Buyer in accordance

with Section 7.1(s) of this Agreement.

d. The following clause (iv) is added to Section 10.1(c) of the Merger Agreement:

and (iv) imposed on the Company with respect to any payments or stock issuances to Mr. Daniel described in this Agreement.

5. Amendments Relating to the LUST Matter.

The following Section 9.8 is hereby added to the Merger Agreement:

Sellers have informed Buyer that they do not anticipate needing to conduct further testing or remediation work at the Property after Closing in order to close the LUST Matter pursuant to Section 6.11. In the event that Sellers do require such access to the Property after Closing, Sellers will execute a customary access and indemnity agreement with Buyer and the Company in form reasonably acceptable to Buyer with respect to granting access for such further testing or remediation work to be conducted on the Property for closure of the LUST Matter.

6. Schedule Updates. As of prior to Closing, immediately upon the Additional Sellers joining the Merger Agreement as contemplated by Section 6.10 of the Merger Agreement, Schedule 2.2, Schedule 3.2 and Schedule 4.4 of the Merger Agreement shall be deemed to be amended as provided in the attached amended disclosure schedules and Buyer hereby consents to such amendments pursuant to Section 6.5.

7. Affirmation. This Amendment is to be read and construed with the Merger Agreement as constituting one and the same agreement. Except as specifically modified by this Amendment, all remaining provisions, terms and conditions of the Merger Agreement shall remain in full force and effect in accordance with their terms.

8. Defined Terms. All terms not herein defined shall have the meanings ascribed to them in the Merger Agreement.

9. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. Further, the parties agree that this Amendment may be executed and delivered by facsimile or e-mail transmission.

10. Entire Agreement. This Amendment, together with the Merger Agreement, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be amended or waived except as set forth in writing.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 2 and Joinder to Agreement and Plan of Merger effective as of the date first written above.

BUYER: MICHICANN MEDICAL INC.

By: "Michael Marchese"

Name: Michael Marchese

Title: President

**MERGER SUB: RWB ACQUISITION SUB,
INC.**

By: "Michael Marchese"

Name: Michael Marchese

Title: President

(Signature Page to Amendment No.2 to Agreement and Plan of Merger)

SELLERS:

By: "Arthur VanWingerden" _____
Name: Arthur VanWingerden

By: "Ken VanWingerden" _____
Name: Ken VanWingerden

COMPANY:

MID-AMERICAN GROWERS, INC.

By: "Arthur VanWingerden" _____
Name: Arthur VanWingerden
Title: Co-President

(Signature Page to Amendment No.2 to Agreement and Plan of Merger)

Schedule 2.2
Closing Distributions and Payments

For purposes of the cash payment payable pursuant to Section 2.2(b)(i):

Payee	\$ Portion	Address	Wire Transfer Instructions
Arthur VanWingerden	\$141,317.815	(REDACTED)	(REDACTED)
Kenneth VanWingerden	\$141,317.815	(REDACTED)	(REDACTED)
Dawn VanWingerden	\$141,317.815	(REDACTED)	(REDACTED)
Grace VanWingerden	\$141,317.815	(REDACTED)	(REDACTED)
Bruce Daniel	\$100,000.00	(REDACTED)	(REDACTED)

For other payments or RWB Stock issuances under the Merger Agreement:

Payee	Pro Rata Percentage	Address	Wire Transfer Instructions
Arthur VanWingerden	24.35%	(REDACTED)	(REDACTED)
Kenneth VanWingerden	24.35%	(REDACTED)	(REDACTED)
Dawn VanWingerden	24.35%	(REDACTED)	(REDACTED)
Grace VanWingerden	24.35%	(REDACTED)	(REDACTED)

Bruce Daniel	2.6%	(REDACTED)	(REDACTED)

This Schedule 2.2 is subject to that Letter of Direction to be delivered to Buyer by Arthur VanWingerden and Kenneth VanWingerden with respect to Bruce Daniel at or prior to Closing.

Schedule 3.2

Title to Company Capital Stock

Seller	Shares	Certificate Number
Arthur VanWingerden	62.5	144
Kenneth VanWingerden	62.5	145
Dawn VanWingerden	62.5	146
Grace VanWingerden	62.5	147
Bruce Daniel	6.6735	148

Schedule 4.4

Capitalization; Title to Company Capital Stock

Shareholder	Address	Shares Owned
Art VanWingerden	(REDACTED)	62.5
Ken VanWingerden	(REDACTED)	62.5
Dawn VanWingerden	(REDACTED)	62.5
Grace VanWingerden	(REDACTED)	62.5
Bruce Daniel	(REDACTED)	6.6735

AMENDMENT NO. 1 TO
AGREEMENT AND PLAN OF MERGER

THIS AMENDMENT NO. 1 TO THE AGREEMENT AND PLAN OF MERGER (this “Amendment”) is made effective as of November 1, 2019, by and among Michicann Medical Inc., Mid-American Growers, Inc., RWB Acquisition Sub, Inc. and Arthur VanWingerden and Ken VanWingerden, the sellers.

BACKGROUND

WHEREAS, the parties entered into that certain Agreement and Plan of Merger, dated as of October 9, 2019 (as amended, the “Merger Agreement”); and

WHEREAS, the parties desire to amend certain terms and conditions of the Merger Agreement as set forth herein in accordance with the terms of Section 11.4 of the Merger Agreement.

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Amendments to the Merger Agreement.

a. Section 2.2(a) of the Merger Agreement is hereby deleted and replaced by the following:

“(i) Within two (2) Business Days of execution of this Agreement, Buyer shall pay to Sellers a cash payment equal to \$5,000,000 and (ii) on or around November 1, 2019, Buyer shall pay to Sellers a cash payment equal to \$3,000,000 (together, the payments under clauses (i) and (ii), the “Deposit”), which Deposit shall be applied toward the Aggregate Purchase Price at Closing, or should the Closing not occur and this Agreement is terminated, such Deposit shall be fully refundable to Buyer by Sellers in accordance with Section 8.3.”

b. Section 8.1(d) of the Merger Agreement is hereby amended by replacing the date “October 31, 2019” with the date “December 31, 2019.”

2. Affirmation. This Amendment is to be read and construed with the Merger Agreement as constituting one and the same agreement. Except as specifically modified by this Amendment, all remaining provisions, terms and conditions of the Merger Agreement shall remain in full force and effect in accordance with their terms. The parties acknowledge that Buyer previously paid to Sellers the \$5,000,000 portion of the Deposit referenced above.

3. Defined Terms. All terms not herein defined shall have the meanings ascribed to them in the Merger Agreement.

4. Counterparts. This Amendment may be executed in one or more counterparts, each of

which shall be deemed to be an original but all of which together shall constitute one and the same instrument. Further, the parties agree that this Amendment may be executed and delivered by facsimile or e-mail transmission.

5. **Entire Agreement.** This Amendment, together with the Merger Agreement, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be amended or waived except as set forth in writing.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No.1 effective as of the date first written above.

BUYER:

MICHICANN MEDICAL INC.

By: "Michael Marchese"
Name: Michael Marchese
Title: President

MERGER SUB:

RWB ACQUISITION SUB, INC.

By: "Michael Marchese"
Name: Michael Marchese
Title: President

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No.1 effective as of the date first written above.

SELLERS:

By: "Arthur VanWingerden"
Name: Arthur VanWingerden

By: "Ken VanWingerden"
Name: Ken VanWingerden

COMPANY:

MID-AMERICAN GROWERS, INC.

By: "Arthur VanWingerden"
Name: Arthur VanWingerden
Title: Co-President

EXECUTION VERSION

AGREEMENT AND PLAN OF MERGER

by and among

MICHICANN MEDICAL INC.,
MID-AMERICAN GROWERS, INC.,
RWB ACQUISITION SUB, INC.,

and T

THE SELLERS PARTY HERETO

October 9, 2019

TABLE OF CONTENTS

ARTICLE I. THE MERGER	2
1.1. The Merger.....	2
1.2. Conversion of Shares	3
1.3. Dissenters' Rights.	4
1.4. Estimated Closing Statement	4
1.5. Purchase Price.....	5
ARTICLE II. CLOSING; PAYMENT OF CONSIDERATION; CLOSING DELIVERABLES.....	5
2.1. Closing	5
2.2. Aggregate Purchase Price Distributions and Payments	5
2.3. Post-Closing Cash Adjustments.	6
2.4. Consulting Payment.....	7
2.5. Tax Withholding	8
2.6. Closing Deliveries of Sellers	8
2.7. Closing Deliveries of Buyer and Merger Sub.....	11
ARTICLE III. REPRESENTATIONS AND WARRANTIES OF SELLERS.....	11
3.1. Authority.....	11
3.2. Title to Company Capital Stock	11
3.3. Noncontravention.....	11
3.4. Litigation	12
3.5. Investment.....	12
ARTICLE IV. REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANY.....	13
4.1. Authority.....	13
4.2. Organization and Qualification of the Company.....	13
4.3. Noncontravention.....	13
4.4. Capitalization; Title to Company Capital Stock	14
4.5. Absence of Certain Developments.....	14
4.6. Compliance with Applicable Laws.....	16
4.7. Financial Statements.	16
4.8. Assets.	17
4.9. Taxes	18
4.10. Contracts.	20
4.11. Real Property.	21
4.12. Litigation	22
4.13. Intellectual Property.....	23
4.14. Insurance Policies	24
4.15. Licenses and Permits.....	24

4.16. Welfare and Benefit Plans	24
4.17. Health, Safety and Environment	26
4.18. Employees.....	26
4.19. Affiliate Transactions.....	27
4.20. Books and Records	27
4.21. Broker Fees	27
ARTICLE V. REPRESENTATIONS AND WARRANTIES OF BUYER AND MERGER SUB	28
5.1. Organization	28
5.2. Authorization	28
5.3. Noncontravention.....	28
5.4. Capitalization	29
5.5. Brokers or Finders.....	29
ARTICLE VI. COVENANTS PRIOR TO CLOSING	30
6.1. General.....	30
6.2. Notices and Consents.....	30
6.3. Conduct of Business by the Parties.....	30
6.4. Access	31
6.5. Schedule Updates.....	31
6.6. Notice of Material Developments.....	31
6.7. Exclusivity	31
6.8. Tax Covenant	32
6.9. Pre-Closing Restructuring Transactions	32
6.10. Additional Seller	32
6.11. Open LUST File.....	32
ARTICLE VII. CONDITIONS TO CLOSING	33
7.1. Conditions to Buyer's and Merger Sub's Obligations	33
7.2. Conditions to the Company's and Sellers' Obligations	35
7.3. Mutual Conditions to the Parties' Obligations.....	36
ARTICLE VIII. TERMINATION	36
8.1. Termination	36
8.2. Effect of Termination.....	37
8.3. Return of Deposit.....	37
ARTICLE IX. POST-CLOSING COVENANTS	37
9.1. Tax Matters.	37
9.2. Restrictive Covenants.	40
9.3. Further Assurances.....	42
9.4. Release.	42

9.5. Company Name	44
9.6. Hemp Operations Payable.....	44
9.7. Consulting Shares	44
ARTICLE X. INDEMNIFICATION	44
10.1. Indemnification by the Sellers	44
10.2. Indemnification by Buyer	45
10.3. Third Party Claims.....	46
10.4. Direct Claims	47
10.5. Failure to Give Timely Notice	47
10.6. Survival of Representations and Warranties.....	47
10.7. Certain Limitations and Exceptions.....	48
10.8. Manner of Payment.....	49
10.9. Allocation of Indemnification Payments	49
ARTICLE XI. MISCELLANEOUS.....	49
11.1. Notices, Consents, Etc	49
11.2. Public Announcements	50
11.3. Severability	50
11.4. Amendment and Waiver	50
11.5. Counterparts.....	51
11.6. Expenses	51
11.7. Headings	51
11.8. Assignment	51
11.9. Definitions.....	51
11.10. Entire Agreement.....	58
11.11. Third Parties	58
11.12. Interpretative Matters.....	58
11.13. Knowledge	58
11.14. No Strict Construction	59
11.15. Jurisdiction and Governing Law.....	59
11.16. Service of Process.....	59
11.17. WAIVER OF JURY TRIAL.....	59
11.18. Schedules	59
11.19. Consent and Waiver.....	60
11.20. Special Rule for Fraud	60
11.21. Specific Performance.....	60

EXHIBITS AND SCHEDULES

Exhibits:

Exhibit A	Pre-Closing Restructuring Transactions
Exhibit B	Form of Real Estate Purchase Agreement

Schedules:

Schedule 2.2	Closing Distributions and Payments
Schedule 2.6	Third Party Consents
Schedule 3.2	Title to Company Capital Stock
Schedule 3.3	Noncontravention
Schedule 4.2	Organization and Qualification of the Company
Schedule 4.3	Noncontravention
Schedule 4.4	Capitalization; Title to Company Capital Stock
Schedule 4.5	Absence of Certain Developments
Schedule 4.6	Compliance with Applicable Laws
Schedule 4.7	Financial Statements
Schedule 4.7(e)	Indebtedness
Schedule 4.8	Assets
Schedule 4.9	Taxes
Schedule 4.9(j)	Tax Returns
Schedule 4.10	Contracts
Schedule 4.11	Real Property
Schedule 4.12	Litigation
Schedule 4.13	Intellectual Property
Schedule 4.14	Insurance Policies
Schedule 4.15	Licenses and Permits
Schedule 4.16	Welfare and Benefit Plans
Schedule 4.17	Health, Safety and Environment
Schedule 4.18	Employees
Schedule 4.19	Affiliate Transactions
Schedule 4.21	Broker Fees
Schedule 5.4	Capitalization
Schedule 5.6	Compliance with Applicable Laws
Schedule 5.7	Financial Statements
Schedule 10.1(g)	Specific Indemnity Items

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this “Agreement”) is entered into as of October 9, 2019, by and among Mid-American Growers, Inc., a Delaware corporation (the “Company”), Michicann Medical Inc. (“Buyer” or “Michicann”), RWB Acquisition Sub, Inc., a Delaware corporation and a wholly owned Subsidiary of Buyer (“Merger Sub”), and each of Arthur VanWingerden and Ken VanWingerden (each a “Seller” and together, the “Sellers”).

PREAMBLE

WHEREAS, Sellers own all of the issued and outstanding Equity Interests of the Company.

WHEREAS, the Company is engaged in the business in the State of Illinois of large scale outdoor farming and indoor greenhouse cultivation facilities, including hemp cultivation and processing (the “Business”).

WHEREAS, prior to the Closing Date, the Company and Sellers entered into various restructuring transactions as more fully described on Exhibit A attached hereto (the “Pre-Closing Restructuring Transactions”), whereby Sellers caused the Company to transfer and assign certain assets of the Company to a newly formed subsidiary of the Company (“RetainCo”), caused RetainCo to assume and accept, certain assets and Liabilities of the Business, and caused the Company to distribute all of the equity interest in RetainCo to Sellers and Sellers caused the transfer of certain other assets used in the Business to the Company.

WHEREAS, Buyer, Sellers and the Company intend to effect a merger of Merger Sub with and into the Company upon the terms and conditions set forth in this Agreement and in accordance with the Delaware Corporation Law (the “Merger”). Upon consummation of the Merger, Merger Sub will cease to exist and the Company will become a wholly owned subsidiary of Buyer.

WHEREAS, the boards of directors (or equivalent governing body) of the Company, Buyer, and Merger Sub have approved this Agreement and the Merger.

WHEREAS, the board of directors of the Company has declared that it is advisable that this Agreement and the transactions contemplated hereby be adopted and approved by Sellers in their capacity as the stockholders of the Company.

WHEREAS, the board of directors of Merger Sub has determined that it is advisable that this Agreement and the transactions contemplated hereby be adopted and approved by Buyer in its capacity as the sole stockholder of Merger Sub. Merger Sub and the Company are hereinafter sometimes referred to collectively as the “Constituent Corporations.”

WHEREAS, the authorized Equity Interests of the Company consists of 1,000 shares of common stock, par value \$5.00 per share (the “Company Capital Stock”).

WHEREAS, the authorized capital stock of Merger Sub consists of 5,000 shares of common stock, par value \$0.01 per share (the “Merger Sub Common Stock”), 100 of which are issued and outstanding and owned by Buyer.

NOW, THEREFORE, in consideration of the mutual covenants of the parties hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I.

THE MERGER

1.1. The Merger. On and subject to the terms and conditions contained herein, at the Effective Time, Merger Sub shall be merged with and into the Company, with the Company being the surviving corporation in the Merger (the Company, as the surviving corporation after the Merger, is sometimes referred to herein as the “Surviving Corporation”).

(a) Consummation of the Merger. On the Closing Date, subject to satisfaction or waiver of the conditions specified in ARTICLE VII hereof, the Company and Merger Sub shall, and Buyer shall cause Merger Sub to execute a certificate of merger (the “Certificate of Merger”) in accordance with the relevant provisions of Delaware Corporation Law and cause the Certificate of Merger to be filed with the Secretary of State of the State of Delaware. The Merger shall be effective at such time as may be specified in the Certificate of Merger by mutual agreement of Merger Sub and the Company (the “Effective Time”).

(b) Effect of the Merger. The Merger shall have the effects set forth herein and in the applicable provisions of Delaware Corporation Law. Without limiting the generality of the foregoing, from and after the Effective Time, the Surviving Corporation shall possess all properties, rights, privileges, powers and franchises of the Company and Merger Sub, and all of the claims, obligations, liabilities, debts and duties of the Company and Merger Sub shall become the claims, obligations, liabilities, debts and duties of the Surviving Corporation.

(c) Articles of Incorporation. At the Effective Time, the articles of incorporation of Merger Sub as in effect immediately prior to the Effective Time shall be the articles of incorporation of the Surviving Corporation until thereafter amended in accordance with the terms thereof or as provided by applicable Law; provided that the name of the corporation set forth therein shall be changed to the name of the Company.

(d) By Laws. At the Effective Time, the bylaws of Merger Sub as in effect immediately prior to the Effective Time shall be the bylaws of the Surviving Corporation until thereafter amended with the terms thereof or as provided by applicable Law; provided that the name of the corporation set forth therein shall be changed to the name of the Company.

(e) Directors. The directors of Merger Sub, as of the Effective Time, shall be the directors of the Surviving Corporation until their respective successors are duly elected and qualified in the manner provided in the articles of incorporation and bylaws of the Surviving Corporation or until their earlier resignation or removal or as otherwise provided by applicable Law.

(f) Officers. The officers of Merger Sub, as of the Effective Time, shall be the officers of the Surviving Corporation until their successors are duly elected and qualified in the

manner provided in the articles of incorporation and bylaws of the Surviving Corporation or until their earlier resignation or removal or as otherwise provided by applicable Law.

(g) Further Assurances. If, at any time after the Effective Time, the Surviving Corporation shall consider or be advised that any further deeds, assignments or assurances in Law or any other acts are necessary, desirable or proper to vest, perfect or confirm, of record or otherwise, in the Surviving Corporation the title to any property or right of the Constituent Corporations acquired or to be acquired by reason of, or as a result of, the Merger or to otherwise carry out the purposes of this Agreement or effect the Merger, the Surviving Corporation and its officers and directors shall execute and deliver all such deeds, assignments and assurances in Law and do all acts necessary, desirable or proper to vest, perfect or confirm title to such property or right in the Surviving Corporation, and the officers and directors of the Constituent Corporations and the officers and directors of the Surviving Corporation are fully authorized in the name of the Constituent Corporations or otherwise to take any and all such action solely for the purposes set forth in this Section 1.1(g).

1.2. Conversion of Shares. At the Effective Time, by virtue of the Merger and without any action on the part of Buyer, Merger Sub, the Company or the holders of any of the securities described below:

(a) Each share of Merger Sub Common Stock issued and outstanding immediately prior to the Effective Time shall be converted into one (1) validly issued, fully paid and non-assessable share of common stock, par value \$0.01 per share, of the Surviving Corporation.

(b) Except as otherwise provided herein, the Company Capital Stock issued and outstanding immediately prior to the Effective Time (other than (x) shares of Company Capital Stock cancelled pursuant to Section 1.2(c)) and (y) Dissenting Shares) shall be converted into the right to receive, upon delivery and surrender of the Certificates formerly representing the issued and outstanding Company Capital Stock, the Estimated Merger Consideration (subject to Sections 2.2, 2.3 and 2.4), and such share of Company Capital Stock after such conversion shall automatically be cancelled and retired and shall cease to exist.

(c) Each share of Company Capital Stock held in the treasury of the Company and each share of Company Capital Stock owned or held, directly or indirectly, by the Company immediately prior to the Effective Time shall be cancelled and retired and shall cease to exist without any conversion thereof and no payment of cash or any other consideration or distribution shall be made with respect thereto.

(d) As of the Effective Time, each holder of a certificate representing a share of Company Capital Stock (each such certificate, a "Certificate") (other than a Certificate representing Dissenting Shares, the treatment of which is addressed in Section 1.3) shall cease to have any rights with respect thereto and any shares of Company Capital Stock that were represented thereby prior to the Effective Time, except the right to receive, upon surrender of such Certificate, a portion, without interest, in accordance with this Agreement, of the Estimated Merger Consideration (subject to Sections 2.2, 2.3 and 2.4). Surrendered Certificates shall forthwith be cancelled by the Surviving Corporation.

(e) None of the Surviving Corporation, Buyer, or Merger Sub shall be liable to any Person in respect of amounts paid to a public official to the extent required under any applicable abandoned property, escheat or similar Law.

1.3. Dissenters' Rights.

(a) Each issued and outstanding share of Company Capital Stock that is held by a Person who has not voted in favor of the Merger or consented thereto in writing or executed an enforceable waiver of dissenters' rights to the extent permitted by applicable Law and, in the case of any Person required to have exercised dissenters' rights under Section 262 of the Delaware Corporation Law as of the Effective Time of the Merger in order to preserve such rights, with respect to which dissenters' rights under the Delaware Corporation Law have been properly exercised, shall not be converted into the right to receive any portion of the Estimated Merger Consideration and shall be converted into the right to receive payment from the Surviving Corporation with respect thereto as provided by the Delaware Corporation Law, unless and until the holder of any such share shall have failed to perfect or shall have effectively withdrawn or lost his, her or its right to appraisal and payment under the Delaware Corporation Law, in which case such share shall thereupon be deemed, as of the Effective Time, to have been cancelled and retired and to have ceased to exist and been converted into the right to receive, upon surrender of such Certificate, a portion, without interest, in accordance with this Agreement, of the Estimated Merger Consideration. From and after the Effective Time, no stockholder who has demanded dissenters' rights shall be entitled to vote his, her or its shares of Company Capital Stock for any purpose or to receive payment of dividends or other distributions on his, her or its shares (except dividends or other distributions payable to stockholders of record at a date prior to the Effective Time, or dividends that accrued thereon prior to the Effective Time). Any shares of Company Capital Stock for which dissenters' rights have been properly exercised, and not subsequently withdrawn, lost or not perfected, are referred to herein as "Dissenting Shares."

(b) The Company shall give Buyer (a) prompt notice and a copy of any Company stockholder's demand for payment or objection to the Merger, of any request to withdraw a demand for payment and of any other instrument delivered to it pursuant to Delaware Corporation Law and (b) the opportunity to direct all negotiations and proceedings with respect to such demands, objections and requests. Except with the prior written consent of Buyer, the Company shall not make any payment with respect to any such demands, objections and requests and shall not settle (or offer to settle) any such demands, objections and requests or approve any withdrawal of the same.

1.4. Estimated Closing Statement. Sellers shall deliver to Buyer, at least three (3) business days prior to the Closing Date, a statement (the "Estimated Closing Statement") setting forth its calculation of (i) the estimated Net Working Capital of the Company as of the Adjustment Calculation Time (the "Estimated Net Working Capital"), (ii) the estimated Seller Transaction Expenses (the "Estimated Seller Transaction Expenses") and (iii) the resulting calculation of the Estimated Merger Consideration. The Estimated Closing Statement shall have been prepared in accordance with GAAP, and in good faith in accordance with the terms of this Agreement and shall be reasonably satisfactory to Buyer. Buyer and its representatives shall have been given reasonable access to the books and records of the Company relating to the Estimated Closing Statement.

1.5. Purchase Price. The aggregate purchase price for the Company Capital Stock (the “Aggregate Purchase Price”) is the Estimated Merger Consideration, subject to Sections 2.2, 2.3 and 2.4.

ARTICLE II.

CLOSING; PAYMENT OF CONSIDERATION; CLOSING DELIVERABLES

2.1. Closing. Subject to the conditions set forth herein, the consummation of the transactions that are the subject of this Agreement (the “Closing”) shall occur at the offices of Honigman LLP, 660 Woodward Avenue, 2290 First National Building, Detroit, Michigan 48226, or at such other place as Buyer and Sellers may mutually agree upon in writing, or remotely by mail, facsimile, e-mail and/or wire transfer, in each case to the extent acceptable to the parties hereto, at 10:00 a.m., Detroit time, on the second business day after satisfaction of the conditions set forth in Article VI (other than those to be satisfied at the Closing, but subject to their satisfaction or waiver at the Closing). The date on which the Closing is to occur is herein referred to as the “Closing Date.” Regardless of the actual time of the Closing, except as otherwise expressly provided herein, for tax and accounting purposes, the Closing shall be deemed effective as of close of the day immediately preceding the Closing Date (the “Tax Effective Time”).

2.2. Aggregate Purchase Price Distributions and Payments.

(a) Within two (2) Business Days of execution of this Agreement, Buyer shall pay to Sellers a cash payment equal to \$5,000,000 (the “Deposit”), which Deposit shall be applied toward the Aggregate Purchase Price at Closing, or should the Closing not occur and this Agreement is terminated, such Deposit shall be fully refundable to Buyer by Sellers in accordance with Section 8.3.

(b) At the Closing, Sellers shall deliver and surrender to Buyer (or to Buyer’s agent) the Certificates formerly representing the issued and outstanding Company Capital Stock.

(c) At the Closing, Buyer shall deliver to the applicable party listed below the following:

(i) to Sellers, a cash payment equal to the Estimated Merger Consideration, minus the Deposit, minus the Post-Closing Cash Consideration by wire transfer of immediately available funds to the account or accounts designated by Sellers on Schedule 2.2; and

(ii) At Buyer’s election, Buyer shall cause the refinancing of the Specified Indebtedness in connection with the Closing (or, if permissible, the parties shall cause the Company shall to retain the Specified Indebtedness at the Closing, in either case, Specified Indebtedness shall be deemed paid by Buyer as a result of such refinancing or assumption; and

(iii) Buyer shall pay, or cause to be paid, on behalf of Sellers, the Estimated Seller Transaction Expenses by wire transfer of immediately available funds as directed by Sellers.

(iv) Buyer will deliver to Sellers the Stock Consideration (which will equal the right to receive 19,800,000 shares of RWB Stock, pursuant to an instrument(s) reasonably and mutually acceptable to the Parties, which will provide for the actual issuance of RWB Stock on or after January 1, 2020 (the “RWB Stock Issuance Right”), subject to and following completion of the RTO, by depositing such RWB Stock Issuance Right into an escrow account subject and pursuant to the Lock-Up Escrow Agreement, and following the Closing, the RWB Stock Issuance Right, and any RWB Stock issued pursuant to the RWB Stock Issuance Right) will be released to Sellers pursuant to and in accordance with the distribution schedule set forth in the Lock-Up Escrow Agreement, with such legends as may be required by applicable securities laws. The RWB Stock Issuance Right will be reduced by the number of shares of RWB Stock issued to Anne Hyde as Consulting Shares.

(d) Additional Cash Payment. On the date that is thirty (30) days following the Closing Date, Buyer shall deliver to Sellers, a cash payment equal to the Post-Closing Cash Consideration by wire transfer of immediately available funds to the account or accounts designated by Sellers on Schedule 2.2.

2.3. Post-Closing Cash Adjustments.

(a) Final Closing Statement. As soon as practicable (but not later than one hundred twenty (120) days) following the Closing Date, Buyer shall prepare and deliver to Sellers a statement (the “Closing Statement”) setting forth its calculation of (i) the Net Working Capital of the Company as of the Adjustment Calculation Time (the “Final Net Working Capital”), and

(ii) the Seller Transaction Expenses (the “Final Seller Transaction Expenses”), along with the portion of such expenses attributable to the Company (the “Final Seller Transaction Expenses”) and (iv) the resulting calculation of the Final Merger Consideration. The Closing Statement shall be prepared in accordance with GAAP.

(b) Protest Notice. Within thirty (30) days following delivery of the Closing Statement, Sellers may deliver written notice (the “Closing Statement Protest Notice”) to Buyer of any disagreement that Sellers may have as to any amount included in or omitted from the Closing Statement. Such Closing Statement Protest Notice shall set forth in reasonable detail the basis of such disagreement together with the amount(s) in dispute. The failure of Sellers to deliver such Closing Statement Protest Notice within the prescribed time period will constitute Sellers’ acceptance of the Closing Statement as determined by Buyer and shall be deemed final and binding upon the parties hereto. Sellers and their representatives shall be given reasonable access to the books and records relating to the Closing Statement for the purpose of verifying the Closing Statement and Buyer shall use commercially reasonable efforts to make its financial staff and advisors (with respect to the Business) available to Sellers and their accountants and other representatives upon written request, and upon reasonable advance notice and during normal business hours during the review by them of the Closing Statement and the calculation of the Final Net Working Capital and Final Seller Transaction Expenses and the resolution by Buyer and Sellers of any objections thereto.

(c) Resolution of Protest. If Buyer and Sellers are unable to resolve any disagreement as to any amount included in or omitted from the Closing Statement within fifteen (15) days following Buyer’s receipt of the Closing Statement Protest Notice, then the amounts in

dispute will be promptly referred to a nationally or regionally recognized firm of independent certified public accountants as mutually agreed upon by Buyer and Sellers (the "Accountants") for final arbitration, to take place within forty-five (45) days after submitting the matter to the Accountants, which arbitration shall be final and binding on the parties hereto. The Accountants shall act as an arbitrator to determine, based solely on presentations by Buyer and Sellers, and not by independent review, only those amounts still in dispute. With respect to its determination of each disputed item, the Accountants will exercise its discretion independently to resolve only the disputed items submitted to it within the range of differences between Buyer and Sellers. Buyer and Sellers agree to execute, if requested by the Accountants, a reasonable engagement letter. The fees and expenses of the Accountants shall be paid by Sellers, on the one hand, and by Buyer, on the other hand, based upon the percentage that the amount actually contested but not awarded to Sellers or Buyer, respectively, bears to the aggregate amount actually contested by Sellers and Buyer. The term "Final Closing Statement," as used in this Agreement, shall mean the definitive Closing Statement accepted by Sellers or agreed to by Sellers and Buyer in accordance with Section 2.3(b) or the definitive Final Closing Statement resulting from the determinations made by the Accountants in accordance with this Section 2.3(c) (in addition to those items theretofore accepted by Sellers or agreed to by Sellers).

(d) Payment. Within five (5) days of the determination of the Final Closing Statement:

(i) if the Final Merger Consideration as set forth on the Final Closing Statement is less than the Estimated Merger Consideration, Buyer and Sellers agree that the amount of such shortfall (the "Merger Shortfall Amount") shall be paid by Sellers to Buyer by wire transfer of immediately available funds to the account(s) designated by Buyer; and

(ii) if the Final Merger Consideration as set forth on the Final Closing Statement is greater than the Estimated Merger Consideration, Buyer and Sellers agree that the amount of such excess (the "Merger Excess Amount") shall be paid by Buyer to Sellers by wire transfer of immediately available funds to the account(s) designated by Sellers.

2.4. Consulting Payment.

(a) Subject to the terms and conditions set forth in the Consulting Agreement and this Section 2.4, following the Closing, a to-be-formed company directly owned by Sellers and certain other individuals acceptable to Buyer (provided that such each such individual is an "accredited investor" within the meaning of Rule 501(a) of Regulation D promulgated under the U.S. securities laws and each executes a certificate or other document pursuant to which such individual makes similar "Investment" representations as Sellers) ("Consulting Affiliate") shall be eligible to receive 3,960,000 shares of RWB Stock, which is an aggregate number of shares of RWB Stock equal to the quotient of \$15,000,000, multiplied by a 1.32 exchange rate) divided by the Fixed Stock Price, subject to satisfying the Milestones set forth in the Consulting Agreement (the "Consulting Payment"). The Consulting Payment, if any, shall be calculated as set forth in this Section 2.4.

(b) If the Milestones are satisfied, then Buyer shall make the Consulting Payment to Consulting Affiliate, subject to the terms of a Lock-Up Escrow Agreement; provided

that the Consulting Payment will be made only in the form of whole shares and any fractional shares shall be rounded down to the nearest whole share.

(c) Subject to the terms of this Section 2.4, the issuance of the RWB Stock for the Consulting Payment shall occur as soon as reasonably practicable (subject to compliance with the requirements and procedures under applicable law) after satisfaction of the Milestones in accordance with this Section 2.4 and the Consulting Agreement.

(d) The right of Consulting Affiliate to receive any portion of the Consulting Payment (i) is solely a contractual right and is not a security for purposes of any federal or state securities Laws (and shall confer upon Sellers and Consulting Affiliate only the rights of a general unsecured creditor under applicable state Law), (ii) will not be represented by any form of certificate or instrument, (iii) does not give Sellers and Consulting Affiliate any dividend rights, voting rights, liquidation rights, preemptive rights or other rights common to holders of Buyer's equity securities, (iv) is not redeemable and (v) may not be sold, assigned, pledged, gifted, conveyed, transferred or otherwise disposed of (a "Transfer"), except by operation of Law (and any Transfer in violation of this Section 2.4(d) shall be null and void).

2.5. Tax Withholding. Notwithstanding anything in this Agreement to the contrary, Buyer (or its designee) and the Company shall be entitled to withhold and deduct from the consideration otherwise payable pursuant to this Agreement such amounts as Buyer or the Company, as applicable, is required to deduct and withhold with respect to the making of such payment under the Code or any provision of state, local or foreign Tax law. If Buyer determines that Tax withholding is required pursuant to this Section 2.5, Buyer shall provide notice thereof to Sellers reasonably promptly following such determination. To the extent that amounts are so withheld and paid over to the appropriate Tax authority, such amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding were made. Buyer shall cooperate with any reasonable request from the Sellers to avoid or minimize any Tax withholding from the cash consideration payable pursuant to this Agreement; provided that Sellers shall reimburse Buyer for any reasonable expenses actually incurred by Buyer in providing such cooperation to the extent such cooperation is not otherwise contemplated by Buyer's covenants or deliveries hereunder.

2.6. Closing Deliveries of Sellers. At the Closing, Sellers will execute and deliver or cause to be executed and delivered, as applicable, to Buyer:

(a) Specified Indebtedness. Evidence that the Specified Indebtedness has been assumed by the Company to the satisfaction of Buyer or a payoff letter from the holder of the Specified Indebtedness for purposes of Buyer's refinancing of such Specified Indebtedness, which in either case, includes evidence of the release or discharge of such financing statements and other Liens on or against or affecting the Company Capital Stock, the Company and any assets of the Business in connection with such Specified Indebtedness, in form and substance satisfactory to Buyer;

(b) Other Payoff Letters and Lien Discharges. A payoff letter from each holder of Indebtedness of the Company or by which the Company's assets or properties or Company Capital Stock are affected or bound (other than the Specified Indebtedness and the Hemp

Operations Payable), indicating that upon payment of a specified amount such holder such Indebtedness shall be paid in full and all security interests and Liens shall be release, including the filing of Uniform Commercial Code Termination Statements, or such other documents or endorsements necessary to release of record the security interests of all such holders, and evidence of the release or discharge of such financing statements and or other Liens of such holders, in form and substance satisfactory to Buyer;

(c) Lien Discharges. Evidence of the release or discharge of all Liens on or against or affecting the Company Capital Stock (including Liens on or against Sellers), the Company and on any assets of the Business, in form and substance satisfactory to Buyer;

(d) Resolutions. Certified copies of the resolutions of the board of directors (or equivalent governing body) and the Sellers approving the transactions contemplated by this Agreement and the Transaction Documents;

(e) Officer's Certificate. A certificate executed by Sellers to the effect that on and as of the Closing Date: (i) the certificate of incorporation and bylaws (or similar organizational document) of the Company delivered to Buyer are true and correct; and (ii) the resolutions delivered to Buyer of the board and the Sellers of the Company approving the transactions contemplated by this Agreement and the Transaction Documents are in full force and effect;

(f) Good Standing Certificates. Certificates of each state of the United States where the Company is qualified to do business providing that the Company is in good standing in such state;

(g) Third Party Consents. Copies of all consents and approvals of any Person (including Governmental Authorities (as defined in Section 3.3), whether federal, state or local) necessary to the consummation of the Closing and which are identified on Schedule 2.6(g), in form and substance satisfactory to Buyer;

(h) Consulting Agreement. That certain Consulting Agreement by and between the Company (or other Buyer designee) and Consulting Affiliate in form satisfactory to Buyer, pursuant to which Consulting Affiliate will assist the Company (or other Buyer designee) in obtaining a cannabis production license issued by the State of Illinois Department of Agriculture and such other applicable regulatory authorities (acceptable to Buyer) and Consulting Affiliate will be entitled to receive the Consulting Payment as contemplated by this Agreement upon satisfaction of certain milestones set forth in the Consulting Agreement with respect to the procurement of such license (the "Milestones").

(i) Lock-Up Escrow Agreements. Those certain escrow agreements executed by the Sellers in form mutually agreeable to Buyer and Sellers (the "Lock-Up Escrow Agreements"), pursuant to which Sellers will agree not to sell, transfer or dispose of the shares of RWB Stock received hereunder (whether directly or pursuant to the RWB Stock Issuance Right) for a certain lock-up period (which will require full lock-up of all RWB Stock in escrow for a minimum six-month period after Closing during which Sellers may not sell, transfer or otherwise dispose of any RWB Stock and subject to certain other conditions, and which will require full lockup in escrow of 20% of the RWB Stock for the later of 12 months following Closing or the date

of closure of the LUST Matter in accordance with this Agreement) with partial release of such RWB Stock from the escrow account to Sellers at a rate of 7% per month of the aggregate number of shares of RWB Stock issued to Sellers hereunder, with such legends as required by applicable securities law.

(j) License Agreements. To the extent such Intellectual Property is not owned by or transferred to the Company through the Pre-Closing Restructuring Transactions prior to Closing, those certain License Agreements executed by the Sellers (or other applicable parties) in form satisfactory to Buyer (the “License Agreements”), pursuant to which the Company will receive a royalty-free, perpetual license to certain Intellectual Property.

(k) Transition Documents. A transaction services agreement executed by the Sellers (and any applicable Affiliates) in form satisfactory to Buyer, and such other documents and instruments to be delivered by Sellers at or prior to the Closing pursuant to this Agreement as necessary to address the existing intercompany/affiliate arrangements with the Company, which may include termination agreements, assignment agreements, transition services agreements or such other documents as Buyer may request.

(l) Bulk Sale Release. Sellers shall deliver to Buyer a release letter or certificate for the Owned Real Property from the Illinois Department of Revenue stating that no assessed but unpaid tax penalties or interest are due under Section 9-902(d) of the Illinois Income Tax Act, as amended, or 35 ILCS 120/5j of the Illinois Compiled Statutes, as amended; and (ii) a letter of clearance for the Owned Real Property from the State of Illinois Department of Employment Security stating that no assessed but unpaid tax penalties or interest are due under Section 2600 of the Illinois Unemployment Insurance Act (820 ILCS 405/2600), as amended (the release letters and clearances referred to in (i) – (ii) above are referred to collectively as the “Bulk Sale Releases” and individually as a “Bulk Sale Release”).

(m) Affidavits for Title Company. Sellers (and the Company) shall execute and deliver to the title company such affidavits with respect to the Owned Real Property as the title company shall require in order to delete from its title insurance policies those of the so-called “standard exceptions” that are removable by affidavit.

(n) Non-Foreign Person Affidavit. Sellers (and the Company) shall execute and deliver to Buyer (and Real Estate Buyer) a non-foreign person affidavit or a qualifying statement sufficient in form and substance to relieve Buyer of any and all obligation to deduct, withhold or pay any amount of tax pursuant to Section 1445 of the Code.

(o) Title Commitment. Seller shall cause the Title Company (as defined in the Real Estate Purchase Agreement) to provide Buyer with the proforma or marked-up title commitment as required under this Agreement.

(p) Other Documents. All other previously undelivered documents, instruments or writings required to be delivered by the Sellers to Buyer at or prior to the Closing pursuant to this Agreement and such other documents and instruments as Buyer or its counsel reasonably shall deem necessary to consummate the transactions contemplated hereby.

All documents delivered to Buyer shall be in form and substance reasonably satisfactory to Buyer and its counsel.

2.7. Closing Deliveries of Buyer and Merger Sub. At the Closing, Buyer and Merger Sub will execute and deliver or cause to be executed and delivered to the Sellers simultaneously with delivery of the items referred to in Section 2.6 above:

(a) Resolutions. Certified copies of the resolutions of the board of directors (or equivalent governing body) of Buyer and the board of directors (or equivalent governing body) and equity holders of Merger Sub approving the transactions contemplated by this Agreement and the Transaction Documents;

(b) Other Documents. All other previously undelivered documents, instruments or writings required to be delivered by Buyer to Sellers at or prior to the Closing pursuant to this Agreement and such other documents and instruments as Sellers' counsel reasonably shall deem necessary to consummate the transactions contemplated hereby.

ARTICLE III.

REPRESENTATIONS AND WARRANTIES OF SELLERS

Each Seller, severally and not jointly, represents and warrants to Buyer and Merger Sub as to itself only, as of the date of this Agreement and as of the Closing Date, as follows:

3.1. Authority. Each Seller has full power, right and authority to enter into and perform such Seller's obligations under this Agreement and each of the Transaction Documents to which such Seller is a party. This Agreement and each of the Transaction Documents to which such Seller is a party has been duly executed and delivered by such Seller, and, assuming due and valid authorization, execution and delivery hereof and thereof by the other parties hereto and thereto, constitute the valid and legally binding obligation of such Seller and are enforceable against such Seller in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) (the "Bankruptcy and Equity Exception").

3.2. Title to Company Capital Stock. Sellers own of record and beneficially all of the Company Capital Stock, and Sellers have good and marketable title to the Company Capital Stock, free and clear of all Liens. Neither Seller is a party to (a) any option, warrant, purchase right or other contract or commitment (other than this Agreement) that could require such Seller to sell, transfer or otherwise dispose of any Company Capital Stock or (b) any voting trust, proxy, or other agreement or understanding with respect to the voting of any Company Capital Stock. Other than the Company Capital Stock set forth opposite such Seller's name on Schedule 3.2, Seller owns no other Company Capital Stock of, securities, instruments or rights convertible into Company Capital Stock or options, warrants or other rights to acquire Company Capital Stock.

3.3. Noncontravention. Except as set forth on Schedule 3.3, the execution, delivery and performance by each Seller of this Agreement and the Transaction Documents to which such Seller

is a party and the consummation of the transactions contemplated hereby or thereby will not, or would not: (a) violate or conflict with or result in a breach of or default under any provision of any law, statute, rule, regulation, order, permit, by law, enactment, ordinance, directive, judgment, injunction, decree or other decision of any Governmental Authority (each a “Law” and, collectively, “Laws”), in each case applicable to such Seller; (b) constitute (with or without due notice or lapse of time or both) a default under or an event which would give rise to any right of notice, modification, acceleration payment or cancellation under or permit any party to terminate under any material contract, agreement, indenture, mortgage, note, bond, license or other instrument or obligation of such Seller or by which the assets of such Seller may be bound or subject; (c) result in the creation or imposition of any Lien upon any of the Company Capital Stock or any other assets of the Business; or (d) require any material authorization, consent, order, approval, filing, registration, exemption or other action by, or notice to, any court, arbitral body, administrative or governmental body, department, commission, board, agency or instrumentality, legislative, executive or regulatory authority or agency (whether foreign or domestic) (each, a “Governmental Authority”) or other Person.

3.4. Litigation. There is no claim, action, cause of action or suit (whether in contract, tort, eminent domain, or otherwise), litigation (whether at law or in equity, whether civil or criminal), controversy, assessment, grievance, arbitration, investigation, hearing, charge, complaint, demand, notice, audit, inquiry, notice of violation, order, or other proceeding (each a “Proceeding” and, collectively “Proceedings”) pending or, to each Seller’s knowledge, threatened against or affecting such Seller in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with the transactions contemplated hereby

3.5. Investment. Each Seller, for itself and as the equity owner of Consulting Affiliate, represents and warrants that it is an “accredited investor” within the meaning of Rule 501(a) of Regulation D promulgated under the U.S. securities laws. Each Seller, for itself and as the equity owners of Consulting Affiliate, is acquiring the RWB Stock and RWB Stock Issuance Right for its own account for investment only, and not with a view to distribution or resale thereof and does not presently have any contract, agreement or arrangement with any Person to sell or transfer such RWB Stock or RWB Stock Issuance Right. Sellers acknowledge that the RWB Stock to be issued under this Agreement has not been, and will not be, registered under U.S. securities law, by reason of a specific exemption from the registration provisions of U.S. securities law, which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of Sellers’ representations as expressed herein. Except for the representations specifically set forth in this Agreement by Buyer, Sellers acknowledge that no officer or other representative of Buyer or RWB, nor any other person or entity has made any representations of any kind or nature to induce Sellers to enter into this Agreement and that Sellers are relying solely on the representations in this Agreement and the publicly available information regarding RWB that Sellers have determined was useful in acquiring the RWB Stock and RWB Stock Issuance Right. Each Seller’s residence and Consulting Affiliate’s principal place of business (which shall be deemed its residence) is in the State of Kentucky.

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANY

The Sellers, jointly and severally, represent and warrant to Buyer and Merger Sub, as of the date of this Agreement and as of the Closing Date, as follows:

4.1. Authority. The Company has full corporate power, right and authority to, enter into and perform its obligations under this Agreement and each of the Transaction Documents to which it is a party. The execution, delivery and performance of this Agreement and each of the Transaction Documents to which the Company is a party have been duly and properly authorized by the Company by all requisite action in accordance with applicable law and with the Charter Documents of the Company. This Agreement and each of the Transaction Documents to which the Company is a party have been duly executed and delivered by the Company, and, assuming due and valid authorization, execution and delivery hereof and thereof by the other parties hereto and thereto, constitute the valid and legally binding obligations of the Company and are enforceable against the Company in accordance with their respective terms, except as may be limited by the Bankruptcy and Equity Exception.

4.2. Organization and Qualification of the Company. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. The Company has full corporate power and authority to carry on its business as now being conducted and as currently proposed to be conducted and to own, lease or otherwise hold the properties and assets it now owns, leases or otherwise holds. The Company is duly qualified or licensed to do business and is in good standing as a foreign corporation in the State of Illinois and, as applicable, in each of the other jurisdictions listed on Schedule 4.2, and there are no other jurisdictions in which the conduct of the Company's business or the ownership or lease of its assets requires such qualification under applicable law. The Company has no Subsidiaries. Complete and correct copies of the Charter Documents of the Company and all amendments thereto to date, certified (as applicable) by the Secretary of State of Illinois have been delivered to Buyer and will not be modified or amended prior to the Closing. Schedule 4.2 sets forth a list of all of the officers and directors (or similar persons) of the Company.

4.3. Noncontravention. Except as set forth on Schedule 4.3, the execution, delivery and performance by the Company and Sellers of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby or thereby will not, or would not: (a) except with respect to federal Laws related to cannabis (other than Section 280E of the Code), violate or conflict with or result in a breach of or default under any provision of any Law, which is applicable to the Company or by which any of the Company Capital Stock are bound; (b) violate or conflict with or constitute a default under the Charter Documents of the Company; (c) constitute (with or without due notice or lapse of time or both) a material default under or an event which would give rise to any right of notice, modification, acceleration payment or cancellation under or permit any party to terminate any material Contract, Permit, agreement, indenture, mortgage, note, bond, license or other instrument or obligation of the Company or by which the assets of the Company may be bound or subject; (d) result in the creation or imposition of any Lien upon any of the Company Capital Stock or any assets of the Company; or (e) require any authorization, consent, order, approval, filing, registration, exemption or other action by, or notice to, any

Governmental Authority or other Person, except in the case of clause (c) above, for the failure to obtain any such authorization, consent, order, approval, filing, registration, exemption or other action or to furnish any required notice.

4.4. Capitalization; Title to Company Capital Stock.

(a) The authorized issued and outstanding Company Capital Stock, the holders of such Company Capital Stock and the address of each such holder are set forth on Schedule 4.4. All of the issued and outstanding Company Capital Stock have been duly authorized, are validly issued, fully paid, and nonassessable, and are held of record and owned beneficially by Sellers, free and clear of all Liens, and are not subject to, nor issued in violation of, any preemptive rights, rights of first refusal, co-sale or participation right, preemptive right, subscription right or any other similar right. The Company has not violated any securities Laws in connection with the offer, sale or issuance of the Company Capital Stock. There are no declared or accrued but unpaid dividends with respect to any of the Company Capital Stock.

(b) There are no outstanding securities, options, warrants, calls, rights, convertible or exchangeable securities or contracts or obligations of any kind (contingent or otherwise) to which the Company is a party or by which it is bound obligating the Company, directly or indirectly, to issue, deliver or sell, or cause to be issued, delivered or sold, additional equity interests of the Company or obligating the Company to issue, grant, extend or enter into any such security, option, warrant, call, right, contract or obligation. There are no outstanding obligations of the Company (contingent or otherwise) to repurchase, redeem or otherwise acquire, directly or indirectly, any equity interests (or options or warrants to acquire any such equity interests) of the Company, and there are no outstanding rights to cause the Company to register its securities or which otherwise relate to the registration of any securities of the Company. There are no outstanding equity-appreciation rights, equity-based performance units, “phantom” equity rights or other contracts or obligations of any character (contingent or otherwise) pursuant to which any Person is or may be entitled to receive any payment or other value based on the revenues, earnings or financial performance, equity value or other attribute of a Company or its businesses or assets or calculated in accordance therewith. Except as set forth on Schedule 4.4, there are no agreements among the Sellers with respect to the voting or transfer of the Company Capital Stock or with respect to any other aspect of a Company’s affairs. Except as set forth on Schedule 4.4, there are no bonds, debentures, notes or other indebtedness of the Company outstanding having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which any equityholders of the Company may vote.

4.5. Absence of Certain Developments. Except as set forth on Schedule 4.5, since January 1, 2019, the Company has conducted its business only in the ordinary course of business and (i) there has not been any (i) Company Material Adverse Effect and (ii) the Company has not:

(a) amended any of its Charter Documents;

(b) issued or sold any Equity Interests, securities convertible into Equity Interests or other equity securities, or warrants, options or other rights to purchase Equity Interests or other equity securities;

(c) declared, set aside or made any payment or distribution of cash or other property to any of its equity holders with respect to its Equity Interests or otherwise, or purchased, redeemed or otherwise acquired any Equity Interests or other equity securities (including any warrants, options or other rights to acquire its Equity Interests or other equity securities);

(d) entered into, amended or terminated any material Contract;

(e) (i) acquired (by merger, consolidation, acquisition of securities or assets or otherwise) or organized any Person, (ii) acquired any material rights, assets or properties or (iii) acquired any Equity Interest or other securities of any Person, in each case, other than in the ordinary course of business;

(f) other than the sale of inventory in the ordinary course of business, sold, assigned, transferred, leased or licensed any of its material tangible assets;

(g) sold, assigned, transferred, leased, licensed or otherwise encumbered any Intellectual Property (other than by granting nonexclusive licenses of Intellectual Property to customers pursuant to written agreements in connection with the sale of products or the provision of services);

(h) disclosed any Confidential Information to any Person except on terms requiring that Person to maintain the confidentiality of, and preserving all rights of the Company in, such Confidential Information;

(i) to the Company's Knowledge, taken or failed to take any action that could reasonably be expected to result in the loss, lapse or abandonment of any material Intellectual Property or Confidential Information;

(j) mortgaged or encumbered or permitted any of its assets (including the Owned Real Property) to become subject to any Liens;

(k) made or granted any bonus or any compensation or salary increase to any former or current employee or group of former or current employees, or made or granted any increase in any employee benefit plan or arrangement, or amended or terminated any existing employee benefit plan or arrangement or employment or severance agreement or adopted any new employee benefit plan or arrangement or employment or severance agreement, in each case, outside of the ordinary course of business;

(l) suffered any material damage, destruction or other casualty loss with respect to property owned by the Company or waived any rights of material value;

(m) accelerated the collection of accounts receivable, delayed the purchase of supplies, delayed any material capital expenditures, repairs or maintenance, or delayed payment of accounts payable or accrued expenses;

(n) changed its accounting policies or cash management practices or canceled any debts owed to it or claims held by it;

(o) (i) made or changed a Tax election that is not consistent with the Company's past practices in making tax elections or changed any method of tax accounting, (ii) settled or compromised any federal, state, local or foreign Tax liability or assessment, (iii) filed any amended Tax return (excluding for this purpose the income Tax Returns for Company's 2016 and 2017 Tax years), (iv) entered into any closing agreement relating to any Tax, (v) agreed to an extension or waiver of a statute of limitations period applicable to any Tax claim or assessment, (vi) surrendered any right to claim a Tax refund, (vii) incurred any liability for Taxes outside the ordinary course of business, (viii) failed to pay any Tax that becomes due and payable (including any estimated tax payments), or (ix) prepared or filed any Tax Return in a manner inconsistent with past practice;

(p) failed to maintain in full force and effect any insurance policy in effect, except for any policy replaced by a new or successor policy of substantially similar coverage;

(q) terminated, amended, failed to renew or preserve or failed to maintain in full force and effect any (i) material permit or (ii) registration or application for any Intellectual Property, except for amendments completed in the ordinary course of business;

(r) taken any action to cause a change in the title to the Owned Real Property except to cure title defects as permitted under this Agreement; or

(s) agreed, whether orally or in writing, to do any of the foregoing.

4.6. Compliance with Applicable Laws. Except as set forth on Schedule 4.6, the Company is and has been in material compliance with all Laws applicable to it or the operation, use, occupancy or ownership of its assets or properties or conduct of the Business, and none of the Company or Sellers has received written notice (and to the Company's Knowledge, any oral notice) from any Governmental Authority regarding any failure to so comply. None of the Company or Sellers have (i) been subject to any adverse inspection, finding, investigation, penalty assessment, audit or other compliance or enforcement action or (ii) made any bribes, kickback payments or similar payments of cash or other consideration or paid any remuneration, in cash or in kind, in violation of 42 U.S.C. § 1320a-7b(b) or similar provisions of applicable Law, that is capable of forming the basis of criminal prosecution of, or civil action against, the Company or the Sellers. The Company has not certified, represented or otherwise indicated (either orally or in writing) to any Person, including any Governmental Authority, that it is a woman-or minority-owned business, small business or any other similar designation that entitles the Company or the Business to a favored status or benefits.

4.7. Financial Statements.

(a) Schedule 4.7 contains true and complete copies of the following financial statements of the Company (the "Financial Statements"):

(i) the unaudited consolidated balance sheets of the Company as of December 31, 2017 and December 31, 2018, and the related statements of income and cash flows for the years then ended; and

(ii) the unaudited consolidated balance sheet of the Company as of August 31, 2019 (the “Latest Balance Sheet”), and the related statements of income and cash flows for the 8-month period then ended (the “Interim Financials”).

(b) Each of the Financial Statements is complete and correct in all material respects, is consistent with the books and records of the Company and accurately and completely, in all material respects, present the Company’s financial condition, assets and Liabilities as of their respective dates and the results of operations and cash flows for the periods related thereto in accordance with GAAP consistently applied throughout the periods covered thereby, and except that the Interim Financials are subject to normal year-end adjustments or accruals and lack the footnote disclosure otherwise required by GAAP. The reserves reflected in the Financial Statements are reasonable and have been calculated in a consistent manner.

(c) The internal controls of the Company over financial reporting are effective in providing reasonable assurance regarding the reliability of financial reporting and preparation of financial statements in accordance with GAAP.

(d) The Company has no debts, Liabilities or obligations of any nature (whether accrued, absolute, contingent, direct, indirect, perfected, inchoate, unliquidated or otherwise and whether due or to become due), including, without limitation, Liabilities or obligations on account of Taxes or governmental charges or penalties, interest or fines thereon or in respect thereof, except

(i) to the extent reflected and accrued for or reserved against in the Financial Statements, (ii) for Liabilities and obligations incurred in the ordinary and usual course of business consistent with past custom and practices since January 1, 2019, which, individually or in the aggregate, are not reasonably expected to be material to the Business, (iii) Liabilities (which are current) relating to future performance under the assumed Contracts, but in no event any Liability arising out of any breach, nonperformance or defective performance by the Company of any such Contract and (iv) Liabilities under this Agreement and the Transaction Documents to which the Company is a party.

(e) Except as set forth on Schedule 4.7(e), the Company has no Indebtedness.

(f) All accounts receivable of the Company (i) are bona fide and valid receivables arising from sales actually made or services actually performed and were incurred in the ordinary course of business, (ii) are properly reflected on the Company’s books and records and balance sheets in accordance with GAAP consistently applied and (iii) to the Company’s Knowledge, are not subject to any setoffs, counterclaims, credits or other offsets, and are current and collectible and will be collected in accordance with their terms at their recorded amounts within ninety (90) days, subject only to the reserve for bad debts set forth on the face of the Latest Balance Sheet (rather than in the notes thereto). No Person has any Lien on any accounts receivable or any part thereof, and no agreement for deduction, free goods or services, discount or other deferred price or quantity adjustment has been made by the Company with respect to any accounts receivable other than in the ordinary course of business.

4.8. Assets.

(a) Personal Property. Schedule 4.8(a) is a list of the (i) depreciable fixed assets owned by the Company and (ii) other tangible assets owned by the Company, including such

assets, facilities and personal property owned by the Company and located at the Illinois Facility. Schedule 4.8(a) also identifies each item of personal property leased by the Company with a remaining lease term longer than twelve (12) months.

(b) Title and Condition. The Company has good and valid title to, a valid leasehold interest in, or a valid license to use all machinery, equipment, personal properties, vehicles and other tangible assets used in or related to the Business as conducted as of the Closing and as presently proposed to be conducted following Closing. Such personal property and tangible and intangible assets are sufficient in all material respects for the conduct of the Business as presently conducted and as proposed to be conducted following Closing. All of the Company's machinery, equipment, personal properties, vehicles and other tangible assets are operated in conformity with all applicable Laws and regulations, are structurally sound (in the case of the buildings and improvements), are in good condition and repair, except for reasonable wear and tear, and are usable in the ordinary course of business.

4.9. Taxes. Except as set forth on the attached Schedule 4.9:

(a) All Tax Returns required to be filed by or with respect to the Company have been duly and timely filed in all required jurisdictions, and all such Tax Returns are true, correct and complete in all material respects and were prepared in substantial compliance with all applicable laws and regulations. The Company has duly and timely paid all Taxes (including estimated taxes) due and payable (whether or not shown on any Tax Return).

(b) The Company has deducted, withheld and timely paid to the appropriate Governmental Authority all Taxes required to be deducted, withheld or paid in connection with amounts paid or owing to any employee, independent contractor, creditor, owner or other third party, and the Company has timely and accurately complied in all material respects with all reporting and record keeping requirements related thereto, including filing of Forms W-2 and 1099s (or other applicable forms).

(c) There are no Liens with respect to Taxes (other than Permitted Liens) upon any of the Company Capital Stock or assets of the Company. No Governmental Authority has threatened in writing that it is in the process of imposing any Lien for Taxes on the Company Capital Stock or assets of the Company.

(d) The Company has not waived any statute of limitations in respect of Taxes, agreed to any extension of time with respect to a Tax assessment or deficiency, or consented to extend the period in which any Tax may be assessed or collected by any Tax authority, in each case with respect to an open Tax period, and no such request to waive or extend is outstanding. The Company is not currently the beneficiary of any extension of time within which to file any Tax Return for any open Tax period.

(e) No federal, state, local, or non-U.S. tax audits or administrative or judicial Tax proceedings are being conducted or, to the Company's Knowledge, are threatened with respect to the Company. The Company has not received from any federal, state, local, or non-U.S. taxing authority (including jurisdictions where the Company has not filed Tax Returns) any (i) notice indicating an intent to open an audit or other review, or (ii) notice of deficiency or proposed

adjustment for any amount of Tax proposed, asserted, or assessed by any taxing authority against the Company.

(f) No claim has ever been made to the Company by a Governmental Authority in a jurisdiction where the Company does not file Tax Returns that the Company is or may be subject to taxation by that jurisdiction.

(g) The Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any (i) change in method of accounting for a taxable period ending on or prior to the Closing Date; (ii) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of income Tax Law) executed on or prior to the Closing Date; (iii) installment sale or open transaction disposition made on or prior to the Closing Date; (iv) prepaid amount received or deferred revenue accrued on or prior to the Closing Date, (v) election by the Company under Section 108(i) of the Code (or any corresponding or similar provision of income Tax Law) or (vi) any use of an improper method of accounting for a taxable period ending on or prior to the Closing Date.

(h) The Company is not a party to or bound by any Tax allocation, indemnification or sharing agreement, other than pursuant to Contracts entered into in the ordinary course of business the principal subject matter of which is not Taxes. The Company is not a party to any agreement, contract, arrangement or plan that has resulted or could result, separately or in the aggregate, as a result of, or in connection with, the consummation of the transactions contemplated by this Agreement (either alone or in combination with any other event) in the payment of (i) any "excess parachute payment" within the meaning of Section 280G of the Code (or any corresponding provision of state, local, or non-U.S. Tax law) or (ii) any amount that will not be fully deductible as a result of Section 162(m) of the Code (or any corresponding provision of state, local, or non-U.S. Tax law).

(i) The Company (i) has not been a member of an Affiliated Group filing a consolidated federal income Tax Return or (ii) has no Liability for the Taxes of any Person under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local, or non-U.S. law), as a transferee or successor, by Contract, or otherwise, other than pursuant to Contracts entered into in the ordinary course of business, the principal subject matter of which is not Taxes.

(j) Schedule 4.9(j) lists all the states with respect to which the Company has filed any Tax Returns since January 1, 2016.

(k) The Company has at all times been on the cash receipts and disbursements method of accounting for federal or applicable state and local income Tax purposes.

(l) The Company is not and has not been a party to any "reportable transaction," as defined in Section 6707A(c)(1) of the Code.

(m) The Company is not subject to Tax in any jurisdiction outside of the United States by virtue of (i) having a permanent establishment or other place of business or (ii) having a source of income in that jurisdiction.

(n) The Company is and has been, at all times since its formation, been an “S” corporation within the meaning of Section 1361(a)(1) of the Code.

4.10. Contracts.

(a) Except as set forth on Schedule 4.10, there are no written or oral Contracts to which the Company is a party, or by which any of the assets of the Business are bound or affected, that: (i) involves performance of services or delivery of goods or materials either to or from the Company of an amount or value in excess of \$25,000 individually during any 12-month period; (ii) was not entered into in the ordinary course of business; (iii) cannot be terminated by the Company upon less than sixty (60) days’ notice without penalty; (iv) requires the Company to purchase its total requirements of a good or service from another Person or that includes a “take or pay” or similar provision; (v) is a collective bargaining agreement or otherwise involves a labor union or other representative of a group of employees relating to wages, hours or conditions of employment; (vi) restricts the Company’s business activities or limits the right or ability of the Company to engage in any line of business or to compete with another Person; (vii) involves the grant of a power of attorney of the Company to another Person; (viii) relates to a joint venture, partnership, strategic alliance or similar arrangement or that involves a sharing of profits, losses, costs or Liabilities with another Person; (ix) is an employment or consulting agreement or involves the engagement of an independent contractor; (x) provides for payment to or by a Person based on sales, purchases, profits or other metrics other than direct payment for goods or services; (xi) is a franchise agreement or a sales promotion, market research, marketing, advertising or similar Contract; (xii) is a loan, credit or similar Contract or that otherwise relates to Indebtedness; (xiii) grants a Lien on any of the assets of the Company; (xiv) is with a Governmental Authority; (xv) involves or relates to the acquisition or divestiture of a business or a material amount of assets, properties or securities of another Person (whether by merger, sale of stock, sale of assets, lease, license or otherwise); (xvi) provides for the indemnification by the Company of another Person or the assumption or guaranty by the Company of a Liability or obligation of another Person; (xvii) grants another Person “most favored nation status” or any similar type of Contract; or (xviii) relates to the maintenance, operation or administration of the Business but the Company is not a direct party to such Contract.

(b) Correct and complete copies of the Contracts required to be set forth on Schedule 4.10 have previously been furnished or otherwise been made available to Buyer. Except as set forth on Schedule 4.10, all of the Contracts required to be listed in Schedule 4.10 will remain enforceable against the counterparty thereto upon consummation of the transactions contemplated by this Agreement without the consent, approval, novation or waiver of any third party. The Company is not in default nor, has any event occurred which, with the giving of notice or the passage of time or both, would constitute a default, under any Contract required to be listed in Schedule 4.10, and, to the Company’s Knowledge, no event has occurred which, with the giving of notice or the passage of time or both, would constitute a default by any other party to any such Contract or obligation. Each of the Contracts required to be listed in Schedule 4.10 is in full force and effect with respect to the Company and, to the Company’s Knowledge, the other party thereto, is valid and enforceable in accordance with its terms, subject to the Bankruptcy and Equity Exception, and, to the Company’s Knowledge, is not subject to any claims, charges, setoffs or defenses.

4.11. Real Property.

(a) Schedule 4.11(a) sets forth the address of each parcel, tax parcel identification number and legal description of all real property owned by the Company (the “Owned Real Property”). The Company (i) has good and valid fee simple title to each parcel of Owned Real Property, free and clear of all Liens, except Permitted Exceptions and (ii) the Owned Real Property is comprised of approximately 124 acres making up a portion of the real property commonly known as 14240 Greenhouse Avenue, Granville, Illinois. With respect to each parcel of Owned Real Property: (i) the Company has not leased or otherwise granted to any Person the right to use or occupy such Owned Real Property or any portion thereof; and (ii) there are no outstanding options, rights of first offer or rights of first refusal to purchase such Owned Real Property or any portion thereof. Sellers have made available to Buyer true, complete and correct copies of the deeds and other instruments (as recorded) by which the Company acquired such Owned Real Property, and copies of all title insurance policies, opinions, abstracts and surveys in the possession of Sellers or the Company relating to the Owned Real Property.

(b) Schedule 4.11(b) contains a complete list of all real property leased or subleased by the Company (individually “Leased Real Property” and collectively, the “Leased Realty”). The Company has a valid leasehold interest in each Leased Real Property, subject only to Permitted Liens. The Company has previously delivered to Buyer correct and complete copies of (or, in the case of non-written arrangements, accurately and completely described) each of the leases (including all amendments, extensions, renewals, guaranties and other agreements with respect thereto) for the Leased Realty (the “Realty Leases”). With respect to each Realty Lease: (i) the Realty Lease is legal, valid, binding, enforceable and in full force and effect (subject to the Bankruptcy and Equity Exception); (ii) the Company nor, to the Company’s Knowledge, any other party to the Realty Lease is in material breach or default, and to the Company’s Knowledge no event has occurred which, with notice or lapse of time or both, would constitute such a breach or default or permit termination, modification or acceleration under the Realty Lease; (iii) the Realty Lease has not been modified, except to the extent that such modifications are disclosed by the documents delivered to Buyer; (iv) the Company is exclusively entitled to all rights and benefits as lessee under the Realty Lease and has not assigned, transferred, conveyed, mortgaged, deeded in trust or encumbered any interest in the Realty Lease; and (v) the term of the Realty Lease ends on December 31, 2019; (vi) the real property leased under the Realty Lease is shown on Schedule 4.11(b), which is the remaining portion of the real property consisting of approximately 106 acres commonly known as 14240 Greenhouse Avenue, Granville, Illinois (together with the Owned Real Property, the “Illinois Facility”); (vii) there exist no subleases with respect to the Illinois Facility and the Company is the sole party in possession of the Illinois Facility; and (viii) the terms and conditions of the Realty Lease will not be affected by, nor will the Realty Lease be in default as a result of, the completion of the transactions contemplated by this Agreement; provided, however, the parties acknowledge that the Realty Lease shall be terminated at Closing pursuant to the Real Estate Purchase Agreement.

(a) The Owned Real Property and Leased Real Property constitutes all of the real property currently owned, leased, occupied or otherwise utilized in connection with the Business as currently conducted and as proposed to be conducted following the Closing. Other than the landlords under the Leased Real Property, there are no other parties in possession or parties having any current or future right to occupy any of the Owned Real Property or Leased

Real Property and at Closing the Company will be the only party with possession and current occupancy rights.

(b) With respect to the Owned Real Property and Leased Real Property (including the Illinois Facility): (i) all buildings, structures, improvements, fixtures, building systems and equipment, and all components thereof, at the Owned Real Property and Leased Real Property (the “Improvements”) are in good condition and repair (normal wear and tear excepted) and are sufficient for the conduct of the Business as currently conducted and as proposed to be conducted following Closing, (ii) there are no structural deficiencies or latent defects affecting any of the Improvements and there are no facts or conditions affecting any of the Improvements which would, individually or in the aggregate, interfere with the use or occupancy of the Improvements, or any portion thereof in the operation by the Company or the Business, (iii) the Owned Real Property, Leased Real Property and Improvements and the Company’s use thereof conform to all applicable building, zoning and other Laws, and (iv) there is no pending or, to the Company’s Knowledge, threatened condemnation or other Proceeding affecting any portion of the Owned Real Property or Leased Real Property or the Company’s use thereof. The Company owns and has good and valid title to the Improvements at the Illinois Facility.

(c) The tax parcel numbers that are assigned to the Owned Real Property and Leased Real Property and Improvements do not affect or include any other land or improvements and there are not any pending appeals for the reduction or relief from the payment of any real estate taxes. Neither the Company, nor any Seller has received any notice and or has any knowledge of (i) any special assessments affecting the Owned Real Property and Leased Real Property and Improvements; (ii) any tax deficiency, lien or assessment against the Owned Real Property and Leased Real Property and Improvements, in each case, which has not been paid or the payment for which adequate provision has not been made; (iii) any violations of Laws with respect to the Owned Real Property and Leased Real Property and Improvements; (iv) any condemnations or imminent domain proceedings; (v) any pending zoning or subdivision changes that would affect the Owned Real Property and Leased Real Property and Improvements.

(d) No work has taken place on the Owned Real Property or Leased Real Property in the last one hundred twenty (120) days that would create in any party a right to a lien against any of such properties, except for such work that has been fully paid for by the Company or Sellers and for which the Company or Sellers will obtain lien waivers and affidavits if requested by the title company

4.12. Litigation. Except as set forth on Schedule 4.12, there is no Proceeding pending or, to the Company’s Knowledge, threatened against the Company, the Business or the Company Capital Stock (or to the Company’s Knowledge, pending or threatened against any of the officers, managers, directors or key employees of the Company with respect to the Business), or to which the Company is otherwise a party. The Company is not subject to, and the Business and the Company Capital Stock are not bound by, any judgment, order or decree of any court or Governmental Authority. The Company is not currently engaged in any Proceeding to recover monies due it or for damages sustained by it. Schedule 4.12 sets forth a list of all closed litigation matters relating to the Company (including predecessors) or the Business to which the Company was a party during the three (3) years preceding the date hereof, the date such litigation was

commenced or concluded, and the nature of the resolution thereof (including amounts paid in settlement or judgment).

4.13. Intellectual Property.

(a) Schedule 4.13(a) sets forth a true, correct, and complete list and description of all (i) IP Registrations, (ii) Intellectual Property constituting common law trademarks and Trade Secrets, in each case that are not registered but that are material to the Business as currently conducted and presently proposed to be conducted following Closing and (iv) other Intellectual Property (including Software) that is material to the Business as currently conducted and, to the Company's Knowledge, as proposed to be conducted following Closing. All filings and fees related to the IP Registrations that are required to have been paid by the date of this Agreement and at Closing have been timely filed with and paid to the relevant Governmental Authorities and authorized registrars, and all IP Registrations are otherwise in good standing. If any terminal disclaimers exist or are reasonably expected to be made with respect to or affect the IP Registrations (including under 35 U.S.C. § 253 or 37 CFR 1.321 or the equivalent laws or regulation of any other patent authority), all patents or patent applications subject to such terminal disclaimer are also included in Schedule 4.13(a). The Company has provided Buyer with copies of file histories, documents, certificates, office actions and correspondence, chain of title documents, assignment recordings and other materials related to all IP Registrations.

(b) Schedule 4.13(b) sets forth a true, correct, and complete list of all material IP Agreements to which the Company is a party or that relate to Intellectual Property that is material to the Business. The Company has made available to Buyer true, correct, and complete copies of all such IP Agreements, including all modifications, amendments and supplements thereto and waivers thereunder. Each such IP Agreement that is material to the Business as currently conducted is valid, subsisting, and binding on the Company in accordance with its terms and is in full force and effect.

(c) Except as set forth on Schedule 4.13(c), the Company is the sole and exclusive legal and beneficial, and with respect to the IP Registrations, the record owner of all right, title and interest in and to the IP Registrations, and has the valid right to use all other Intellectual Property used in or necessary for the conduct of the Business as currently conducted and as proposed to be conducted following the Closing, in each case, free and clear of all Liens (other than Permitted Liens) and exclusive licenses.

(d) The rights of the Company in the IP Registrations are (i) subsisting, enforceable, in full force and effect, and valid; (ii) have not (to the extent applicable) expired, been cancelled, or abandoned; and (iii) are not subject to any order, judgment, injunction, decree, ruling or agreement (other than as set forth in the IP Agreements) that would materially affect the enforceability of, or the Company's use of or rights to, the Intellectual Property.

(e) Neither the execution, delivery nor performance of this Agreement, nor the consummation of the transactions contemplated hereby, will result in the loss or impairment of, or require the consent of any other Person in respect of, the Company's right to own or use any Intellectual Property or IP Agreements.

(f) Prior to and as of the Closing Date: (i) the conduct of the Business as conducted on and prior to the date of this Agreement (including the related products, processes and services of the Business and the Company's use of Intellectual Property in the Business) has not infringed, misappropriated, diluted or otherwise violated, the Intellectual Property or other rights of any Person; (ii) to the Company's Knowledge, no Person has infringed, misappropriated, diluted or otherwise violated, or is currently infringing, misappropriating, diluting or otherwise violating, any Intellectual Property; and (iii) to the Company's Knowledge, no Person has breached the provisions of a non-disclosure agreement between such Person and the Company.

4.14. Insurance Policies. Schedule 4.14 is a correct and complete list and description, including policy number, coverage and deductible, of all insurance policies owned by the Company (the "Insurance Policies"), correct and complete copies of which policies have previously been delivered to Buyer. The Company has not received any written (or, to the Company's Knowledge, oral) notice of cancellation or intent to cancel or increase or intent to increase premiums in any material respect with respect to such Insurance Policies. Schedule 4.14 also contains a list of all pending claims and any claims in excess of \$5,000 individually or for a series of related claims in the past three (3) years with any insurance company by the Company (including predecessors) and, to the Company's Knowledge, any instances within the previous three (3) years of a denial of coverage relating to the Business or the Company (including predecessors) by any insurance company. Each Insurance Policy is in full force and effect and the Company is not in default with respect to its obligations under any of such Insurance Policies. The Company is current in all premiums or other payments due under the Insurance Policies and has otherwise complied in all material respects with all of its obligations under each Insurance Policy. The Company has given timely notice to the insurer of all material claims that may be insured thereby, and insurance coverage of such claims has not been denied or disputed by any insurer. To the Company's Knowledge, no Insurance Policy provides for any retrospective premium adjustment or other experience based Liability on the part of the Company.

4.15. Licenses and Permits. The Company owns, holds, possesses or lawfully uses all the permits, licenses, registrations, authorizations, industry certifications, consents, certificates, orders, franchises, variances and approvals of Governmental Authorities or other Persons necessary for the ownership, use, occupancy or operation of the Business and the conduct and operation of the Business as currently conducted, all of which are identified on Schedule 4.15, including, without limitation, Industrial Hemp Cultivation Licenses and an industrial hemp processor/handler registration issued by the State of Illinois Department of Agriculture (collectively, the "Permits"). The Company is in compliance with all such Permits, all of which are in full force and effect, and none of the Company or Sellers has received any written notices (or to the Company's Knowledge, any oral notice) to the contrary. Neither the execution, delivery nor performance of this Agreement, nor the consummation of the transactions contemplated hereby, will result in the loss or impairment of, or require the consent of any other Person in respect of, the Company's right to own or use any Permit.

4.16. Welfare and Benefit Plans.

(a) Schedule 4.16 is a true and complete list of all employment, change in control or similar agreements, equity or equity based plans or agreements, severance pay, vacation, sick leave, fringe benefit, medical, dental, life insurance, disability or other welfare plans,

programs or agreements, savings, profit sharing, pension or other retirement plans, programs or agreements and all bonus or other incentive plans, Contracts, agreements, arrangements, policies, programs, practices or other employee benefits or remuneration of any kind, whether formal or informal, funded or unfunded, including each “employee benefit plan,” within the meaning of Section 3(3) of ERISA (collectively, the “Employee Benefit Plans”) sponsored, maintained or contributed to by the Company and in which any one or more of the current or former employees or directors of the Company participates or is eligible to participate or has previously participated in and for which the Company has any current or future Liability. Sellers have furnished or otherwise made available to Buyer true and complete copies of all Employee Benefit Plans that have been reduced to writing; written summaries of the material terms of all unwritten Employee Benefit Plans; and related trust agreements, annuity contracts, IRS determination letters and rulings, the most recent determination letter request, copies of all material applications and material correspondence to or from the IRS or Department of Labor, summary plan descriptions, all material communications to employees regarding any Employee Benefit Plan; and annual reports on Form 5500, Form 990, actuarial reports, and PBGC Forms 1 for the most recent three

(3) Plan years.

(b) No Liability under Title IV or Section 302 of ERISA has been incurred by the Company or by any Person or any trade or business, whether or not incorporated, that together with the Company would be deemed a “single employer” within the meaning of Section 4001(b) of ERISA (an “ERISA Affiliate”) that has not been satisfied in full, and, to the Company’s Knowledge, no condition exists that is reasonably likely to create such a Liability to the Company or any ERISA Affiliate.

(c) Except as set forth on Schedule 4.16(c), the consummation of the transactions contemplated by this Agreement will not, either alone or in combination with another event, (i) entitle any current or former employee or officer of the Company to severance pay, unemployment compensation or any other payment, except as expressly provided in this Agreement, or (ii) result in forfeiture, accelerate the time of payment or vesting, or increase the amount of compensation due any such employee or officer, (iii) limit or restrict the right of the Company to merge, amend, or terminate any Employee Benefit Plan or (iv) increase the amount payable or result in any other material obligation pursuant to any Employee Benefit Plan.

(d) Each Employee Benefit Plan has been maintained, in form and operation, in compliance in all material respects with its terms and all applicable Laws, including, without limitation, ERISA and the Code. There has been no material failure of an Employee Benefit Plan that is a group health plan (as defined in Section 5000(b)(1) of the Code) to meet the requirements of Section 4980B(f) of the Code with respect to a qualified beneficiary (as defined in Section 4980B(g) of the Code). The Company has not contributed to a nonconforming group health plan (as defined in Section 5000(c) of the Code).

(e) There are no pending, or to the Company’s Knowledge, threatened or reasonably anticipated claims by or on behalf of any Employee Benefit Plan, by any employee or beneficiary covered under any such Employee Benefit Plan, or otherwise involving any such Employee Benefit Plan (other than routine claims for benefits). All Employee Benefit Plans providing welfare benefits are fully insured.

(f) The Company does not have any obligation to provide post-employment welfare benefits other than as required under Section 4980B of the Code or any similar provision of state law.

4.17. Health, Safety and Environment. Except as set forth on the attached Schedule 4.17: (a) the Company has complied and is in compliance with all Environmental Laws; (b) the Company has not received any written notice, report, order, directive or other information regarding any actual or alleged violation of Environmental Laws, or any Liabilities, including any investigatory, remedial or corrective obligations, relating to any of them, their businesses, or their past or current facilities arising under Environmental Laws; (c) to the Company's Knowledge, none of the following exists at any Owned Real Property or Leased Real Property: (i) underground storage tanks, (ii) asbestos containing material in any form or condition, (iii) materials or equipment containing polychlorinated biphenyls, (iv) landfills, surface impoundments, or disposal areas, or (v) groundwater monitoring wells, potable drinkable water wells, petroleum wells or production water wells; (d) neither the Company nor, to the Company's Knowledge, any of its predecessors or Affiliates has treated, stored, disposed of, arranged for or permitted the disposal of, transported, handled, manufactured, distributed, released or exposed any Person to any substance, including any hazardous substance, or owned or operated any property or facility which is or has been contaminated by any such substance, in a manner that has given or could give rise to any current or future Liabilities (including any Liability for response costs, corrective action costs, personal injury, property damage, natural resources damages or attorney fees, or any investigatory, corrective or remedial obligations) pursuant to any Environmental Laws; (e) no third party has used the Owned Real Property or Leased Real Property in violation of any Environmental Law for the purpose of treating, generating, manufacturing, producing, storing, handling, treating, transferring, releasing, processing or transporting any petroleum, hazardous waste or hazardous substance and/or toxic waste or toxic substance, as such terms are defined in RCRA, CERCLA, the Superfund Amendments and Reauthorization Act, Public Law 99 499 as amended, or any other federal, state or local environmental law, regulation, code or ordinance; (f) neither the Company nor Sellers has received any written notice, claim, report, order, directive, or other information regarding any actual or alleged violation of Environmental Laws, or any Liability, including any investigatory, remedial or corrective obligation, arising under Environmental Laws and relating to the Owned Real Property or Leased Real Property; (g) neither this Agreement nor the consummation of the transactions contemplated hereby will result in any obligations for site investigation or cleanup, or notification to or consent of Governmental Authorities or third parties, pursuant to any of the so called "transaction triggered" or "responsible property transfer" Environmental Laws; (h) neither the Company nor the Sellers have, either expressly or by operation of law, assumed, undertaken, or provided an indemnity with respect to any Liability (including any investigative, corrective or remedial obligation) of any other Person relating to Environmental Laws; and (i) the Company and Sellers have furnished to Buyer all environmental audits, reports and other environmental documents materially bearing on environmental, health or safety matters relating to the current and former operations and facilities of the Company, or their respective predecessors or Affiliates, which are in their possession, custody or control.

4.18. Employees. Except as set forth on Schedule 4.18, (a) the Company is not a party to or obligated with respect to any outstanding contracts or arrangements with current or former employees, agents, consultants, advisers, sales representatives or independent contractors that are not terminable by the Company without penalty on less than sixty (60) days' notice; (b) the

Company is not a party to any collective bargaining agreement or other contract or relationship with any labor organization; (c) the Company has not engaged in any unfair labor practices within the meaning of the National Labor Relations Act; (d) the Company has complied in all material respects with all Laws relating to the employment of labor, including (without limitation) provisions thereof relating to employee classification, wages, hours, vacation, affirmative action, human rights, immigration, employment standards, workplace safety, equal opportunity, collective bargaining, the payment of all required Taxes and other withholdings; (e) there are no Proceedings pending or, to the Company's Knowledge, threatened against the Company concerning any matters relating to the employment of labor; (f) no union organizing or decertification activities are underway or, to the Company's Knowledge, threatened, and no such activities have occurred in the past three (3) years; and (g) there is no strike, slowdown, work stoppage, lockout or other material labor dispute pending or, to the Company's Knowledge, threatened, and no such dispute has occurred in the past three (3) years. Within the past three (3) years, the Company has not implemented any layoffs that are reasonably likely to implicate the Worker Adjustment and Retraining Notification Act of 1988, as amended, and any similar or related Law. As of Closing (following the Pre-Closing Restructuring Transactions), all employees of the Business are employed by the Company. To the Company's Knowledge, there are no consensual or non-consensual sexual relationships between any legal or beneficial owner, officer or supervisor-level employee of the Company, on the one hand, and any direct report or other subordinate of any of the foregoing individuals, on the other hand.

4.19. Affiliate Transactions. Except as set forth in Schedule 4.19, no present Affiliate of the Company: (i) owns any property or right, whether tangible or intangible, which is used in connection with the Business as currently conducted or proposed to be conducted; (ii) has any claim or cause of action against the Company; (iii) owes any money to the Company or is owed money from the Company; (iv) is a party to any Contract or other arrangement, written or oral, with the Company; or (v) provides services or resources to the Company or is dependent on services or resources provided by the Company. Schedule 4.19 sets forth every business relationship (other than normal employment relationships) between the Company, on the one hand, and such member of the Company's present or former equityholders, partners, officers, managers, directors, employees or, to the Company's Knowledge, members of their families (or any entity in which any of them has a material financial interest, directly or indirectly), on the other hand.

4.20. Books and Records. The minute books and stock record books of the Company, all of which have been made available to Buyer, are complete and correct and have been maintained in accordance with sound business practices. The minute books of the Company contain accurate and complete records of all meetings, and actions taken by written consent of, the stockholders, the board of directors and any committees of the board, and no meeting, or action taken by written consent, of any such stockholders, board or committee has been held for which minutes have not been prepared and are not contained in such minute books. At the Closing, all of those books and records will be in the possession of the Company.

4.21. Broker Fees. Except as set forth on Schedule 4.21, the Company has not employed any broker, finder or agent or has incurred or will incur any obligation or Liability to any broker, finder or agent with respect to the transactions contemplated by this Agreement or otherwise, and all fees and expenses and other obligations payable in connection with or as a result of such agreements will be paid by Sellers, and Buyer will have no obligations in respect thereof.

ARTICLE V.

REPRESENTATIONS AND WARRANTIES OF BUYER AND MERGER SUB

Except as set forth in any Buyer disclosure schedules attached to this Agreement, Buyer and Merger Sub hereby represents and warrants to Sellers, as of the date of this Agreement and as of the Closing Date, as follows:

5.1. Organization. As of the date of this Agreement, Buyer is a corporation organized, validly existing and in good standing under the laws of the province of Ontario. Buyer has all requisite corporate power and authority to own, operate and lease its properties and carry on its businesses as now conducted. Buyer is duly licensed and qualified to do business in and is in good standing under the laws of each jurisdiction where the failure to do so would have a Buyer Material Adverse Effect. Merger Sub is a corporation organized, validly existing and in good standing under the laws of the State of Delaware. Merger Sub is a newly formed entity that has been formed solely for the purposes of the Merger and has not carried on any business or engaged in any activities other than those reasonably related to the Merger.

5.2. Authorization. Buyer and Merger Sub have the full corporate power, right and authority to enter into and perform its obligations under this Agreement and each of the Transaction Documents to which it is a party. The execution, delivery and performance of this Agreement and each of the Transaction Documents to which Buyer and Merger Sub is a party have been duly and properly authorized by Buyer or Merger Sub, as applicable, by all requisite action in accordance with applicable law and with the Charter Documents of such party. This Agreement and each of the Transaction Documents to which Buyer and Merger Sub is a party have been duly executed and delivered by Buyer and Merger Sub, as applicable, and, assuming due and valid authorization, execution and delivery hereof and thereof by the other parties thereto, constitute the valid and legally binding obligation of Buyer and Merger Sub and are enforceable against Buyer and Merger Sub in accordance with their respective terms, except as may be limited by the Bankruptcy and Equity Exception.

5.3. Noncontravention. The execution, delivery and performance by Buyer and Merger Sub of this Agreement and the Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby or thereby will not: (a) except with respect to federal Laws related to cannabis, violate or conflict with or result in a breach of or default under any provision of any Laws; (b) constitute a default under the Charter Documents of Buyer or Merger Sub; (c) constitute a default or an event which would permit any party to terminate, or accelerate the maturity of any indebtedness or other obligation under, any material Contract, agreement, indenture, mortgage, note, bond, license or other instrument to which Buyer or Merger Sub is a party or by which Buyer or Merger Sub, or Buyer's or Merger Sub's properties, are bound or subject; or (d) except for the filing of the Certificate of Merger as contemplated by this Agreement, the Requisite Approval, such authorizations and filings as may be required under the HSR Act and other antitrust laws applicable to the transactions contemplated by this Agreement and such authorizations, exemptions, filings and other actions as may be required under applicable securities laws, require any material authorization, consent, order, approval, filing, registration, exemption or other action by, or notice to, any Governmental Authority or other Person, except in the case of clauses (a), (b) or (c), other than such violations, conflicts, breaches, defaults or rights to terminate

or accelerate that individually or in the aggregate would not reasonably be expected to have a Buyer Material Adverse Effect.

5.4. Capitalization. On the Closing Date, the RWB Stock will be duly and validly issued, outstanding as fully paid and non-assessable.

5.5. Brokers or Finders. Buyer has not employed any broker, finder or agent or has incurred or will incur any obligation or Liability to any broker, finder or agent with respect to the transactions contemplated by this Agreement or otherwise, and all fees and expenses and other obligations payable in connection with or as a result of such agreements will be paid by Buyer, and Seller will have no obligations in respect thereof.

5.6. Compliance with Applicable Laws. Except as set forth on Schedule 5.6 as to Michicann and except as set forth in the public record for RWB (as of Closing), (i) Buyer and Merger Sub are and have been in material compliance with all Laws applicable to them or the operation, use, occupancy or ownership of their assets or properties or conduct of their business, and none of the Buyer or Merger Sub has received written notice (and to the Buyer's and Merger Sub's Knowledge, any oral notice) from any Governmental Authority regarding any failure to so comply; (ii) none of the Buyer or Merger Sub have (x) been subject to any adverse inspection, finding, investigation, penalty assessment, audit or other compliance or enforcement action or (y) made any bribes, kickback payments or similar payments of cash or other consideration or paid any remuneration, in cash or in kind, in violation of 42 U.S.C. § 1320a-7b(b) or similar provisions of applicable Law, that is capable of forming the basis of criminal prosecution of, or civil action against, the Buyer or Merger Sub. The Buyer and Merger Sub have not certified, represented or otherwise indicated (either orally or in writing) to any Person, including any Governmental Authority, that either of them is a woman-or minority-owned business, small business or any other similar designation that entitles the Buyer or Merger Sub, or their respective businesses, to a favored status or benefits.

5.7. Financial Statements.

(a) Schedule 5.7 contains true and complete copies of the following financial statements of the Buyer as of the date of this Agreement (the "Buyer Financial Statements"):

(i) the unaudited consolidated balance sheets of the Buyer as of December 31, 2018, and the related statements of income and cash flows for the years then ended; and

(ii) the unaudited consolidated balance sheet of the Buyer as of June 30, 2019, and the related statements of income and cash flows for the six-month period then ended (the "Buyer Interim Financials").

(b) Each of the Buyer Financial Statements is complete and correct in all material respects, is consistent with the books and records of the Buyer and accurately and completely, in all material respects, presents the Buyer's financial condition, assets and Liabilities as of their respective dates and the results of operations and cash flows for the periods related thereto in accordance with GAAP consistently applied throughout the periods covered thereby, and except that the Buyer Interim Financials are subject to normal year-end adjustments or accruals and lack

the footnote disclosure otherwise required by GAAP. The reserves reflected in the Financial Statements are reasonable and have been calculated in a consistent manner.

ARTICLE VI.

COVENANTS PRIOR TO CLOSING

Each of the parties hereto covenants and agrees as follows with respect to the period between the date of this Agreement and the Closing:

6.1. General. Subject to the terms of this Agreement, each party hereto shall use reasonable commercial efforts to consummate and make effective the transactions contemplated by this Agreement (including satisfaction, but not waiver, of the conditions set forth in ARTICLE VII). Without limiting the foregoing, each of the parties shall execute and deliver all agreements and other documents required to be delivered by or on behalf of such party under ARTICLE VII.

6.2. Notices and Consents.

(a) Each Seller and the Company shall give all required notices to third parties and use commercially reasonable efforts to obtain all required third party consents in connection with the matters contemplated by this Agreement.

(b) Each of the parties hereto shall give any notices to, make any filings with, and use commercially reasonable efforts to obtain any authorizations, consents and approvals of all Governmental Authorities in connection with the transactions contemplated by this Agreement (including, if applicable, those under the HSR Act).

6.3. Conduct of Business by the Parties.

(a) Except as required by Law or as otherwise expressly permitted or specifically contemplated by this Agreement, the Buyer covenants and agrees to and Sellers covenant and agree to cause the Company to, during the period from the date of this Agreement until the earlier of either the Effective Time or the time that this Agreement is terminated by its terms, unless the other party shall otherwise agree in writing, conduct its business and maintain its assets (including the Owned Real Property) in the usual and ordinary course of business.

(b) Without limiting the generality of the foregoing:

(i) Sellers shall (and shall cause the Company to) use commercially reasonable efforts to preserve the goodwill and organization of its businesses and the relationships with its customers, suppliers, employees and other business relations; and

(ii) Sellers shall not (and shall cause the Company not to) take or omit to take any action that would have required disclosure pursuant to Section 4.5 if such action had been taken after January 1, 2019 and prior to the date hereof or would otherwise result in a breach of the representations and warranties in Section 4.17 with respect to the Company in this Agreement.

6.4. Access. From the date hereof through Closing: Sellers shall cause the Company to grant telephonic, email and other reasonable access to Buyer during normal business hours and upon reasonable notice to the real properties, assets, books and records and other information relating to the Company and its operations and such other financial and operating data as Buyer and its representatives may reasonably request. In addition, upon Buyer's request and Sellers' consent (not to be unreasonably withheld, conditioned or delayed), Sellers shall cooperate with Buyer to facilitate the orderly transition of the Company and its business to Buyer (including, without limitation, by providing reasonable access to the premises, books and records and employees of the Company and discussing the affairs, finances and business of the Company). Without limiting the foregoing, Sellers shall provide to Buyer copies of existing environmental reports including Phase I and/or Phase II environmental studies; copies of existing geotechnical reports and soil testing reports and analyses in the possession of the Company or Sellers with respect to the Owned Real Property and Leased Real Property and the Company's operations thereon and also, subject to the limitations set forth in Section 10.1(h), permit Buyer and its representatives to conduct environmental due diligence of the Company and the Owned Real Property and Leased Real Property (including but not limited to a Phase I environmental study)(such historical reports and new reports obtained by Buyer, collectively, the "Environmental Assessment Reports").

6.5. Schedule Updates. If any event, condition, fact or circumstance that is required to be disclosed pursuant to Section 6.6 requires any change in any Schedule to this Agreement, or if any such event, condition, fact or circumstance would require such a change assuming the Schedule were dated as of the date of the occurrence, existence or discovery of such event, condition, fact or circumstance, then Sellers or Buyer, as applicable, shall promptly deliver to the other party an update to the Schedules specifying such change, which update shall be deemed to have been provided for informational purposes only and shall not be deemed to supplement or amend the Schedules for purposes of determining the accuracy of any of the representations and warranties contained in this Agreement or determining whether any of the conditions of Section 7.1 has been satisfied, unless Sellers or Buyer, as applicable, has consented in writing to such supplement or amendment, which consent shall not be unreasonably withheld, delayed or conditioned.

6.6. Notice of Material Developments. Each party hereto shall give prompt written notice to the other parties of (a) any material variances in any of its representations or warranties contained in ARTICLE III, ARTICLE IV or ARTICLE V, as the case may be, (b) any material breach of any covenant or agreement hereunder by such party and (c) any other material development affecting the ability of such party to consummate the transactions contemplated by this Agreement. Delivery of any such notice by any party hereto shall have no effect on the rights and obligations of the parties hereunder.

6.7. Exclusivity. None of the Sellers nor the Company shall (and the Sellers and the Company shall cause their respective Affiliates, officers, directors, managers, employees, agents, consultants, financial advisors, accountants, legal counsel and other representatives not to), directly or indirectly, (a) submit, solicit, initiate, encourage or discuss any proposal or offer from any Person (other than Buyer and its Affiliates in connection with the transactions contemplated hereby) or enter into any agreement or accept any offer relating to or consummate any (i) reorganization, liquidation, dissolution or recapitalization of the Company or the Owned Real

Property or the Leased Real Property, (ii) merger or consolidation involving the Company, (iii) purchase or sale of any assets or Equity Interests (or any rights to acquire, or securities convertible into or exchangeable for, any such Equity Interests) of the Company or of the Owned Real Property or Leased Real Property, or (iv) similar transaction or business combination involving the Company or its business or assets or the Owned Real Property or Leased Real Property (each of the foregoing transactions described in clauses (i) through (iv), a “Company Transaction”) or (b) furnish any information with respect to, assist or participate in or facilitate in any other manner any effort or attempt by any Person (other than Buyer and its Affiliates) to do or seek to do any of the foregoing. The Sellers and the Company agree to notify Buyer immediately if any Person after the date hereof makes any proposal, offer, inquiry or contact with respect to a Company Transaction.

6.8. Tax Covenant. Without the prior written consent of Buyer (which consent shall not be unreasonably withheld, conditioned or delayed), the Company shall not make or change any Tax election that is not consistent with the Company's past practices in making tax elections, change a Tax accounting method or period, file any amended Tax Return (excluding for this purpose the income Tax Returns for the Company's 2016 and 2017 tax years), fail to pay any Tax when it becomes due and payable, enter into any closing agreement, settle any Tax claim or assessment relating to the Company, surrender any right to claim a refund of Taxes, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment relating to the Company.

6.9. Pre-Closing Restructuring Transactions. On the date that is no later than ten (10) business days prior to the Closing Date, Sellers shall cause the creation of RetainCo and the consummation of the Pre-Closing Restructuring Transactions in accordance with this Agreement and the Restructuring Transaction Documents.

6.10. Additional Seller. It is anticipated Sellers may transfer a portion (less than 10% in the aggregate) of their Company Capital Stock to Bruce Daniel prior to Closing. Sellers shall provide evidence of such transfer satisfactory to Buyer and Mr. Daniel shall execute a counterpart signature page to this Agreement, whereby he will agree to be bound by the terms, conditions and obligations herein and make the representations of Sellers herein as though an original party hereto, and Sellers shall update Schedule 4.4 to reflect such issuance of Company Capital Stock.

6.11. Open LUST File. As soon as practicable, but commencing prior to Closing, (i) Sellers will take all actions necessary to cause the closure from the Illinois Environmental Protection Agency (or such other governmental authority with jurisdiction) (collectively, “IEPA”) of that certain open LUST file (No. 941345) with respect to the previously removed underground storage tanks at the Owned Real Property and Leased Real Property (the “LUST Matter”), and will use their best efforts to obtain such closure within one (1) year of Closing, it being recognized and understood that IEPA closure may be delayed to due to required sampling and analysis that lengthens the IEPA closure timing, or bureaucratic delays which add to or lengthen the IEPA closure timing. Buyer understands, consents and agrees that, notwithstanding the IEPA closure of the LUST Matter, hazardous substances will remain and be present at, in, on, upon, under, beneath and/or migrating to or from the Property, and that the IEPA closure of the LUST Matter, as a consequence of the hazardous substances which remain and are present after the IEPA closure of the LUST Matter, may include conditions such as installation, maintenance and inspection of a

cap or cover, as well as a recorded notice or restriction against the title of the Property due to and regarding the continued presence of hazardous substances at, in, on, upon, and/or beneath and migrating to or from the Property after the IEPA closure of the LUST Matter.

ARTICLE VII.

CONDITIONS TO CLOSING

7.1. Conditions to Buyer's and Merger Sub's Obligations. The obligation of Buyer and Merger Sub to consummate the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions at or prior to the Closing:

(a) Each of the representations and warranties contained in ARTICLE III or ARTICLE IV of this Agreement (i) that is qualified as to or by materiality or Company Material Adverse Effect shall, subject to such qualification be true and correct in all respects at and as of the Closing as if made anew at such time (except to the extent any such representation and warranty expressly relates to an earlier time or date (in which case it shall be true and correct in all respects as of such earlier time or date)) and (ii) that is not qualified as to or by materiality or Company Material Adverse Effect shall be true and correct in all material respects at and as of the Closing as if made anew at such time (except to the extent any such representation and warranty expressly relates to an earlier time or date (in which case it shall be true and correct in all material respects as of such earlier time or date)), in each case, without taking into account any disclosures to Buyer and Merger Sub pursuant to Section 6.6.

(b) Each Seller and the Company shall have performed in all material respects all of the covenants and agreements required to be performed by them hereunder prior to the Closing;

(c) No Proceeding shall be pending or to the Company's Knowledge overtly threatened by or before any Governmental Authority or any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling or charge could reasonably be expected to (i) prevent the performance of this Agreement or the consummation of any of the transactions contemplated hereby or declare unlawful any of the transactions contemplated hereby, (ii) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, (iii) affect adversely the right of Buyer to own the Company Capital Stock or operate the businesses of or control the Company, (iv) affect adversely the right of the Company to own their respective assets or control their respective businesses or (v) result in any material damages being assessed against the Company; and no such injunction, judgment, order, decree or ruling shall have been entered or be in effect;

(d) Since the date hereof, no fact, event or circumstance has occurred or arisen that, individually or in combination with any other fact, event or circumstance, has had or would reasonably be expected to have a Company Material Adverse Effect;

(e) At the Closing, Sellers shall have delivered to Buyer and Merger Sub a certificate dated the date of the Closing and signed by Sellers, stating that the conditions specified in Section 7.1(a) and Section 7.1(b) have been satisfied as of the Closing;

(f) Buyer shall have received from Sellers the Closing deliveries of Sellers as set forth in Section 2.6 hereof;

(g) Buyer or its Affiliate shall have entered into a Real Estate Purchase Agreement with VW Properties, Inc. with respect to the purchase of the remaining portion of the Illinois Facility (the “Real Estate Purchase Agreement”), satisfactory to Buyer (or its Affiliate), but substantially in the form attached hereto as Exhibit B, and the closing provided for in such Real Estate Purchase Agreement shall have occurred contemporaneously with the Closing contemplated by this Agreement;

(h) The environmental condition of the Owned Real Property and Leased Real Property is acceptable to Buyer, including but not limited to a Phase I;

(i) Buyer shall have the right to conduct title and survey work on the Owned Real Property and Leased Real Property (in accordance with and on the same terms set forth in the Real Estate Purchase Agreement, and such terms are incorporated herein by reference) and the title and survey conditions shall be acceptable to Buyer;

(j) Buyer (and RWB, following consummation of the RTO) shall have received approval of the transactions contemplated by this Agreement and the Transaction Documents from the board and the shareholders of Buyer (and of RWB, following consummation of the RTO) and the Canadian Securities Exchange (following consummation of the RTO), as applicable (the “Requisite Approval”);

(k) All intercompany/affiliate arrangements providing services, benefits or assets to the Company necessary for the conduct of the Business shall have been addressed in a manner acceptable to Buyer (which may include termination of such arrangements and the direct assignment and transfer of such rights, interests and/or assets to the Company pursuant to the Pre-Closing Restructuring Transactions or the provision of transition services to the Company after Closing pursuant to transition services agreements);

(l) Buyer shall have received evidence that the Pre-Closing Restructuring Transactions have been consummated and is acceptable to Buyer;

(m) The Specified Indebtedness shall have been refinanced (or assumed, at Buyer’s election) to the satisfaction of Buyer (including receipt of a payoff letter and Lien release from the holder of the Specified Indebtedness with respect to the Company, any assets of the Business and the Company Capital Stock, for purposes of the refinancing or assumption of such Specified Indebtedness as contemplated herein);

(n) Receipt of all governmental and regulatory consents, approvals, licenses and authorizations and making of notices and filings that are necessary for (i) Buyer (or, RWB, following the RTO) to consummate the transactions contemplated at the Closing hereby, (ii) Buyer (or, RWB, following the RTO) to own all of the shares of stock in the Surviving Corporation and to operate the Business of and control the Surviving Corporation following the Closing as proposed to be conducted (including, the right to use the Permits), in each case, in form and substance satisfactory to Buyer, and (iii) the issuance of the RWB Stock and RWB Stock Issuance Right to

Sellers and deposit of the RWB Stock and RWB Stock Issuance Right into escrow pursuant to Lock-Up Escrow Agreements as contemplated hereby; and

(o) If the LUST Matter has not been closed pursuant to Section 6.11 by Closing, the Parties have executed a customary access and indemnity agreement in form reasonably acceptable to the Parties, with respect to Sellers' remediation work to be conducted on the Property with respect to the LUST Matter after the Closing pursuant to Section 6.11.

Any condition specified in this Section 7.1 may be waived by Buyer if such waiver is set forth in a writing duly executed and delivered to Seller by Buyer.

7.2. Conditions to the Company's and Sellers' Obligations. The obligation of the Company and the Sellers to consummate the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions at or prior to the Closing:

(a) Each of the representations and warranties contained in ARTICLE V hereof shall be true and correct in all material respects at and as of the Closing as if made anew at such time (except to the extent any such representation and warranty expressly relates to an earlier time or date (in which case it shall be true and correct in all material respects as of such earlier time or date)), without taking into account any disclosures to the Company and the Sellers pursuant to Section 6.6;

(b) Buyer and Merger Sub shall have performed in all material respects all the covenants and agreements required to be performed by it hereunder prior to the Closing;

(c) No Proceeding shall be pending before any Governmental Authority or any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling or charge could reasonably be expected to (i) prevent the performance of this Agreement or the consummation of any of the transactions contemplated hereby or declare unlawful any of the transactions contemplated hereby or (ii) cause any of the transactions contemplated by this Agreement to be rescinded following consummation; and no such injunction, judgment, order, decree or ruling shall be in effect;

(d) Since the date hereof, no fact, event or circumstance has occurred or arisen that, individually or in combination with any other fact, event or circumstance, has had or would reasonably be expected to have a Buyer Material Adverse Effect;

(e) At the Closing, Buyer shall have delivered to Sellers a certificate dated the date of the Closing and signed by an authorized officer of Buyer, stating that the conditions specified in Section 7.2(a) and Section 7.2(b) above have been satisfied;

(f) The closing provided for in the Real Estate Purchase Agreement shall have occurred contemporaneously with the Closing contemplated by this Agreement;

(g) The Specified Indebtedness shall have been refinanced or assumed in its entirety as contemplated by this Agreement, which refinancing or assumption, for the avoidance of doubt, shall expressly provide for the removal of all Guarantees of Sellers in connection with such specified indebtedness;

(h) Sellers shall have received from Buyer and Merger Sub the Closing deliveries of Buyer and Merger Sub as set forth in Section 7.2 hereof; and

Any condition specified in this Section 7.2 may be waived if such waiver is set forth in a writing duly executed and delivered to Buyer or Merger Sub by Sellers.

7.3. Mutual Conditions to the Parties' Obligations. The obligation of the parties to consummate the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions at or prior to the Closing:

(a) The filings of the Parties pursuant to the HSR Act, if any, shall have been made and the applicable waiting period and any extensions thereof shall have expired or been terminated.

(b) The completion of the reverse takeover transaction currently proposed between Buyer and Tidal Royalty Corp. pursuant to that Business Combination Agreement dated as May 8, 2019 (the "RTO") and subsequent assignment by Buyer of this Agreement to Red White & Bloom Inc. (the resulting issuer in the RTO) ("RWB").

(c) Buyer and Sellers shall mutually agree upon the calculation of the final Hemp Operations Payable.

Any condition specified in this Section 7.3 may be waived if such waiver is set forth in a writing duly executed by Buyer and Sellers.

ARTICLE VIII.

TERMINATION

8.1. Termination. This Agreement may be terminated at any time prior to the Closing only as follows:

(a) By the mutual written consent of Buyer, on the one hand, and Sellers, on the other hand;

(b) By Buyer if (i) at any time any of the representations or warranties of the Company or the Sellers in this Agreement becomes untrue or inaccurate such that the condition set forth in Section 7.1(a) would not be satisfied (treating such time as if it were the Closing for purposes of applying this Section 8.1(b)) or (ii) there has been a breach on the part of the Company or the Sellers of any of their covenants or agreements contained in this Agreement such that the condition set forth in Section 7.1(b) would not be satisfied (treating such time as if it were the Closing for purposes of applying this Section 8.1(b)), and, in the case of any covenant breach, such breach (if curable) has not been cured within fifteen (15) days after delivery of notice thereof by Buyer to Sellers;

(c) By Sellers if (i) at any time any of the representations or warranties of Buyer or Merger Sub in this Agreement becomes untrue or inaccurate such that the condition set forth in Section 7.2(a) would not be satisfied (treating such time as if it were the Closing for purposes of

applying this Section 8.1(c)) or (ii) there has been a breach on the part of Buyer or Merger Sub of any of its covenants or agreements contained in this Agreement such that the condition set forth in Section 7.2(b) would not be satisfied (treating such time as if it were the Closing for purposes of applying this Section 8.1(c)), and, in the case of any covenant breach, such breach (if curable) has not been cured within fifteen (15) days after delivery of notice thereof by Sellers to Buyer;

(d) By either Buyer or Sellers, on thirty (30) days' prior written notice to the other party, if the transactions contemplated hereby have not been consummated by October 31,

(e) By Buyer if either of the conditions in Section 7.1(h) or (i) are not, or become incapable of being satisfied, for Closing.

8.2. Effect of Termination. In the event of termination of this Agreement as provided above, this Agreement shall immediately terminate and have no further force and effect, except that (a) this Section 8.2, Section 8.3, Section 9.2(d) and ARTICLE XI (Miscellaneous) shall survive such termination indefinitely and (b) nothing in Section 8.1 or this Section 8.2 shall be deemed to release any party from any Liability for any breach by such party of the terms and provisions of this Agreement. In the event of the Real Estate Purchase Agreement is terminated prior to Closing in accordance with its terms, the Parties agree that this Agreement shall automatically terminate concurrently therewith without any further action by either party.

8.3. Return of Deposit. In the event that the transactions contemplated under this Agreement shall fail to close as provided herein for any reason whatsoever and this Agreement is terminated, Sellers shall return the Deposit to Buyer in full in cash (without setoff, deduction or counterclaim) within twelve months of the date of termination of this Agreement and in no event shall Sellers have the right to retain any portion of such Deposit. If requested by Buyer (prior to termination or any time thereafter), Sellers shall execute an installment payment agreement, promissory note or other documentation to further evidence such repayment obligation to Buyer.

ARTICLE IX.

POST-CLOSING COVENANTS

9.1. Tax Matters.

(a) For purposes of this Agreement, in the case of any Taxable period that includes (but does not end on) the Tax Effective Time (the "Straddle Period"), the amount of any Taxes of the Company that are not based on or measured by income, receipts, profits, wages, or that are not imposed in connection with any sale or other transfer or assignment of property or any other specifically identifiable transaction or event for the Straddle Period which relate to the Pre-Closing Tax Period will be deemed to be the amount of such Tax for the entire Straddle Period multiplied by a fraction the numerator of which is the number of days in the Straddle Period up to and including the Tax Effective Time and the denominator of which is the total number of days in such Straddle Period, and the amount of any Taxes of the Company that are based on or measured by income, receipts, profits, wages, or that are imposed in connection with any sale or other transfer or assignment of property or any other specifically identifiable transaction or event for the Straddle Period

which relates to the Pre-Closing Tax Period will be determined based on an interim closing of the books as of the Tax Effective Time; provided however, that exemptions, allowances or deductions that are calculated on an annual basis (including depreciation and amortization deductions) shall be allocated pro-rata between the period ending on the Tax Effective Time and the period after the Tax Effective Time. All determinations necessary to give effect to the foregoing allocations shall be made in a manner consistent with the prior practices of the Company.

(b) Sellers shall prepare or cause to be prepared and shall timely file or cause to be filed, all income Tax Returns for the Company for all Tax periods ending on or before the Tax Effective Time, including those which are due to be filed after the Closing Date, which Tax Returns shall be prepared consistent with the past practices of the Company to the extent consistent with applicable Law. Sellers shall submit each such Tax Return to Buyers at least thirty (30) days prior to their due date, for Buyers' review and comment. Buyer and Seller shall negotiate in good faith to resolve any dispute or disagreement with respect to any Tax Return prepared under this Section 9.1(b). If Buyer and Seller cannot, through such good-faith negotiation, resolve any dispute or disagreement over any of Buyer's comments within thirty (30) days, then their disagreement shall be resolved by a qualified tax professional employed by the Independent Accountant. The resolution of any such dispute shall not delay the filing of any such Tax Return beyond its due date and such Tax Return shall be filed in a manner Sellers deem correct. Following resolution of such dispute or disagreement, such Tax Return shall be amended if and as necessary to conform to the resolution of such disagreement.

(c) Except for those income Tax Returns that the Sellers are responsible for preparing under Section 9.1(b), Buyer shall prepare and file all Tax Returns for the Company which relate in whole or in part to any Pre-Closing Tax Period, and which are filed after the Closing Date, which Tax Returns shall be prepared consistent with the past practices of the Company to the extent consistent with applicable Law. Buyer shall submit each such Tax Return to Sellers at least thirty (30) days prior to their due date, for Sellers' review and comment. Buyer and Seller shall negotiate in good faith to resolve any dispute or disagreement with respect to any Tax Return prepared under this Section 9.1(c). If Buyer and Seller cannot, through such good-faith negotiation, resolve any dispute or disagreement over any such other comment within thirty (30) days, then their disagreement shall be resolved by a qualified tax professional employed by the Independent Accountant. The resolution of any such dispute shall not delay the filing of any such Tax Return beyond its due date and such Tax Return shall be filed in a manner the Buyer deems correct. Following resolution of such dispute or disagreement, such Tax Return shall be amended if and as necessary to conform to the resolution of such disagreement.

(d) Each party hereto will provide to each of the other parties hereto such cooperation and information as any of them reasonably may request in filing any Tax Return, determining a Liability for Taxes or in conducting any audit or other Proceeding in respect of Taxes. Such cooperation and information shall include signing any Tax Return, amended Tax Return, and claims or other documents necessary to settle any Tax controversy, providing copies of all relevant portions of relevant Tax Returns, together with relevant accompanying schedules and relevant work papers, relevant documents relating to rulings or other determinations by any Governmental Authority and relevant records concerning the ownership and Tax basis of property, which any such party may possess, Sellers shall turn over to Buyer copies of all Tax Returns, schedules and work papers, and all material records or other documents in its possession, relating

to Taxes of the Company, and shall make employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

(e) Any refund of Taxes of the Company, or any amounts credited against such Taxes, (including any interest actually received or credited with respect thereto) attributable (or treated as attributable) to any period occurring on or before the Closing Date shall be the property of Sellers, shall be paid reasonably promptly to the Sellers and, if received by, or credited to, Buyer, the Company or any other affiliated entity of Buyer, shall be payable reasonably promptly to the Sellers.

(f) All Tax sharing agreements or similar agreements and powers of attorney with respect to or involving the Company shall be terminated as of the Closing Date and, after the Closing Date, the Company shall not be bound thereby or have any Liability thereunder.

(g) All transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement shall be paid by one-half by Sellers and one-half by Buyer, and the Company shall file all necessary Tax Returns and other documentation with respect to all such transfer, documentary, sales, use, stamp, registration and other Taxes and fees, and, if required by applicable Law, Buyer and Sellers shall join in the execution of any such Tax Returns and other documentation.

(h) Sellers and Buyer agree to treat (and have the Company treat) any Seller Transaction Expenses paid on or before the Tax Effective Time as deductible in a Pre-Closing Tax Period to the extent permissible by applicable Law.

(i) Tax Proceedings.

(i) If Buyer or the Company receives notice of any audit, assessment, examination, action, claim, suit, investigation or other inquiry (a "Tax Proceeding") with respect to Taxes for a Pre-Closing Tax Period, Buyer shall promptly inform Sellers of such notice (which notice shall include copies of any corresponding received from any Tax authority); provided, however, that the failure to provide such notice will not affect any right of Buyer to indemnification hereunder except to the extent that Sellers' defense of a Tax Proceeding is prejudiced by such failure.

(ii) At their election, Sellers shall control any Tax Proceeding of the Company solely with respect to a Pre-Closing Tax Period ("Seller Tax Proceeding"), at Sellers' sole expense; provided that, Sellers shall notify Buyer, in writing, of Sellers' election to control any Seller Tax Proceeding within 15 days of receiving Buyer's notice delivered pursuant to Section 9.1(i)(i). Sellers shall keep Buyer reasonably informed regarding any Seller Tax Proceeding, provide Buyer with material information and documents related thereto, permit Buyer or its representative, at Buyer's sole expense, to participate in the defense of any Seller Tax Proceeding, and not settle any issue therein without the consent of Buyer (which consent shall not be unreasonably withheld, conditioned or delayed) if such action would adversely affect the Tax-related liabilities of the Company or Buyer for any Tax period commencing after the Closing Date.

In the event that Sellers do not elect to control a Seller Tax Proceeding or fail to notify Buyer pursuant to the first sentence of this Section 9.1(i)(ii), Buyer shall control such Seller Tax Proceeding, shall consult with Sellers regarding any Seller Tax Proceeding, provide Sellers with information and documents related thereto, permit Sellers or their representatives to participate in the defense any Seller Tax Proceeding, and not settle any issue therein without the consent of Sellers (which consent shall not be unreasonably withheld, conditioned or delayed).

(j) Without the prior written consent of Sellers, such consent not to be unreasonably withheld, conditioned or delayed, Buyer will not, and will cause the Company not to, (i) amend any Tax Return relating to a Pre-Closing Tax Period, (ii) change an annual accounting period, adopt or change any accounting method, or file or amend any Tax election, in each case concerning the Company with respect to a Pre-Closing Tax Period, (iii) extend or waive the applicable statute of limitations with respect to a Tax of the Company for a Pre-Closing Tax Period, or (iv) initiate or participate in any voluntary disclosure program with any Government Authority regarding any Tax (or potential Tax) or Tax Returns of the Company for a Pre-Closing Tax Period.

(k) To the extent that any obligation or responsibility pursuant to ARTICLE X may overlap with an obligation or responsibility pursuant to this Section 9.1, the provisions of this Section 9.1 shall govern.

9.2. Restrictive Covenants.

(a) Sellers' Acknowledgment. At the Closing, each Seller will receive valuable consideration as a result of Sellers direct or indirect ownership of Company Capital Stock, and each Seller therefore has a material economic interest in the consummation of the transaction contemplated by this Agreement. Each Seller's obligations under this Agreement, including this Section 9.2, are each essential parts of the transactions contemplated by this Agreement, and in order to protect the goodwill related to the business and operations of the Business and the Company Capital Stock, each such Person has agreed to the restrictive covenants set forth in this Section 9.2.

(b) Non-Compete. Each Seller hereby agrees that from and after the Closing Date and continuing for two (2) years from the Closing Date (the "Restricted Period"), he, she or it shall not directly or indirectly, as an employee, agent, consultant, director, equityholder, manager, co-partner or in any other individual or representative capacity, own, operate, manage, control, engage in, invest in, be employed by or participate in any manner in, act as a consultant or advisor to, render services for (alone or in association with any Person), or otherwise assist any Person that engages in or owns, invests in, operates, manages or controls any venture or enterprise that directly or indirectly engages or proposes to engage (i) in the business of cannabis production in Canada or in any State in which Buyer is currently conducting such business and/or (ii) in the business of indoor and outdoor hemp cultivation, processing and/or handling (including possessing, storing or transporting) anywhere in the State of Illinois (collectively, the "Restricted Business"); provided, however, that nothing contained herein shall be construed to prevent (i) a Seller or its Affiliates from engaging Marquis Extraction Technology, LLC and its affiliates to provide processing services with respect to its Kentucky operations described below, or (ii) a Seller or Consulting Affiliate from holding its shares of RWB Stock issued pursuant to the transactions contemplated hereby or otherwise investing in the stock of any competing corporation listed on a

national securities exchange or traded in the over the counter market so long as such party is not involved in the business of said corporation and such party does not own more than five percent (5%) of the stock of such corporation. For clarity, Sellers' ownership, management and participation in Color Point, LLC's (and its affiliates) business of hemp cultivation and processing in the State of Kentucky will not be deemed a violation of Section 9.2(b)(ii) so long as such business is not conducted directly or indirectly anywhere in the State of Illinois. Notwithstanding the foregoing, the parties agree that Sellers' ownership, management and participation in AgTech Scientific Corp., a Nevada corporation (or any successor thereto by virtue of merger, share exchange, or other business combination) ("ASC") shall not be deemed a violation of this Section so long as ACS does not enter into contracts with agricultural producers located in Illinois to grow hemp products; provided, however, that in the event the Sellers are no longer members of the Board of Directors of ASC, or Sellers do not collectively control over 20% of the shares of ASC, the parties agree that Sellers' ownership of ASC shall not be deemed a violation of this Section.

(c) Non-Solicitation of Employees. During the Restricted Period, no Seller shall (and shall cause his Affiliates not to), directly or indirectly, as an employee, agent, consultant, director, equityholder, manager, co-partner or in any other capacity, without the prior written consent of Buyer, employ, engage, recruit or solicit for employment or engagement, any Person who is (or was within twelve (12) months of the Closing Date) employed or engaged by Buyer or the Company or otherwise seek to influence or alter any such Person's relationship with any of the foregoing.

(d) Non-Disparagement. Each Seller agrees that he shall not (and shall cause his Affiliates not to), (i) make any negative statement or communication regarding Buyer, the Company or any of their respective Affiliates or employees with the intent to harm any such Person or (ii) make any derogatory or disparaging statement or communication regarding Buyer, the Company or any of their respective Affiliates or employees.

(e) Confidential Information. From the date hereof and thereafter, the Sellers shall keep secret and retain in strictest confidence, and shall not, without the prior written consent of Buyer, furnish, make available or disclose to any third party or use for the benefit of itself or any third party, any Confidential Information; provided, however, that nothing contained herein shall be deemed to prevent the Sellers from making such disclosures as may be (x) required to be filed with or submitted to regulatory agencies or bodies (including pursuant to a Tax Return), (y) required by applicable Law; or (z) otherwise expressly permitted by other provisions of this Agreement. As used in this Section 9.2(c), "Confidential Information" shall mean any information relating to (i) this Agreement or the Transaction Documents or the transactions contemplated hereby or thereby or (ii) the business or affairs of Buyer, the Company and their respective Affiliates, including, without limitation, information relating to financial statements, client or customer identities, potential clients or customers, employees, suppliers, servicing methods, recipes, equipment, programs, strategies and information, analyses, profit margins or any other proprietary information; provided, however, that Confidential Information shall not include any information which is in the public domain or becomes generally known in the public domain through no wrongful act on the part of any of the Sellers. The Sellers acknowledge that the Confidential Information is vital, sensitive, confidential and proprietary to the Buyer and the Company.

(f) Enforceability; Blue Pencil. The Sellers recognize that the territorial, time and scope limitations set forth in this Section 9.2 are reasonable and are properly required for the protection of Buyer's legitimate interest in client relationships, goodwill and trade secrets of the Business. In the event that any such territorial, time or scope limitation is deemed to be unreasonable by a court of competent jurisdiction, Buyer and the Sellers agree, and the Sellers submit, to the reduction of any or all of said territorial, time or scope limitations to such an area, period or scope as said court shall deem reasonable under the circumstances. If such partial enforcement is not possible, the provision shall be deemed severed, and the remaining provisions of this Agreement shall remain in full force and effect.

(g) Remedies. The Sellers and Buyer acknowledge and agree that the covenants set forth in this Section 9.2 hereof are reasonable and necessary for the protection of Buyer's interests, that irreparable injury will result if a Seller breaches any of the terms of this Section 9.2, and that in the event of a Seller's actual or threatened breach of any of the provisions contained in this Section 9.2, Buyer will have no adequate remedy at Law. The Sellers and Buyer accordingly agree that in the event of any actual or threatened breach by a Seller of any of the provisions contained in this Section 9.2, Buyer will be entitled to such injunctive and other equitable relief as may be deemed necessary or appropriate by a court of competent jurisdiction, without the requirement of posting a bond or other security or proving the lack or inadequacy of a remedy at Law. Nothing contained herein shall be construed as prohibiting such parties from pursuing any other remedies available to it for such breach or threatened breach, including the recovery of any damages which it is able to prove.

9.3. Further Assurances. The Sellers and Buyer shall execute and deliver such further instruments of conveyance and transfer and take such additional actions as Buyer, on the one hand, or a Sellers, on the other hand, may reasonably request to effect, consummate, confirm or evidence the transfer to Buyer of the Company Capital Stock and the conduct by Buyer of the Business (including with respect to obtaining and maintaining all licenses, permits, authorizations, accreditations and consents necessary or desirable in connection therewith), and such other things necessary, proper or advisable under applicable Law as may reasonably be required to carry out the provisions of this Agreement, the Transactions Documents and to consummate the transactions contemplated, and each Seller shall execute such documents as may be reasonably necessary to assist Buyer in preserving or perfecting its rights in the Company Capital Stock and its ability to conduct the Business.

9.4. Release.

(a) Except as provided in Section 9.4(e) below, each Seller on behalf of itself and any Person who may be bound by it (collectively, the "Releasing Parties"), releases the Company, Buyer and each of their respective officers, directors, partners, members, managers, shareholders, Affiliates, Subsidiaries, agents, attorneys, employees, predecessors, successors, heirs and assigns (collectively, the "Released Parties") from any and all Proceedings, controversies, cross-claims, counter-claims, debts, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for costs and attorneys' fees, or Liabilities of any nature whatsoever in law and in equity, both past and present (from the beginning of the world through the Closing Date) and whether known or unknown, suspected, or claimed against any of its, his or her Released Parties which such Releasing Party, or any officer, director, manager,

trustee, spouse, heir, executor, administrator, successor or assign of such Releasing Party, has or may have, which arise out of or are connected with the Company or any predecessor thereto, whether arising under any federal, state or local civil or human rights law, or under any other local, state, or federal law, regulation or ordinance, or under any public policy, Contract or tort, or under common law; or any claim for breach of Contract, infliction of emotional distress, defamation, or any claim for costs, fees, or other expenses, including, without limitation, attorneys' fees incurred in these matters (all of the foregoing collectively referred to herein as such Releasing Party's "Released Claims").

(b) Each Releasing Party represents that he, she or it has made no assignment or transfer of any Released Claim and agrees to indemnify and hold harmless the Released Parties from and against any and all Losses arising from or in any way related to any such assignment. Each Releasing Party acknowledges and intends that his, her or its execution and delivery of this release shall be effective as a bar to each and every one of the Released Claims, and expressly consents and agrees that this release shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected Released Claims (notwithstanding any state statute that expressly limits the effectiveness of a general release of unknown, unsuspected and unanticipated Released Claims), if any, as well as those relating to any other Released Claims hereinabove mentioned or implied.

(c) Each Releasing Party hereby covenants not to sue or to institute or cause to be instituted any Proceeding in any federal, state or local agency or any court or other tribunal against the Released Parties that is related directly or indirectly to any of the matters released in this Section 9.4. If any Releasing Party sues or otherwise institutes any such Proceeding, that Proceeding shall be dismissed upon presentation of this Agreement to the applicable agency, court or tribunal.

(d) Each Releasing Party agrees that if he, she or it violates any provision of this Agreement, such Releasing Party will pay all costs and expenses of defending against any related or resulting suit or other Proceeding incurred by his, her or its Released Parties, including reasonable attorneys' fees.

(e) Notwithstanding the foregoing, nothing herein shall operate to impair the rights and obligations under, or prevent the Releasing Party from asserting any claim against any Released Party that such Releasing Party may have, if any, arising under this Agreement or any other Transaction Document. However, each Seller hereby agrees that it shall not (and shall cause his, her or its Affiliates not to) make any claim for indemnification against Buyer, the Company or any of their respective Affiliates by reason of the fact that any Seller or any Affiliate of any Seller is or was a stockholder, member, director, manager, officer, employee or agent of the Company or any of its Affiliates or is or was serving at the request of the Company or any of its Affiliates as a partner, manager, trustee, director, officer, employee or agent of another entity (whether such claim is for judgments, damages, penalties, fines, costs, amounts paid in settlement, losses, expenses or otherwise and whether such claim is pursuant to any statute, charter document, bylaw, agreement or otherwise) with respect to any action, suit, proceeding, complaint, claim or demand brought by any of the Buyer Indemnified Parties against any Seller pursuant to this Agreement, and each Seller (on his, her or its own behalf and on behalf of his, her or its Affiliates) hereby acknowledges and agrees that he, she or it shall not have any claim or right to contribution

or indemnity from the Company or any of its Affiliates with respect to any amounts paid by it pursuant to this Agreement. In no event shall the Company or any of its Affiliates have any Liability whatsoever to any Seller (or any Affiliate of any Seller) for breaches of the representations, warranties, agreements or covenants of the Sellers hereunder, and each Seller shall not (and each Seller shall cause his, her or its Affiliates not to) in any event seek contribution from the Company or any of its Affiliates in respect of any payments required to be made by such Seller pursuant to this Agreement.

9.5. Company Name. From and after the Closing, no Seller nor any of their Affiliates shall use the words “MAG” or “Mid-American Growers” or any derivative of or reference to such words in connection with conducting any business.

9.6. Hemp Operations Payable. The Company will retain the Hemp Operations Payable, and subject to and after consummation of the Closing, Buyer will cause the Company to pay such Hemp Operations Payable on standard commercial terms, and not later than December 31, 2019.

9.7. Consulting Shares. At Closing, Buyer or its Affiliate will enter into a consulting agreement with Anne Hyde for certain services, pursuant to which she will be entitled to receive 137,362 shares of RWB Stock pursuant to an equity incentive plan or otherwise (the “Consulting Shares”), providing a vesting schedule for issuance of such Consulting Shares in 2020, in form acceptable to the parties thereto and subject to any requirements of applicable laws.

ARTICLE X.

INDEMNIFICATION

10.1. Indemnification by the Sellers. Subject to the limitations and conditions contained in this ARTICLE X, the Sellers agree to jointly and severally indemnify, defend and hold harmless Buyer and its respective Affiliates (for the avoidance of doubt, including the Company after the Closing and Real Estate Buyer) and each of their respective officers, directors, employees, agents, and representatives (each, a “Buyer Indemnified Party”), from and against, and to promptly pay to a Buyer Indemnified Party or reimburse a Buyer Indemnified Party for, any and all Liabilities (whether contingent, fixed or unfixed, liquidated or unliquidated, or otherwise), obligations, diminution in value, deficiencies, demands, claims, suits, actions, causes of action, assessments, losses, costs, expenses, interest, fines, penalties, damages or costs, or expenses of any and all investigations, proceedings, judgments, environmental analyses, remediations, settlements and compromises (including, without limitation, reasonable fees and expenses of attorneys, accountants and other experts) (individually, a “Loss” and collectively, the “Losses”) sustained or incurred by any Buyer Indemnified Party relating to, resulting from or arising out of any of the following:

(a) any inaccuracy in or breach of a representation or warranty made herein or in the Transaction Documents by a Seller;

(b) any non-compliance with or breach by a Seller of any of the covenants or agreements contained in this Agreement or the Transaction Documents to be performed by the Sellers, including, but not limited to, such covenants and agreements set forth in ARTICLE X hereunder;

(c) all Taxes (i) imposed on the Company for all Pre-Closing Tax Periods,

(ii) for a Pre-Closing Tax Period of any member of an Affiliated Group of which the Company is or was a member on or prior to the Closing Date, including pursuant to Treasury Regulation §1.1502-6 or any analogous or similar Law, and (iii) of any Person (other than the Company) imposed on the Company as a transferee or successor, by Contract or pursuant to Law, which Taxes relate to an event or transaction occurring before the Closing;

(d) any Indebtedness of the Company (excluding the assumption/refinancing of the Specified Indebtedness as contemplated herein);

(e) any Seller Transaction Expenses;

(f) any Excluded Liabilities (excluding the Hemp Operations Payable as contemplated herein);

(g) any of the items set forth on Schedule 10.1(g); and

(h) any environmental conditions at, under or on the Owned Real Property and Leased Real Property existing prior to Closing regardless of whether such conditions are actually discovered prior to the Closing ("Environmental Conditions"); provided, however, this subparagraph (h) shall not apply to any such condition discovered through laboratory analysis of environmental media (soil or groundwater) sampling conducted by or on behalf of a Buyer Indemnified Party after the Closing, except to the extent such sampling was either (i) required by a Governmental Authority pursuant to Law, (ii) conducted as part of an investigation of the 10,000 gallon underground storage tank or the 12,000 gallon underground storage tank disclosed on Schedule 4.17(ii), in the event either such tank has failed any mechanical or physical testing of the integrity of the UST system, including, but not limited to, hydrostatic testing or European suction testing (and such failure is not due to Buyer's negligence or willful misconduct) or (iii) conducted as part of and to advance the IEPA closure of the LUST Matter in the event Buyer reasonably determines that Sellers have failed and/or refused to diligently pursue IEPA closure of the LUST Matter (the "Environmental Indemnity"). Except for the specific indemnities set forth on Schedule 10.1(g), this Environmental Indemnity shall be Sellers' exclusive indemnification obligation to Buyer Indemnified Parties with respect to Environmental Conditions.

10.2. Indemnification by Buyer. Subject to the limitations and conditions contained in this ARTICLE X, Buyer agrees to indemnify, defend and hold harmless the Sellers, and each of their respective officers, directors, employees, agents, representatives, successors and assigns (each, a "Seller Indemnified Party") harmless from and against, and to promptly pay to a Seller Indemnified Party or reimburse a Seller Indemnified Party for, any and all Losses sustained or incurred by a Seller Indemnified Party relating to, resulting from or arising out of any noncompliance with or breach by Buyer or Merger Sub of any of the covenants or agreements contained in this Agreement or the Transaction Documents to be performed by Buyer or Merger

Sub, including, but not limited to, such covenants and agreements set forth in ARTICLE X hereunder.

10.3. **Third Party Claims.** In the event that subsequent to the Closing any Person entitled to indemnification under this Agreement (an “Indemnified Party”) receives notice of the assertion of any claim or of the commencement of any action or proceeding by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement (including, without limitation, any Federal, state or local domestic or foreign Governmental Authority) (a “Third Party Claim”) against such Indemnified Party, with respect to which a party to this Agreement is or may be required to provide indemnification under this Agreement (an “Indemnifying Party”), the Indemnified Party shall give written notice to the Indemnifying Party as promptly as practicable after learning of such claim. The Indemnifying Party shall not have the right to conduct the defense or compromise and settle any such Third Party Claim; however, any Indemnifying Party shall be entitled to participate in the defense of such Third Party Claim at such Indemnifying Party’s expense, and at its option (subject to the limitations set forth below) shall be entitled to assume the defense thereof by appointing reputable counsel reasonably acceptable to the Indemnified Party to be the lead counsel in connection with such defense; provided that, prior to the Indemnifying Party assuming control of such defense it shall first verify to the Indemnified Party in writing that such Indemnifying Party shall be fully responsible (with no reservation of any rights) for all Liabilities relating to such claim for indemnification and that such Indemnifying Party shall provide full indemnification to the Indemnified Party with respect to such action, lawsuit, proceeding, investigation or other claim giving rise to such claim for indemnification hereunder; and provided further, that:

(a) the Indemnified Party shall be entitled to participate in the defense of such claim and to employ counsel of its choice for such purpose; provided that the fees and expenses of such separate counsel shall be borne by the Indemnified Party (other than any fees and expenses of such separate counsel that are incurred prior to the date the Indemnifying Party effectively assumes control of such defense which, notwithstanding the foregoing, shall be borne by the Indemnifying Party, and except that the Indemnifying Party shall pay all of the fees and expenses of such separate counsel if the Indemnified Party has been advised by counsel that a reasonable likelihood exists of a conflict of interest between the Indemnifying Party and the Indemnified Party);

(b) the Indemnifying Party shall not be entitled to assume control of such defense (unless otherwise agreed to in writing by the Indemnified Party) and shall pay the fees and expenses of counsel retained by the Indemnified Party if (i) the claim for indemnification relates to or arises in connection with any criminal or quasi criminal proceeding, action, indictment, allegation or investigation; (ii) the Indemnified Party reasonably believes an adverse determination with respect to the action, lawsuit, investigation, proceeding or other claim giving rise to such claim for indemnification could be detrimental to or injure the Indemnified Party’s reputation or future business prospects; (iii) the claim seeks an injunction or equitable relief against the Indemnified Party; (iv) the Indemnified Party has been advised by counsel that a reasonable likelihood exists of a conflict of interest between the Indemnifying Party and the Indemnified Party; (v) upon petition by the Indemnified Party an appropriate court rules that the Indemnifying Party failed or is failing to vigorously prosecute or defend such claim; (vi) the claim is with respect to Taxes (and is not otherwise covered by Section 9.1(j) with respect to which party controls), (vii)

the Indemnified Party reasonably believes that the Indemnifying Party lacks the financial resources to satisfy any Losses relating to the claim; or (viii) the Indemnified Party reasonably believes that the Loss relating to the claim could exceed the maximum amount that such Indemnified Party could then be entitled to recover under the applicable provisions of this ARTICLE X;

(c) if the Indemnifying Party shall control the defense of any such claim, the Indemnifying Party shall obtain the prior written consent of the Indemnified Party before entering into any settlement of a claim or ceasing to defend such claim if, pursuant to or as a result of such settlement or cessation, the Indemnified Party will be obligated to pay any monetary damages, injunctive or other equitable relief will be imposed against the Indemnified Party or such settlement does not expressly and unconditionally release the Indemnified Party from all Liabilities with respect to such claim, without prejudice; and

(d) if the Indemnifying Party is not entitled to, or does not, assume control of such defense pursuant to the preceding provisions of this Section 10.3, the Indemnified Party shall control such defense without waiving any right that the Indemnified Party may have against the Indemnifying Party for indemnification pursuant to this Section 10.3.

10.4. Direct Claims. Any claim under this ARTICLE X by an Indemnified Party for indemnification other than indemnification against a Third Party Claim (a "Direct Claim") will be asserted by giving the Indemnifying Party reasonably prompt written notice thereof, and the Indemnifying Party will have a period of thirty (30) calendar days within which to satisfy such Direct Claims. If the Indemnifying Party does not so respond within such thirty (30) calendar day period, the Indemnifying Party will be deemed to have rejected such claim, in which event the Indemnified Party will be free to pursue such remedies as may be available to the Indemnified Party under this ARTICLE X or otherwise. If an objection is timely interposed by the Indemnifying Party during such thirty (30) day period, then the Indemnified Party and the Indemnifying Party shall negotiate in good faith for a period of thirty (30) days from the date the Indemnified Party receives such objection (such period, or such longer period as agreed in writing by the parties, is hereinafter referred to as the "Negotiation Period"). If the Direct Claim that is the subject of such notice has not been resolved prior to the expiration of the Negotiation Period, the Indemnified Party or the Indemnifying Party will be free to pursue such remedies as may be available to them on the terms and subject to the provisions of this Agreement.

10.5. Failure to Give Timely Notice. A failure by an Indemnified Party to give timely, complete or accurate notice as provided in this ARTICLE X will not affect the rights or obligations of any party hereunder except and only to the extent that, as a result of such failure, any party entitled to receive such notice was materially damaged as a result of such failure to give timely notice vis à vis its rights and obligations hereunder or otherwise.

10.6. Survival of Representations and Warranties. All representations and warranties contained in ARTICLE III, ARTICLE IV and V shall survive the Closing for a period ending eighteen (18) months from the Closing Date, except that: (i) the representations and warranties set forth in Sections 3.1 (Authority), 3.2 (Title to Company Capital Stock), 4.1 (Authority), 4.2 (Organization and Qualification of the Company), 4.3 (Transaction Not a Breach), 4.4 (Capitalization; Title to Company Capital Stock), 4.9 (Taxes), 4.11(a) (Title to Owned Real Property), 4.21 (Broker Fees), 5.1 (Organization) and 5.2 (Authorization) (collectively, the

“Fundamental Representations”), shall survive the Closing for the maximum period permitted by Law (including Del. C. 8106(c)) and (ii) all representations or warranties in Articles III, IV and V shall survive beyond the applicable period with respect to any inaccuracy therein or breach thereof, provided notice of which shall have been duly given within such applicable period in accordance with ARTICLE X hereof. Notwithstanding the foregoing, except as otherwise expressly provided herein, the covenants and agreements of the Sellers and Buyer contained herein shall survive the Closing for the periods set forth therein or, if no such period is set forth, for the maximum period permitted by Law (including Del. C. 8106(c)). For the avoidance of doubt, Sellers’ indemnification obligations under Section 10.1(f) (Excluded Liabilities) shall survive Closing for a period ending eighteen (18) months from the Closing Date and Sellers’ indemnification obligations under Section 10.1(h) (Environmental Conditions) shall survive the Closing for a period of thirty-six (36) months from the Closing Date; provided that any claims asserted in writing by notice from a Buyer Indemnified Party prior to the expiration date of such survival period shall not thereafter be barred by the expiration of the relevant survival period and such claims shall survive until finally resolved.

10.7. Certain Limitations and Exceptions. Notwithstanding the foregoing:

(a) The Buyer Indemnified Parties shall not be entitled to recover under the provisions of this ARTICLE X for any inaccuracy in or breach of a representation or warranty pursuant to Sections 10.1(a), until (i) the aggregate amount which all Buyer Indemnified Parties would be entitled to recover on account thereof, but for this Section 10.7(a), exceeds \$500,000 in the aggregate (the “Basket”), in which event the Buyer Indemnified Parties shall be entitled to recover for all such Losses (and not merely the portion of the Losses exceeding the Basket); provided however, that the Basket shall not apply to (i) recovery for an inaccuracy in or breach of any Fundamental Representation; (ii) recovery for any amounts in connection with any action or claim based upon Fraud; or (iii) any claims pursuant to Sections 10.1(b) through 10.1(h).

(b) The Buyer Indemnified Parties shall not be entitled to recover Losses under the provisions of this ARTICLE X for inaccuracy in or breach of a representation or warranty pursuant to Sections 10.1(a) in excess of the Cap; provided however, that the Cap shall not apply to (i) recovery for an inaccuracy in or breach of any Fundamental Representation; (ii) recovery for any amounts in connection with any action or claim based upon Fraud; or (iii) any claims pursuant to Sections 10.1(b) through 10.1(h).

(c) The Buyer Indemnified Parties shall not be entitled to recover Losses under the provisions of this ARTICLE X for Environmental Conditions pursuant to Section 10.1(h) and the specific environmental indemnity on Schedule 10.1(g) in excess of \$50,000,000 (“Environmental Cap”).

(d) The Buyer Indemnified Parties shall not be entitled to recover under the provisions of this ARTICLE X to the extent the Losses relating to the matter were included as a Liability in the calculation of the Final Net Working Capital.

(e) Payments by an Indemnifying Party pursuant to Section 10.1 or 10.2 in respect of any Loss shall be (i) reduced by the amount of any net Tax benefit actually realized by

the Indemnified Parties in connection with the Loss and (ii) increased by the amount of any Tax imposed on receipt of such indemnity payment (which for purposes of clarity takes into account any Tax detriment to such Indemnified Party).

(f) For purposes of determining whether any Loss has occurred, or calculating any Losses arising, directly or indirectly, from or in connection with a breach of a representation, warranty, covenant or agreement, all references to “material,” “materiality,” “in all material respects,” “Material Adverse Effect” or similar phrases or qualifiers contained in such representations and warranties shall be disregarded.

10.8. Manner of Payment. Subject to the limitations set forth in this Article X (including the Basket, the Cap and Environmental Cap), any Losses payable to a Buyer Indemnified Party pursuant to this Article X shall be satisfied: (i) from RWB Stock (including shares of RWB Stock to be issued pursuant to the RWB Stock Issuance Right) held in escrow pursuant to the terms of this Agreement and the Lock-Up Escrow Agreements by cancelling such number of shares of the Stock Consideration and Consulting Payment determined by dividing the amount of such Loss by the Fixed Stock Price (provided such setoff of RWB Stock shall not exceed in the aggregate twenty percent (20%) of the RWB Stock originally deposited in escrow); and (ii) to the extent the amount of Losses exceeds the RWB Stock available to the Buyer Indemnified Party for setoff, from the Sellers. Notwithstanding the foregoing, at Sellers’ option (subject to Sellers providing prompt notice of the same to the Buyer Indemnified Party), Sellers may pay immediately available funds to such Buyer Indemnified Party Sellers for such Losses in lieu of such Buyer Indemnified Party exercising its setoff rights against the RWB Stock under this Section 10.8.

10.9. Allocation of Indemnification Payments. The parties hereto agree that any indemnification payment pursuant to this Agreement shall, to the extent permitted by applicable law, be treated as an adjustment to the Aggregate Purchase Price for Tax purposes and shall be allocated as set forth in Section 9.1.

ARTICLE XI.

MISCELLANEOUS

11.1. Notices, Consents, Etc. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (i) when personally delivered, sent by fax or email (with hard copy to follow) or sent by reputable overnight express courier (charges prepaid), or (ii) three (3) calendar days following mailing by certified or registered mail, postage prepaid and return receipt requested. Such notices, demands and other communications shall be sent to the addresses indicated below or such other address or to the attention of such other person as the recipient has indicated by prior written notice to the sending party in accordance with this Section 11.1:

(a) If to Sellers:

Arthur VanWingerden
(REDACTED)

Kenneth VanWingerden
(REDACTED)

with a copy to:

Reinhart Boerner Van Deuren s.c.
1000 North Water Street, Suite 1700
Milwaukee, Wisconsin 53202
Attention: Lucien Beaudry
Email: (REDACTED)

(b) If to Buyer:

Michicann Medical Inc.
8820 Jane Street
Concord, Ontario L4K 2M9
Attention: Brad Rogers
Email: (REDACTED)

11.2. Public Announcements. Unless required by Law (including in connection with the filing of any Tax Return), the Sellers and their Affiliates shall not make any public announcement or filing with respect to the transactions provided for herein without the prior consent of Buyer; provided, however, that no such press, news or other public release or announcement shall refer to the purchase price or other material economic terms of the transactions contemplated hereby without the prior written approval of Buyer and Sellers. Notwithstanding the foregoing, Buyer (and following completion of the RTO, RWB) shall be allowed to disclose the terms of this Agreement and the transactions contemplated hereby (i) to Buyer's representatives and employees of Buyer or its Affiliates, (ii) in connection with summary information about Buyer or Buyer's Affiliates financial condition, (iii) to any of Buyer's Affiliates, auditors, attorneys, financing sources, potential investors or other agents, (iv) to any bona fide prospective purchaser of the equity or assets of Buyer or its Affiliates, (v) to the Canadian Securities Exchange and (vi) as required to be disclosed by order of a court of competent jurisdiction, administrative body or governmental body, or by subpoena, summons or legal process, or by law, rule or regulation.

11.3. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable Law or rule in any jurisdiction, in any respect, such invalidity shall not affect the validity, legality and enforceability of any other provision or any other jurisdiction and, the remaining terms and provisions of this Agreement shall not in any way be affected or impaired thereby, all of which shall remain in full force and effect, and the affected term or provision shall be modified to the minimum extent permitted by Law so as to achieve most fully the intention of this Agreement.

11.4. Amendment and Waiver. This Agreement may be amended, or any provision of this Agreement may be waived upon the approval, in a writing, executed by Buyer, the Company and Sellers. No course of dealing between or among the parties hereto shall be deemed effective

to modify, amend or discharge any part of this Agreement or any rights or obligations of any such party under or by reason of this Agreement. A waiver by any party of any term or condition of this Agreement in any one instance shall not be deemed or construed to be a waiver of such term or condition for any other instance in the future (whether similar or dissimilar) or of any subsequent breach hereof.

11.5. Counterparts. This Agreement may be executed in one or more counterparts (including by means of telecopied signature pages or signature pages delivery by electronic transmission in portable document format (pdf)), all of which taken together shall constitute one and the same instrument. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or electronic transmission in portable document format (pdf), shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

11.6. Expenses. Except as otherwise specifically provided herein, each of the parties shall pay all costs and expenses incurred or to be incurred by it in negotiating and preparing this Agreement and in closing and carrying out the transactions contemplated by this Agreement.

11.7. Headings. The subject headings of Articles and Sections of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

11.8. Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; provided that neither this Agreement nor any of the covenants and agreements herein or rights, interests or obligations hereunder may be assigned or delegated by any Seller, without the prior written consent of Buyer, and neither this Agreement nor any of the covenants and agreements herein or rights, interests or obligations hereunder may be assigned or delegated by Buyer or Merger Sub without the prior written consent of Sellers, except that Buyer may assign or convey its rights and obligations under this Agreement (a) to RWB following consummation of the RTO, (b) to any existing Affiliate of Buyer, (c) in connection with a merger or consolidation involving Buyer or in connection with a sale of any equity interests or assets of Buyer or its Affiliates or other disposition of all or any portion of the Business, or (d) to lenders of Buyer or its Affiliates as collateral security for borrowings, at any time whether prior to or following the Closing Date; and in each such case Buyer will nonetheless remain liable for all of its obligations hereunder.

11.9. Definitions. For purposes of this Agreement, the following terms have the meaning set forth below:

“Adjustment Calculation Time” means 11:59 p.m. Eastern standard time on the day immediately prior to the Closing Date.

“Affiliate” of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where “control” means the possession, directly

or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities or otherwise.

“Affiliated Group” means any affiliated group as defined in Section 1504 of the Code (or any analogous combined, consolidated or unitary group defined under state, local or foreign income Tax Law).

“Buyer Material Adverse Effect” means any event, occurrence, fact, condition or change that is materially adverse to (a) the business, results of operations, condition (financial or otherwise) or assets of the Buyer (or RWB, following consummation of the RTO), or (b) the ability of Buyer (or RWB, following consummation of the RTO) to consummate the transactions contemplated hereby; provided, however, that “Buyer Material Adverse Effect” shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which Buyer (or RWB) operates; (iii) any changes or fluctuations in the price of RWB Stock; (iii) any other changes in financial or securities markets in general; (iv) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (v) any action required or permitted by this Agreement; (vi) any changes in applicable Laws or accounting rules, including GAAP; or (vii) the public announcement, pendency or completion of the transactions contemplated by this Agreement.

“Cap” means \$25,000,000.

“Cash Consideration” means \$18,000,000.

“Charter Documents” means any corporate, partnership or limited liability organizational documents, including, but not limited to, Certificates or Articles of Incorporation, By-laws and Certificates of Existence, as applicable.

“Code” means the Internal Revenue Code of 1986, as amended, and any successor law.

“Company Material Adverse Effect” means any event, occurrence, fact, condition or change that is, or could be reasonably expected to become, individually or in the aggregate, material adverse to (a) the business, results of operations, condition (financial or otherwise) or assets of the Company, or (b) the ability of the Sellers to consummate the transactions contemplated hereby on a timely basis.

“Contract” means any contracts and, agreements, leases, licenses, instruments, obligations, arrangements or other understandings (whether written or oral), including amendments and supplements, modifications, and side letters or agreements.

“Environmental Laws” means all federal, state, local and foreign Laws, including statutes, regulations, ordinances, rules, directives, orders, decrees and other provisions or common law having the force or effect of law, and all judicial and administrative orders and determinations that are binding upon the Company or the Sellers, concerning pollution or protection of the environment, including all those relating to the generation, handling, transportation, treatment, storage, disposal, distribution, labeling, discharge, release, threatened release, control, or cleanup of any hazardous substances, as such of the foregoing are promulgated and in effect on or prior to

the Closing Date. By way of example and not limitation, the term “Environmental Laws” shall include (as may be amended from time to time prior to the Closing Date) the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Clean Water Act, the Safe Drinking Water Act, the Atomic Energy Act, the Oil Pollution Act, the Endangered Species Act, the Safe Drinking Water Act, the Solid Waste Disposal Act, the Emergency Planning and Community Right to Know Act, the Federal Insecticide, Fungicide, and Rodenticide Act, the Clean Air Act and all regulations under such statutes.

“Equity Interests” means (i) in the case of a corporation, any and all shares (however designated) of capital stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock, (iii) in the case of a partnership or limited liability company, any and all partnership or membership interests (whether general or limited), (iv) in any case, any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, and (v) in any case, any right to acquire any of the foregoing.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Estimated Merger Consideration” means an amount equal to the Cash Consideration minus (i) the Estimated Seller Transaction Expenses, minus (ii) if the Net Working Capital Target exceeds the Estimated Net Working Capital, the amount by which the Net Working Capital Target exceeds the Estimated Net Working Capital, plus (iii) if the Estimated Net Working Capital exceeds the Net Working Capital Target, the amount by which the Estimated Net Working Capital exceeds the Net Working Capital Target.

“Excluded Liabilities” means all Liabilities relating to, based upon or arising from the business, operations or assets of the Company, or otherwise based upon or arising from events or circumstances relating to the Company, in each case, that arise, or relate to events or circumstances that occur, on or prior to the Closing regardless of whether such Liabilities are actually discovered or incurred prior to the Closing, but specifically excludes Environmental Conditions.

“Final Merger Consideration” means an amount equal the Cash Consideration minus (i) the Final Company Seller Transaction Expenses, minus (ii) if the Net Working Capital Target exceeds the Final Net Working Capital, the amount by which the Net Working Capital Target exceeds the Final Net Working Capital, plus (iii) if the Final Net Working Capital exceeds the Net Working Capital Target, the amount by which the Final Net Working Capital exceeds the Net Working Capital Target.

“Fixed Stock Price” means CAN\$5.00 per share of RWB Stock.

“Fraud” means actual fraud (with scienter).

“GAAP” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or any successor authority) that are applicable as of the date of determination, consistently applied.

“Hemp Operations Payable” means the payable owing by the Company to Color Point, LLC, in an amount equal to \$2,708,724.45 (as of August 31, 2019) for the working capital needs of the Company in the operation of its hemp-related business, plus such additional amounts advanced by Color Point, LLC to the Company from September 1, 2019 through Closing for the same consistent with past practices, which is memorialized by that certain confirmation of payable dated October 9, 2019, between the Company and Color Point, LLC.

“HSR Act” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

“Indebtedness” means, with respect to any Person, (i) any indebtedness for borrowed money, (ii) any indebtedness evidenced by any note, bond, debenture or other debt security, (iii) any Liabilities or obligations for the deferred purchase price of property or services with respect to which such Person is liable, contingently or otherwise, as obligor or otherwise, (iv) contingent reimbursement obligations with respect to letters of credit or similar obligations and bankers’ acceptances issued for the account of a Person, (v) any indebtedness guaranteed in any manner by such Person (including guarantees in the form of an agreement to repurchase or reimburse), (vi) any obligations under capitalized leases (as defined by GAAP), (vii) any indebtedness or Liabilities secured by a lien on such Person’s assets, (viii) any amounts owed by such Person to any Person under any deferred compensation arrangements, (ix) any “success fees” or bonuses, change of control payments, phantom equity payments, or severance payments arising from or otherwise triggered by the transactions contemplated by this Agreement (including the employer’s share of payroll Taxes attributable thereto), and (x) any deferred purchase price obligations related to past asset or stock acquisitions by such Person or any equityholder of such Person with respect to the Business. For purposes of calculating Indebtedness, all interest, prepayment penalties, premiums, fees and expenses (if any) which would be payable if Indebtedness were paid in full at the Closing shall be treated as Indebtedness.

“Independent Accountant” means a nationally recognized independent public accounting firm or other financial services firm that (i) is jointly selected by Buyer and Seller and (ii) does not have an existing business relationship with any of Buyer, Buyer’s Affiliates, Sellers or Sellers’ Affiliates. An Independent Accountant selected to resolve dispute will consider only disputed items and must resolve the matter in accordance with the terms and provisions of this Agreement. The appointment and engagement of the Independent Accountant, and any fees, costs or expenses associated therewith, shall be borne fifty percent (50%) by Buyer and fifty percent (50%) by Seller. The determination the Independent Accountant shall be conclusive and binding upon the parties hereto, absent fraud or manifest error (it being understood that in making such determination, the Independent Accountant shall be functioning as an expert and not as an arbitrator).

“Intellectual Property” means any of the following which are owned by the Company or used in connection with the Business: (a) patents and patent disclosures, (b) all registered and unregistered copyrights, (c) Internet domain names and websites related to social media companies and the content found thereon, (d) trademarks, service marks, trade dress, trade names and corporate names, and similar designations of source or origin including all common law marks, together with all of the goodwill represented thereby, (e) trade secrets, know-how, designs, discoveries, inventions (whether patented or not), technical data and other proprietary or

confidential information, (f) Software and (g) all registrations, renewals and applications for registration or any causes of action of any nature available to Sellers of any of the foregoing.

“IP Agreements” means all incoming and outgoing licenses, sublicenses, consent to use agreements, settlements, coexistence agreements, covenants not to sue, permissions and other Contracts (including any right to receive or obligation to pay royalties or any other consideration), whether written or oral, (a) to which the Company is a party, beneficiary or otherwise bound, and

(b) under which the Company expressly grants to a third party, or expressly receives from a third party, any right or license under any Intellectual Property.

“IP Registrations” means all Intellectual Property that is subject to any issuance registration, application or other filing by, to or with any governmental authority or authorized private registrar in any jurisdiction, including registered trademarks, domain names and copyrights, issued and reissued patents and pending applications for any of the foregoing.

“IRS” means the United States Internal Revenue Service (or any successor agency).

“Liability” means any obligation or liability, whether absolute or contingent, asserted or unasserted, known or unknown, liquidated or unliquidated, due or to become due, fixed or unfixed, and regardless of when or by whom asserted.

“Liens” means any mortgages, pledges, security interests, deeds of trust, liens, charges, options, conditional sales contracts, claims, covenants, easements, rights of way, title defects, restrictions on use, voting, transfer, receipt of income, or the right to exercise any other attribute of ownership, or other encumbrances of any nature whatsoever.

“Net Working Capital” shall mean, with respect to the Company, as of the Adjustment Calculation Time, (A) the sum of the current assets of the Company related to the Company’s operations prior to July 1, 2019 set forth on the Net Working Capital Schedule as of such date, as determined in accordance with GAAP, minus (B) the sum of the current liabilities of the Company related to the Company’s operations prior to July 1, 2019 set forth on the Net Working Capital Schedule as of such date, as determined in accordance with GAAP; provided, that for this purpose, (i) current assets will not include any intercompany assets, any deferred Tax assets, prepaid income Tax assets or refunds therefor or any income Tax receivables and (ii) current liabilities will not include any intercompany liabilities, deferred Tax liabilities or income Tax liabilities. For the avoidance of any doubt, Net Working Capital shall not include any Indebtedness of the Company or Seller Transaction Expenses. The Net Working Capital Schedule sets forth an illustrative calculation of Net Working Capital.

“Net Working Capital Target” \$0.00.

“Permitted Exceptions” means (i) zoning ordinances and regulations; (ii) real estate taxes and assessments, both general and special, which are a lien but are not yet due and payable at the Closing Date; (iii) easements, conditions, restrictions and covenants of record relating to the Property not objected to by Buyer as contemplated by the title and survey review process pursuant to Section 7.1(i); and (iv) the rights of the public in and to any roadways or highways within the legal description of the Owned Real Property or Leased Real Property.

“Permitted Liens” means (a) statutory and contractual landlord liens incurred in the ordinary course of business for sums (i) not yet due and payable or (ii) being contested in good faith, (b) liens for Taxes not yet due and payable, (c) statutory mechanic’s liens and materialmen’s liens for services or materials and similar statutory liens for amounts arising in the ordinary course of business that are not yet due and payable, (d) statutory liens of warehousemen and carriers and similar statutory liens securing obligations for amounts arising in the ordinary course of business that are not yet due and payable, and (e) zoning, entitlement, building and other land use regulations or restrictions which are not violated in any material respect by the current use and operation of such real property.

“Person” means any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, unincorporated association, corporation, entity or government (whether Federal, state, county, city or otherwise, including, without limitation, any instrumentality, division, agency or department thereof).

“Pre-Closing Tax Period” means (i) any Tax period ending on or before the Tax Effective Time and (ii) with respect to a Taxable period that commences before but ends after the Tax Effective Time, the portion of such period through the Tax Effective Time.

“Post-Closing Cash Consideration” means \$5,000,000.

“Restructuring Transaction Documents” means an asset contribution agreement, bill of sale, assignment of contract rights, assignment of IP, assignment of trademarks and the assumption of liabilities, including the Schedules thereto and such other documents necessary to evidence the Pre-Closing Restructuring Transactions as contemplated hereby, each in form mutually agreeable to Sellers and Buyer.

“RWB Stock” means the class of stock of Michicann’s successor (RWB) to be listed on the Canadian Securities Exchange following completion of the RTO.

“RWB Stock Issuance Right” has the meaning given to it in Section 2.2(c)(iv).

“Seller Transaction Expenses” means (without duplication), to the extent not paid before the Closing, the collective amount payable by Sellers or the Company (i) to accountants, lawyers, advisors, brokers and other third parties, arising in connection with the sale of the Company Capital Stock, and (ii) in respect of any fees and expenses associated with obtaining necessary or appropriate waivers, consents or approvals of any Governmental Authority or other third-party, including change of control or transfer payments.

“Software” means any and all computer software and code, including all new versions, updates, revisions, improvements and modifications thereof, whether in source code, object code, or executable code format, including systems software, application software (including mobile apps), firmware, middleware, programming tools, scripts, routines, interfaces, libraries, and databases, and all related specifications and documentation, including developer notes, comments and annotations, user manuals and training materials relating to any of the foregoing (other than shrink wrap, click-thru or like licenses for commercial off-the-shelf software).

“Specified Indebtedness” means a portion of the principal and interest owing under that certain Amended and Restated Credit Agreement, dated December 13, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), by and among AG Credit, the Company, Color Point, LLC, VW Properties, LLC and Mid-American Trucking, Inc. in an aggregate amount not to exceed \$15,000,000.

“Stock Consideration” means 19,800,000 shares of RWB Stock, which is an aggregate number of shares of RWB Stock equal to the quotient of \$75,000,000 (multiplied by a 1.32 exchange rate) divided by the Fixed Stock Price; provided that, the Stock Consideration will be determined only in the form of whole shares and any fractional shares shall be rounded up to the nearest whole share.

“Subsidiaries” means, with respect to any Person (other than an individual), any corporation or other organization, whether incorporated or unincorporated, of which (a) at least a majority of the securities or other interests having by their terms ordinary voting power to elect a majority of the Board of Directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such Person or by any one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries or (b) such Person or any other Subsidiary of such Person is a general partner.

“Tax” or “Taxes” means any and all federal, state, local and non-U.S. taxes, however denominated, the Liability for which is imposed by law, contractual agreement or otherwise, which taxes shall include, but not be limited to, all net income, gross income, gross receipts, franchise, excise, occupation, estimated, alternative minimum, add on minimum, premium, windfall profit, profits, gains, net worth, paid up capital, capital stock, greenmail, sales, use, ad valorem, value added, retailers’ occupation, stamp, natural resources, environmental, real property, personal property, custom, duty, transfer, recording, escheat or unclaimed property, registration, documentation, leasing, insurance, social security, employment, severance, workers’ compensation, impact, hospital, health, unemployment, disability, payroll, license, service, service use, employee or other withholding, or other tax or governmental charge, of any kind whatsoever, whether disputed or not, including any interest, penalties, fees, charges, levies, assessments, duties, tariffs, imposts or additions to Tax that may become payable in respect thereof, and any Liability in respect of such amounts arising as a result of being a member of any affiliated, consolidated, combined, unitary or similar group, as a successor to or transferee of another person or by contract.

“Tax Returns” means returns, declarations, reports, statements, elections, estimates, claims for refund, information returns or other documents (including any related or supporting schedules, statements or information, any amendment to the foregoing, and any sales and use and resale certificates) filed or required to be filed in connection with the determination, assessment, payment, deposit or collection of any Taxes of any party or the administration of any laws, regulations or administrative requirements relating to any Taxes.

“Trade Secrets” means all nonpublic, confidential or proprietary information, and all technology, know-how, inventions, processes, formulae, algorithms, models, methodologies, ideas, compositions, manufacturing and production processes and techniques, research and development information, drawings, specifications, designs, plans, proposals, technical data,

financial, business and marketing information and plans, customer and supplier lists, pricing and cost information and related information.

“Transaction Documents” means all agreements and instruments contemplated by and being delivered pursuant to or in connection with this Agreement, including without limitation, this Agreement, the Certificate of Merger, the Lock-Up Escrow Agreements and the Consulting Agreement.

11.10. Entire Agreement. This Agreement, the Preamble and the Exhibits and Schedules attached to this Agreement (all of which shall be deemed incorporated in the Agreement and made a part hereof) set forth the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements, understandings or letters of intent among any of the parties hereto.

11.11. Third Parties. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any Person, other than the parties to this Agreement and their respective permitted successors and assigns, any rights or remedies under or by reason of this Agreement (other than in respect of the Indemnified Parties pursuant to ARTICLE X).

11.12. Interpretative Matters. Unless the context otherwise requires, (a) all references to Articles, Sections or Schedules are to Articles, Sections or Schedules in this Agreement, (b) each accounting term not otherwise defined in this Agreement has the meaning assigned to it in accordance with GAAP, (c) words in the singular or plural include the singular and plural, and pronouns stated in either the masculine, the feminine or neuter gender shall include the masculine, feminine and neuter, (d) all references to “dollars” or “\$” are to United States dollars and (e) whenever the words “include,” “includes” or “including” are used in this Agreement they shall be deemed to be followed by the words “without limitation.” In addition, nothing in the Schedules hereto shall be deemed adequate to disclose an exception to a representation or warranty made herein unless the Schedule identifies the exception with reasonable particularity and describes the relevant facts in reasonable detail. Without limiting the generality of the foregoing, the mere listing (or inclusion of a copy) of a document or other item shall not be deemed adequate to disclose an exception to a representation or warranty made herein (unless the representation or warranty has to do with the existence of the document or other item itself). The parties intend that each representation, warranty, and covenant contained herein shall have independent significance. If any party has breached any representation, warranty, or covenant contained herein (or is otherwise entitled to indemnification) in any respect, the fact that there exists another representation, warranty, or covenant (including any indemnification provision) relating to the same subject matter (regardless of the relative levels of specificity) which the party has not breached (or is not otherwise entitled to indemnification with respect thereto) shall not detract from or mitigate the fact that the party is in breach of the first representation, warranty, or covenant (or is otherwise entitled to indemnification pursuant to a different provision).

11.13. Knowledge. Where any representation or warranty contained in this Agreement is expressly qualified by reference “to the knowledge of the Company,” “Company’s Knowledge,” or any similar term, it refers to the actual knowledge of each Seller, Anne Hyde, Bruce Daniel, and Johannes Pieterse and all knowledge that such listed persons should have assuming such persons have conducted a reasonable inquiry or investigation regarding the subject matter at issue,

including inquiring of those employees of the Company whose duties would, in the normal course of the Company's affairs, result in such employees having actual knowledge concerning such subject, area or aspect.

11.14. No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction will be applied against any party hereto.

11.15. Jurisdiction and Governing Law. This Agreement shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Agreement shall be governed by, the laws of the State of Delaware, without giving effect to provisions thereof regarding conflict of laws. Each party hereby irrevocably submits to the exclusive jurisdiction of the state or federal courts located in the State of Delaware, in respect of any claim relating to the interpretation and enforcement of the provisions of this Agreement and of the documents referred to in this Agreement, or otherwise in respect of the transactions contemplated hereby and thereby, and hereby waives, and agrees not to assert, as a defense in any action, suit or proceeding in which any such claim is made that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in such courts or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such courts.

11.16. Service of Process. Each of the parties hereto irrevocably consents to the service of process outside the territorial jurisdiction of the courts referred to in Section 11.15 hereof in any such action or proceeding by giving copies thereof by hand delivery of air courier to his, her or its address as specified in or pursuant to Section 11.1 hereof. However, the foregoing shall not limit the right of a party to effect service of process on the other party by any other legally available method.

11.17. WAIVER OF JURY TRIAL. EACH PARTY HEREBY WAIVES (TO THE FULLEST EXTENT PERMITTED BY LAW) ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT. THE PARTIES ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO THIS AGREEMENT. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TRANSACTIONS CONTEMPLATED HEREBY. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

11.18. Schedules. The disclosure of any facts or items in the Schedules accompanying this Agreement is not intended to imply that such items so included are or are not material, or that the occurrence or existence of any such violation, inaccuracy, breach, default, failure to comply, change in circumstances, loss, effect, fact, agreement arrangement, commitment, understanding or obligation, as a result of the occurrence or existence thereof, would individually or collectively, result in a Company Material Adverse Effect. The disclosure of any fact or item in the Schedules with respect to a particular paragraph or section of the Agreement shall be deemed to be disclosed

with respect to such other paragraph or section of the Agreement to which an appropriate cross reference is made to another Schedule or to the extent it is reasonably apparent on its face that such disclosure is also applicable to any other paragraph or section of the Agreement. Each agreement, instrument and document described herein is incorporated herein by reference. All capitalized terms used in the Schedules and not otherwise defined in the Schedules will have the meanings assigned to them in this Agreement.

11.19. Consent and Waiver. By executing and delivering this Agreement, the Sellers consent to the Merger.

11.20. Special Rule for Fraud. Notwithstanding anything herein to the contrary, in no event shall any limit or restriction on any rights or remedies set forth in this Agreement limit or restrict the rights or remedies of any party for the Fraud by any other party or any Affiliate or representative of such other party.

11.21. Specific Performance. Each Seller acknowledges that the Business is unique and recognizes and affirms that in the event of a breach of this Agreement by a Seller, money damages may be inadequate and Buyer may have no adequate remedy at law. Accordingly, each Seller agrees that Buyer shall have the right, in addition to any other rights and remedies existing in its favor, to enforce its rights and the obligations of the Sellers hereunder not only by an action or actions for damages but also by an action or actions for specific performance, injunctive and/or other equitable relief. If any such action is brought by Buyer to enforce this Agreement, each Seller hereby waives the defense that there is an adequate remedy at law.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement and Plan of Merger as of the date first above written.

BUYER:

MICHICANN MEDICAL INC.

By: "Michael Marchese"
Name: Michael Marchese
Title: President

MERGER SUB:

RWB ACQUISITION SUB, INC.

By: "Michael Marchese"
Name: Michael Marchese
Title: President

Signature Page to Agreement and Plan of Merger

SELLERS:

By: "Arthur VanWingerden"
Name: Arthur VanWingerden

By: "Ken VanWingerden"
Name: Ken VanWingerden

COMPANY:

MID-AMERICAN GROWERS, INC.

By: "Arthur VanWingerden"
Name: Arthur VanWingerden
Title: Co-President

Signature Page to Agreement and Plan of Merger

Exhibit A
Pre-Closing Restructuring Transactions

Prior to Closing, the Company has employed the following individuals, each of whom was previously employed by Salary, LLC:

[REDACTED]

Prior to Closing, the Company has discontinued all operations and sales arrangements and agreements with customers of its non-hemp related business.

Prior to Closing, the Company transferred the assets listed on Exhibit A-1 to Color Point, LLC.

The ERP system and proprietary formulations for hemp will be transferred to the Company (or otherwise, the Company and its post-closing affiliates will have a royalty-free perpetual license to use such IP.

EXHIBIT A-1

Asset ID	Description	Date Acquired	GL Asset Acct	Category	Cost	Net Book Value	Notes
2015-02	AgriNomix, Inc. KVOX Tray & Pot Filler	42342	15400	Greenhouse Equipment	\$	\$	TFR From IL to KY
2013-093	AgriNomix Seeding Tray Washer	41617	15400	Greenhouse Equipment	\$	\$	TFR From IL to KY
2013-044	AgriNomix-RN09-R Plug Tray Filler	41638	15400	Greenhouse Equipment	\$	\$	TFR From IL to KY
2013-022	Visser XL Drum Seeding Line	41624	15400	Greenhouse Equipment	\$	\$	TFR From IL to KY
300031	39 Shipping Carts (Used)	38897	15600	Carts (3V)	\$	\$	TFR From IL to KY
300059	1,000 Hi-Cube Transport Carts w/ Grid Shelves	39073	15600	Carts (3V)	\$	\$	TFR From IL to KY
300074	1125 Metal Carts for Aldi's (1/2 Carts)	39202	15600	Carts (3V)	\$	\$	TFR From IL to KY
300105	25 Barge Carts (Dbl R Mfg.)	39435	15600	Carts (3V)	\$	\$	TFR From IL to KY
300113	1,500 Hi-Cube Transport Carts w/ 7,500 Grid S	39443	15600	Carts (3V)	\$	\$	TFR From IL to KY
300160	800 Hi-Cube Transport Carts w/ Grid Shelves (i	39613	15600	Carts (3V)	\$	\$	TFR From IL to KY
300217	2000 Shipping Carts (PacWest)	40268	15600	Carts (3V)	\$	\$	TFR From IL to KY
300249	800 Shipping Carts (Bases w/2 Sides & 7 shelv	40297	15600	Carts (3V)	\$	\$	TFR From IL to KY
300256	Casters for New Carts (3200) (AmEx/Allied Car	40333	15600	Carts (3V)	\$	\$	TFR From IL to KY
300282	Shipping 1/2 Carts - Metal - Used	40528	15600	Carts (3V)	\$	\$	TFR From IL to KY
300287	800 Planting Carts	40541	15600	Carts (3V)	\$	\$	TFR From IL to KY
300288	Wheels for Carts - asset #300287	40543	15600	Carts (3V)	\$	\$	TFR From IL to KY
300325	220 Shipping Carts - Modified High Cube w/ 6 :	40626	15600	Carts (3V)	\$	\$	TFR From IL to KY
300343	24 Barge Carts	40647	15600	Carts (3V)	\$	\$	TFR From IL to KY
300398	Casters (Wheels) for Carts	40908	15600	Carts (3V)	\$	\$	TFR From IL to KY
300409	800 Shipping Carts (Used)	40955	15600	Carts (3V)	\$	\$	TFR From IL to KY
300420	250 Shipping Carts	41030	15600	Carts (3V)	\$	\$	TFR From IL to KY
300428	Casters for New Carts	41033	15600	Carts (3V)	\$	\$	TFR From IL to KY
300436	2,000 Shipping Carts - Hook-In Style (33"x23.5	41228	15600	Carts (3V)	\$	\$	TFR From IL to KY
300560	Casters for New Shipping Carts	41690	15600	Carts (3V)	\$	\$	TFR From IL to KY
300561	Wheels for New Shipping Carts	41726	15600	Carts (3V)	\$	\$	TFR From IL to KY
2014-105	803 Powder Coated Shipping Carts	42006	15600	Carts (3V)	\$	\$	TFR From IL to KY
2016-11	Double R Manufacturing Flower Carts	42551	15600	Carts (3V)	\$	\$	TFR From IL to KY
1053	Tugger Qty 5	43374	15600		\$ (REDACTED)	\$ (REDACTED)	TFR From KY to IL

Exhibit B
Form of Real Estate Purchase Agreement
[See attached.]

REAL ESTATE PURCHASE AGREEMENT

THIS REAL ESTATE PURCHASE AGREEMENT (this “Agreement”) is made and entered into as of [●], 2019, between [BUYER ENTITY], whose address is [●] (“Buyer”), and VW Properties, Inc., a [●] corporation (“Seller”), each of Arthur VanWingerden and Ken VanWingerden (each a “Shareholder” and collectively, and jointly and severally, the “Shareholders”). Buyer, Seller and the Shareholders are sometimes referred to herein individually as a “Party” and collectively as the “Parties”, as the case may be.

RECITALS:

A. Seller owns the land consisting of approximately 106 acres located at 14240 Greenhouse Ave., Granville, Illinois 61326, which is legally described on Exhibit A attached to this Agreement, (the “Land”), together with (i) the buildings, plant facilities, structures, building systems, fixtures and improvements located thereon (collectively, the “Improvements” together with the Land are collectively referred to as the “Real Property”) (ii) all right, title and interest of Seller, if any, in and to all and singular the rights, benefits, privileges, easements, tenements, hereditaments, rights of way and appurtenances thereon or appertaining thereto and any air rights and/or development rights appurtenant to the Land or the Improvements, (iii) all right, title and interest of Seller, if any, in and to the equipment, furnishings, furniture, fixtures, machinery, inventory, appliances and other personal property, if any owned by Seller and now located on or about the Land or Improvements, including without limitation the personal property listed on Schedule 1 attached hereto and made a part hereof (collectively, the “Personal Property”) and (iv) all intangible property related to the Land or Improvements owned or in the name of Seller, including, without limitation, all assignable warranties and guaranties, all plans, specifications, consents, authorizations, variances, licenses, permits and approvals from any governmental or quasi-governmental agency, department, board, commission, bureau or other entity or instrumentality if any, relating to the Land and Improvements (collectively, the “Intangibles”) (all of the foregoing, collectively, the “Property”).

B. Seller desires to sell to Buyer and Buyer desires to purchase from Seller the Property upon and subject to the terms and conditions set forth in this Agreement and that certain Agreement and Plan of Merger dated as of the date hereof, by and among Michicann Medical Inc., RWB Acquisition Sub, Inc., Mid-American Growers, Inc. and the Shareholders (as amended, restated, supplemented or otherwise modified from time to time, the “Merger Agreement”).

C. The Shareholders own Seller and will benefit from sale of the Property to Buyer.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth herein and subject to the terms and conditions contained herein, the parties agree as follows:

1. **Sale and Conveyance.** At the Closing (as hereinafter defined), subject to the terms and conditions of this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Property for the purchase price of Two Million and No/100^{ths} Dollars (\$2,000,000) (“Purchase Price”). As part of any Closing under this Agreement, the Property

would be conveyed by a limited warranty deed free and clear of any and all Liens and subject only to the Permitted Exceptions.

2 . **Closing; Closing Deliverables.** Subject to the conditions set forth herein, the consummation of the transactions that are the subject of this Agreement (the “Closing”) shall occur at the offices of Honigman LLP, 660 Woodward Avenue, 2290 First National Building, Detroit, Michigan 48226, or at such other place as Buyer, Seller and Shareholders may mutually agree upon in writing, or remotely by mail, facsimile, e-mail and/or wire transfer, in each case to the extent acceptable to the parties hereto, at 10:00 a.m., Detroit time, on the second business day after satisfaction of the conditions set forth in Section 7 (other than those to be satisfied at the Closing, but subject to their satisfaction or waiver at the Closing). The date on which the Closing is to occur is herein referred to as the “Closing Date.” Regardless of the actual time of the Closing, except as otherwise expressly provided herein, for tax and accounting purposes, the Closing shall be deemed effective as of close of the day immediately preceding the Closing Date. At the Closing, the parties will execute and deliver or cause to be executed and delivered, as applicable, the following:

(a) Seller shall execute and deliver to the Title Company in escrow an originally executed special warranty deed (the “Deed”), in form approved by Buyer, conveying to Buyer fee simple title to the Property, subject only to the Permitted Exceptions, and otherwise mutually acceptable to Seller and Buyer.

(b) Seller shall deliver to the Title Company in escrow all transfer and other tax declarations for the Property (or MyDec filing) as may be required by law in connection with the transaction contemplated by this Agreement duly executed and sworn to by Seller and, to the extent required, by the Title Company and any other certification from the Town and County where the Property is located, required to record the Deed with the County Recorder’s Office.

(c) To the extent the Parties reasonably determine necessary or advisable, Seller shall deliver to Buyer a release letter or certificate for the Property from the Illinois Department of Revenue stating that no assessed but unpaid tax penalties or interest are due under Section 9-902(d) of the Illinois Income Tax Act, as amended, or 35 ILCS 120/5j of the Illinois Compiled Statutes, as amended; and (ii) a letter of clearance for the Property from the State of Illinois’ Department of Employment Security stating that no assessed but unpaid tax penalties or interest are due under Section 2600 of the Illinois Unemployment Insurance Act (820 ILCS 405/2600), as amended (the release letters and clearances referred to in (i) – (ii) above are referred to collectively as the “Bulk Sale Releases” and individually as a “Bulk Sale Release”). Concurrent with the execution and delivery of this Agreement, Seller has completed, signed and delivered to Buyer (i) the Illinois Department of Revenue Form ITR-1 Request for Tax Clearance and (ii) the State of Illinois Department of Employment Security Request For Letter of Clearance and acknowledges that Buyer shall process the same with the Illinois Department of Revenue and the Illinois Department of Employment Security, respectively.

(d) Seller shall deliver to the Title Company in escrow a bill of sale and general assignment conveying title to Buyer to the Personal Property and the Intangible Property;

(e) Buyer shall deliver to the Title Company the Purchase Price, as adjusted by the adjustments and prorations provided for in this Agreement in accordance with a closing statement to be prepared by the Title Company (the "Closing Statement").

(f) Seller shall terminate the Service Contracts, except those Service Contracts, if any, which Buyer has elected to continue and assume as of the Closing pursuant to Section 5(a). Seller shall execute and deliver to Buyer such documents or instruments of conveyance and transfer for the purpose of assigning such Service Contracts to Buyer.

(g) Seller shall deliver to Buyer all keys in Seller's possession or control to all locks on the Property.

(h) Seller and Buyer shall execute and deliver the Closing Statement setting forth the Purchase Price and reflecting all credits, adjustments and prorations provided for in this Agreement.

(i) Seller shall execute and deliver to the Title Company such affidavits with respect to the Property as the Title Company shall require in order to delete from its title insurance policies those of the so-called "standard exceptions" that are removable by affidavit and Seller shall deliver to the Title Company documents evidencing its existence, authority and good standing as required by the Title Company.

(j) Seller shall execute and deliver to Buyer a non-foreign person affidavit or a qualifying statement sufficient in form and substance to relieve Buyer of any and all obligation to deduct, withhold or pay any amount of tax pursuant to Section 1445 of the Internal Revenue Code of 1986, as amended ("Code").

(k) Seller shall cause the Title Company to provide Buyer with the proforma or marked-up Title Commitment as required under this Agreement.

(l) Seller shall have terminated all leases currently in effect concerning the Property (except as otherwise requested by Buyer) and shall have entered into binding terminations of any Service Contracts on the Property with respect to those Service Contracts that Buyer (in its sole discretion) has not elected to continue pursuant to Section 5(a), so that such are no longer in effect as of the date of Closing, in each case to the satisfaction of Buyer.

(m) Seller shall deliver to Buyer exclusive possession of the Property in the condition existing on the date of this Agreement (subject to normal wear and tear), subject to the rights of no persons whatsoever except Buyer.

(n) Buyer and Seller shall execute and deliver to each other such other documents as are contemplated to be executed and/or delivered pursuant to the provisions of this Agreement, or as reasonably requested by the other party hereto.

3. Representations and Warranties of Shareholders.

(a) Each Shareholder, severally and not jointly, represents and warrants to Buyer as to itself only, as of the date of this Agreement and as of the Closing Date, as follows:

(i) Authority. Each Shareholder has full power, right and authority to enter into and perform such Shareholder's obligations under this Agreement and each of the related transaction documents to which such Shareholder is a party. This Agreement and each of the related transaction documents to which such Shareholder is a party has been duly executed and delivered by such Shareholder, and, assuming due and valid authorization, execution and delivery hereof and thereof by the other parties hereto and thereto, constitute the valid and legally binding obligation of such Shareholder and are enforceable against such Shareholder in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) (the "Bankruptcy and Equity Exception").

(ii) Noncontravention. The execution, delivery and performance by each Shareholder of this Agreement and the related transaction documents to which such Shareholder is a party and the consummation of the transactions contemplated hereby or thereby will not, or would not: (a) violate or conflict with or result in a breach of or default under any provision of any law, statute, rule, regulation, order, permit, by law, enactment, ordinance, directive, judgment, injunction, decree or other decision of any Governmental Authority (each a "Law" and, collectively, "Laws"), in each case applicable to such Shareholder; (b) constitute (with or without due notice or lapse of time or both) a default under or an event which would give rise to any right of notice, modification, acceleration payment or cancellation under or permit any party to terminate under any material contract, agreement, indenture, mortgage, note, bond, license or other instrument or obligation of such Shareholder or by which the assets of such Shareholder may be bound or subject; (c) result in the creation or imposition of any Lien upon any of the Property; or (d) require any material authorization, consent, order, approval, filing, registration, exemption or other action by, or notice to, any court, arbitral body, administrative or governmental body, department, commission, board, agency or instrumentality, legislative, executive or regulatory authority or agency (whether foreign or domestic) (each, a "Governmental Authority") or other Person.

(iii) Litigation. There is no claim, action, cause of action or suit (whether in contract, tort, eminent domain, or otherwise), litigation (whether at law or in equity, whether civil or criminal), controversy, assessment, grievance, arbitration, investigation, hearing, charge, complaint, demand, notice, audit, inquiry, notice of violation, order, or other proceeding (each a "Proceeding" and, collectively "Proceedings") pending or, to each Shareholder's knowledge, threatened against or affecting such Shareholder in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with the transactions contemplated hereby.

(iv) Broker Fees. Neither Shareholder has employed any broker, finder or agent or has incurred or will incur any obligation or Liability to any broker, finder or agent with respect to the transactions contemplated by this Agreement or otherwise, and all fees and expenses and other obligations payable in connection with or as a result of such agreements will be paid by Shareholders and Seller, and Buyer will have no obligations in respect thereof.

4. Representations and Warranties of Seller.

(a) Seller and the Shareholders, jointly and severally, represent and warrant to Buyer, as of the date of this Agreement and as of the Closing Date, as follows:

(i) Authority. Seller has full power, right and authority to enter into and perform its obligations under this Agreement and each of the Transaction Documents to which it is a party. This Agreement and each of the Transaction Documents to which Seller is a party has been duly executed and delivered by Seller, and, assuming due and valid authorization, execution and delivery hereof and thereof by the other parties hereto and thereto, constitute the valid and legally binding obligation of Seller and are enforceable against Seller in accordance with their respective terms, except as may be limited by the Bankruptcy and Equity Exception.

(ii) Organization and Qualification of the Seller. Seller is a corporation duly incorporated, validly existing and in good standing under the laws of the State of _____. Seller has full corporate power and authority to carry on its business as now being conducted and as currently proposed to be conducted and to own, lease or otherwise hold the Property and such other properties and assets it now owns, leases or otherwise holds. Seller is duly qualified or licensed to do business and is in good standing as a foreign corporation in the State of Illinois and, as applicable, in each of the other jurisdictions listed on Schedule 4(a)(ii). Seller has no Subsidiaries. Complete and correct copies of the Charter Documents of Seller and all amendments thereto to date, certified (as applicable) by the Secretary of State of _____ have been delivered to Buyer and will not be modified or amended prior to the Closing. Schedule 4(a)(ii) sets forth a list of all of the officers and directors (or similar persons) of Seller.

(iii) Noncontravention. The execution, delivery and performance by Seller of this Agreement and the other transaction documents to which Seller is a party and the consummation of the transactions contemplated hereby or thereby will not, or would not: (A) violate or conflict with or result in a breach of or default under any Law, in each case applicable to Seller; (B) constitute (with or without due notice or lapse of time or both) a default under or an event which would give rise to any right of notice, modification, acceleration payment or cancellation under or permit any party to terminate under any material contract, agreement, indenture, mortgage, note, bond, license or other instrument or obligation of Seller or by which the Property may be bound or subject; (C) result in the creation or imposition of any Lien upon the Property; or (D) require any material authorization, consent, order, approval, filing, registration, exemption or other action by, or notice to, any Governmental Authority or other Person.

(iv) Title to Property.

(A) Seller has and will have at the Closing, good and marketable indefeasible fee simple title to the Property, which title, at Closing, shall be free and clear of all Liens, except Permitted Exceptions. Except for the lease granting the right to grow corn and soybeans on approximately 40 acres of the Property, the terms of which have been disclosed to Buyer and which lease expires prior to January 1, 2020 and which is not subject to renewal without Seller's consent, neither Seller nor any Seller Party has leased or otherwise granted to any Person (other than a Seller Party) the right to use or occupy the Property or any portion thereof and as of the Closing Date, there will exist no possessory interests in the Property except for the fee simple interest of Buyer in the Property and any other interests granted solely

by Buyer. Other than the right of Buyer pursuant to this Agreement, there are no outstanding options, rights of first offer or rights of first refusal to purchase the Property or any portion thereof or interest therein.

(B) To the extent any of the Property consists of Personal Property, Seller has good and valid title to, a valid leasehold interest in, or a valid license to use all such Personal Property. Such Personal Property is operated in conformity with all applicable Laws and regulations, is structurally sound (in the case of the buildings and improvements), is in good condition and repair, except for reasonable wear and tear, and is usable in the ordinary course of business.

(v) Compliance with Applicable Laws. Except as set forth on Schedule 4(a)(v), Seller and each Seller Party that occupies or uses the Property, and the Property is and has been in material compliance with all Laws (including Environmental Laws) applicable to it or the operation, use, occupancy or ownership of the Property or conduct of the Business at the Property, and Seller nor any Seller Party that occupies or uses the Property has received written notice (and to Seller's Knowledge, any oral notice) from any Governmental Authority regarding any failure to so comply. Seller nor any Seller Party has (i) been subject to any adverse inspection, finding, investigation, penalty assessment, audit or other compliance or enforcement action or (ii) made any bribes, kickback payments or similar payments of cash or other consideration or paid any remuneration, in cash or in kind, in violation of 42 U.S.C. § 1320a-7b(b) or similar provisions of applicable Law, that is capable of forming the basis of criminal prosecution of, or civil action against, the Seller or a Seller Party.

(vi) Tax Matters. The tax parcel numbers that are assigned to the Land and Improvements do not affect or include any other land or improvements and there are not any pending appeals for the reduction or relief from the payment of any real estate taxes. Except as set forth on Schedule 4(a)(vi), neither Seller, nor any Seller Party has received any notice and or has any knowledge of (i) any special assessments affecting the Property; (ii) any tax deficiency, lien or assessment against the Property, in each case, which has not been paid or the payment for which adequate provision has not been made; (iii) any violations of Laws with respect to the Property; (iv) any condemnations or imminent domain proceedings; (v) any pending zoning or subdivision changes that would affect the Property. Seller is not a "foreign person" as defined in Section 1445 of the Code.

(vii) Service Contracts. Schedule 4(a)(vii) sets forth all leases and contracts for management, maintenance or other services to the Property ("Service Contracts"), and there are no other agreements, oral or written, relating to, affecting or binding on the Property or any part thereof (or Buyer as the new owner thereof).

(viii) Property Improvements. With respect to the Property: (A) All Improvements are in good condition and repair (normal wear and tear excepted) and are sufficient for the conduct of the business of Seller and the Seller Parties on the Property, (B) There are no structural deficiencies or latent defects affecting any of the Improvements and there are no facts or conditions affecting any of the Improvements which would, individually or in the aggregate, interfere in with the use or occupancy of the Improvements, or any portion thereof in the operation by Seller or any Seller Party on the Property or the Business on the Property, (C) The Property and Improvements and Seller's and each Seller Party's use thereof conform to all

applicable building, zoning and other Laws and (D) There is no pending or threatened condemnation or other Proceeding affecting any portion of the Property or any of Seller's or Seller Party's use thereof.

(ix) Litigation. Except as set forth on Schedule 4(a)(ix), there is no Proceeding pending or, to Seller's Knowledge, threatened against Seller or the Property or Seller's or any Seller's Party's use thereof (or to Seller's Knowledge, pending or threatened against any of the officers, managers, directors or key employees of Seller with respect to the Property), or to which Seller is otherwise a party. Seller is not subject to, and the Property is not bound by, any judgment, order or decree of any court or Governmental Authority. Seller is not currently engaged in any Proceeding to recover monies due it or for damages sustained by it with respect to the Property. Schedule 4(a)(ix) sets forth a list of all closed litigation matters relating to the Property (including predecessors) during the three (3) years preceding the date hereof, the date such litigation was commenced or concluded, and the nature of the resolution thereof (including amounts paid in settlement or judgment).

(x) Licenses and Permits. Seller owns, holds, possesses or lawfully uses all the permits, licenses, registrations, authorizations, industry certifications, consents, certificates, orders, franchises, variances and approvals of Governmental Authorities or other Persons and other Intangibles necessary for the ownership, use, occupancy or operation of the Property, all of which are identified on Schedule 4(a)(x) (collectively, the "Permits"). Seller is in compliance with all such Permits, all of which are in full force and effect, and Seller has not received any written notices (or to Seller's Knowledge, any oral notice) to the contrary. Neither the execution, delivery nor performance of this Agreement, nor the consummation of the transactions contemplated hereby, will result in the loss or impairment of, or require the consent of any other Person in respect of Buyer's right to take transfer of such Permits.

(xi) Health, Safety and Environment.

(A) Except as set forth on Schedule 4(a)(xi) hereof, Seller has complied and is in compliance with all Environmental Laws.

(B) Seller has not received any written notice, report, order, directive or other information regarding any actual or alleged violation of Environmental Laws, or any Liabilities, including any investigatory, remedial or corrective obligations, relating to Seller, any Seller Party, the Property arising under Environmental Laws.

(C) None of the following exists at the Property: (1) underground storage tanks, (2) asbestos containing material in any form or condition, (3) materials or equipment containing polychlorinated biphenyls, (4) landfills, surface impoundments, or disposal areas, or (5) groundwater monitoring wells, potable drinkable water wells, petroleum wells or production water wells.

(D) Neither Seller nor its Affiliates, or any predecessor owner of the Property, has treated, stored, disposed of, arranged for or permitted the disposal of, transported, handled, manufactured, distributed, released or exposed any Person to any substance, including any hazardous substance, at, under, on or from the Property, or any parcel of land adjacent to the Property, in a manner that has given or could give rise to any current or

future Liabilities (including any Liability for response costs, corrective action costs, personal injury, property damage, natural resources damages or attorney fees, or any investigatory, corrective or remedial obligations) pursuant to any Environmental Laws.

(E) No third party has used the Property for the purpose of treating, generating, manufacturing, producing, storing, handling, treating, transferring, releasing, processing or transporting any petroleum, hazardous waste or hazardous substance and/or toxic waste or toxic substance, as such terms are defined in RCRA, CERCLA, the Superfund Amendments and Reauthorization Act, Public Law 99 499 as amended, or any other federal, state or local environmental law, regulation, code or ordinance.

(F) Neither Seller nor any Seller Party, has received any written or oral notice, claim, report, order, directive, or other information regarding any actual or alleged violation of Environmental Laws, or any Liability, including any investigatory, remedial or corrective obligation, arising under Environmental Laws and relating to the Property.

(G) Neither this Agreement nor the consummation of the transactions contemplated hereby will result in any obligations for site investigation or cleanup, or notification to or consent of Governmental Authorities or third parties, pursuant to any of the so called "transaction triggered" or "responsible property transfer" Environmental Laws.

(H) Seller has not, either expressly or by operation of law, assumed, undertaken, or provided an indemnity with respect to any Liability (including any investigative, corrective or remedial obligation) of any other Person relating to Environmental Laws.

(I) Seller has furnished to Buyer all environmental audits, reports and other environmental documents materially bearing on environmental, health or safety matters relating to the Property, which is in its possession, custody or control.

(J) No work has taken place on the Property in the last one hundred twenty (120) days that would create in any party a right to a lien against any of the Property, except for such work that has been fully paid for by Seller and for which Seller will obtain lien waivers and affidavits if requested by the Title Company.

(xii) Employees. Seller has no employees and never has had any employees.

(xiii) Broker Fees. Seller has not employed any broker, finder or agent or has incurred or will incur any obligation or Liability to any broker, finder or agent with respect to the transactions contemplated by this Agreement or otherwise, and all fees and expenses and other obligations payable in connection with or as a result of such agreements will be paid by Seller, and Buyer will have no obligations in respect thereof.

5. Representations and Warranties of Buyer. Except as set forth in any Buyer disclosure schedules attached to this Agreement, Buyer hereby represents and warrants to Seller, as of the date of this Agreement and as of the Closing Date, as follows

(a) Organization. Buyer is a corporation organized, validly existing and in good standing under the laws of the State of Delaware. Buyer has all requisite corporate power and authority to own, operate and lease its properties and carry on its businesses as now conducted. Buyer is duly licensed and qualified to do business in and is in good standing under the laws of each jurisdiction where the failure to do so would have a Buyer Material Adverse Effect.

(b) Authorization. Buyer has the full corporate power, right and authority to enter into and perform its obligations under this Agreement and each of the related transaction documents to which it is a party. The execution, delivery and performance of this Agreement and each of the related transaction documents to which Buyer is a party have been duly and properly authorized by Buyer by all requisite action in accordance with applicable law and with the Charter Documents of Buyer. This Agreement and each of the related transaction documents to which Buyer is a party have been duly executed and delivered by Buyer and, assuming due and valid authorization, execution and delivery hereof and thereof by the other parties thereto, constitute the valid and legally binding obligation of Buyer and are enforceable against Buyer in accordance with their respective terms, except as may be limited by the Bankruptcy and Equity Exception.

(c) Noncontravention. The execution, delivery and performance by Buyer of this Agreement and the related transaction documents to which it is a party and the consummation of the transactions contemplated hereby or thereby will not: (a) except with respect to federal Laws related to cannabis, violate or conflict with or result in a breach of or default under any provision of any Laws; (b) constitute a default under the Charter Documents of Buyer; (c) constitute a default or an event which would permit any party to terminate, or accelerate the maturity of any indebtedness or other obligation under, any material contract, agreement, indenture, mortgage, note, bond, license or other instrument to which Buyer is a party or by which Buyer, or Buyer's properties, are bound or subject; or (d) except for the Requisite Approval (as defined in the Merger Agreement), such authorizations and filings as may be required under the HSR Act and other antitrust laws applicable to the transactions contemplated by this Agreement and the Merger Agreement and such authorizations, exemptions, filings and other actions required under the Merger Agreement pursuant to applicable securities laws, require any material authorization, consent, order, approval, filing, registration, exemption or other action by, or notice to, any Governmental Authority or other Person, except in the case clauses (a), (b) or (c), other than such violations, conflicts, breaches, defaults or rights to terminate or accelerate that individually or in the aggregate would not reasonably be expected to have a Buyer Material Adverse Effect.

6. Covenants.

(a) Evidence of Title.

(i) Buyer may obtain a commitment for a policy of title insurance ("Title Commitment") in the amount of the Purchase Price, issued by the Title Company. At the Closing, Seller shall, in accordance with the allocation of costs set forth in Section 6(h) below, cause the Title Company to deliver to Buyer a proforma or marked-up copy of the Title Commitment identifying Buyer as the owner of the Property, with those of the so called "standard exceptions," which can be deleted by affidavit of Seller, and/or evidence of payment

by Seller for “standard exceptions” relating to monetary obligations and/or delivery of a recent Survey to the Title Company, deleted, and subject only to the Permitted Exceptions.

(ii) Buyer, at its sole cost, may also obtain an updated certified ALTA survey of the Property which survey, subject to clause (iii) below, contains such detail as Buyer shall require in its sole discretion (a “Survey”). At or prior to Closing, the Survey shall be certified to Buyer, Seller, the Title Company and, if applicable, such lending institution or institutions as Buyer shall desire.

(iii) Prior to Closing, Seller shall receive Buyer’s written notice identifying encumbrances, defects or exceptions (“Defects”) which render title to the Property unsatisfactory to Buyer (the “Buyer Notice”). Subject to the last sentence of this clause (iii), Seller will have five (5) business days after receipt of such Buyer Notice (the “Cure Period”) to use commercially reasonable efforts to cure such Defects, or, if Buyer agrees in writing, Seller may use commercially reasonable efforts to obtain title insurance from the Title Company sufficient to insure against such Defects to Buyer’s satisfaction. If, within the Cure Period, Seller is unable to cure, eliminate or insure over such Defects, Buyer shall have the option, to be exercised prior to Closing, to (A) work with Seller to reach a mutually agreeable resolution to address such uncured or uninsured Defects and proceed with this transaction, or (B) cancel and terminate this Agreement by written notice to Seller, and in such event neither Seller nor Buyer shall have any further obligation, liability or responsibility to each other under this Agreement, except as otherwise expressly provided in this Agreement. Such termination shall also act as a termination of the Merger Agreement. The foregoing notwithstanding, Seller shall be obligated, without the requirement for further notification, to pay in full on or before the Closing (1) any monetary obligation defects or encumbrances relating to the Property, (2) any mortgage or similar indebtedness relating to the Property, and (3) any mechanic’s lien, judgment lien or other similar lien encumbering the Property, provided such mechanic’s, judgment or similar liens are of a liquidated or ascertainable amount and readily curable by a payment of money.

(b) General. Subject to the terms of this Agreement, each party hereto shall use reasonable commercial efforts to consummate and make effective the transactions contemplated by this Agreement (including satisfaction, but not waiver, of the conditions set forth in Section 7. Without limiting the foregoing, each of the parties shall execute and deliver all agreements and other documents required to be delivered by or on behalf of such party under Section 2.

(c) Notices and Consents

(i) Seller shall give all required notices to third parties and use commercially reasonable efforts to obtain all required third party consents in connection with the matters contemplated by this Agreement.

(ii) Each of the parties hereto shall give any notices to, make any filings with, and use commercially reasonable efforts to obtain any authorizations, consents and approvals of all Governmental Authorities in connection with the transactions contemplated by this Agreement.

(d) Conduct of Seller. Except as required by Law or as otherwise expressly permitted or specifically contemplated by this Agreement, Seller and Shareholders covenant and agree to, and to cause any Seller Party occupying, using or operating the Property to, during the period from the date of this Agreement until the earlier of either the Closing Date or the time that this Agreement is terminated by its terms, unless the other party shall otherwise agree in writing, conduct its business involving the Property in the usual and ordinary course of business.

(i) Without limiting the generality of the foregoing: Seller shall (and cause such Seller Parties to) (A) not transfer the Property or any portion thereof or create on the Property or any portion thereof any easements, liens, mortgages, encumbrances or other interests; (B) not enter into any agreements relating to the Property without Buyer's written approval, at Buyer's sole discretion; (C) in the ordinary course and consistent with past practice, continue to maintain and repair the Property in at least the manner which it has previously maintained and repaired the Property; (D) keep in effect the existing policies of public liability and hazard and extended coverage insurance insuring the Property; (E) comply in all material respects with all Laws or municipal ordinances, regulations, orders or requirements affecting the Property; (F) pay as agreed any amounts owing or due and payable to any holder of a mortgage or deed of trust encumbering all or any part of the Property; (G) pay all taxes, assessments, and utility charges (including all water and sewer service charges, and charges for gas, electric, telephone, data, and all other public utilities) with respect to the Property; and (H) not do anything to cause a change in the title to the Property except to cure title defects as permitted under this Agreement.

(e) Access. From the date hereof through Closing: Buyer and its agents, engineers, surveyors, appraisers, auditors and other representatives (collectively, "Buyer's Representatives") shall have the right to enter upon the Property to inspect, examine, survey, obtain engineering inspections and environmental studies, appraise and otherwise do that which, in the opinion of Buyer, is necessary to determine the boundaries, acreage and condition of the Property and the suitability of the Property for the uses intended by Buyer (including, without limitation, inspect, review and copy any and all documents in the possession or control of Seller, its agents, contractors or employees, and which pertain to the construction, ownership, use, occupancy or operation of the Property or any part thereof), and to apply for and attempt to obtain any entitlements, governmental approvals, permits or economic development incentives desired by Buyer to develop the Property as Buyer sees fit in its sole discretion. Without limiting the foregoing, Seller shall provide to Buyer copies of existing environmental reports including Phase I and/or Phase II environmental studies; copies of existing geotechnical reports and soil testing reports and analyses in the possession of Seller with respect to the Property and the operations thereon and also permit Buyer and Buyer's Representatives to conduct environmental due diligence of the Property (including but not limited to a Phase I environmental study)(such historical reports and new reports obtained by Buyer, collectively, the "Environmental Assessment Reports").

(f) Notices; Update to Schedules.

(i) From the date of this Agreement until the Closing, promptly after it obtains Knowledge thereof (other than from Buyer), but in all events prior to Closing, Seller and the Shareholders will, and will cause any other Seller Party occupying, using or operating at the Property to, promptly deliver notice to Buyer of: (i) any Proceeding commenced or threatened of

the type described in Section 7 below, (ii) any fact, circumstance, event, action or condition the existence, occurrence or taking of which (A) has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (B) has resulted in, or could reasonably be expected to result in, any representation or warranty made by Seller or Shareholders hereunder not being true and correct, (C) has resulted in, or could reasonably be expected to result in, the failure of any of the conditions set forth in Section 7 to be satisfied, or

(D) has resulted in, or could reasonably be expected to result in, the failure by Seller or the Shareholders to perform any of their covenants or agreements hereunder; (iii) any notice or other communication from any Governmental Authority relating to the Property or transactions contemplated by this Agreement; (iv) any fact, circumstance, event, action or condition that has occurred since the date hereof, or that was not Known by Seller or any Seller Party (or that existed as of the date hereof but was not made known to Buyer) prior to the date hereof, that adversely affects the soil bearing capacity, subsoil, wetlands, woodland and environmental condition of the Property or any other aspect of the physical condition of the Property and the Improvements or the current use by Seller and Seller Parties (“New Physical Condition Issue”); and (v) any actual or alleged violation of or non-compliance with applicable Law (including Environmental Laws) and/or applicable building, zoning and other related Laws with respect to the Property or Improvements that has occurred since the date hereof or that was not Known by Seller or any Seller Party (or that existed as of the date hereof but was not made known to Buyer) prior to the date hereof (“New Legal Compliance Issue”). Delivery of any such notice to Buyer shall have no effect on the rights and obligations of the parties hereunder.

(ii) If any event, condition, fact or circumstance that is required to be disclosed pursuant to clause (i) above requires any change in any Schedule to this Agreement, or if any such event, condition, fact or circumstance would require such a change assuming the Schedule were dated as of the date of the occurrence, existence or discovery of such event, condition, fact or circumstance, then Seller shall promptly deliver to the Buyer an update to the Schedules specifying such change, which update shall be deemed to have been provided for informational purposes only and shall not be deemed to supplement or amend the Schedules for purposes of determining the accuracy of any of the representations and warranties contained in this Agreement or determining whether any of the conditions of Section 7 has been satisfied, unless Buyer has consented in writing to such supplement or amendment, which consent shall not be unreasonably withheld, delayed or conditioned.

(g) Exclusivity. None of the Seller nor the Shareholders shall (and the Seller and the Shareholders shall cause their respective Affiliates, officers, directors, managers, employees, agents, consultants, financial advisors, accountants, legal counsel and other representatives not to), directly or indirectly, (a) submit, solicit, initiate, encourage or discuss any proposal or offer from any Person (other than Buyer and its Affiliates in connection with the transactions contemplated hereby) or enter into any agreement or accept any offer relating to or consummate any (i) reorganization, liquidation, dissolution or recapitalization of Seller, (ii) merger or consolidation involving Seller, (iii) purchase or sale of the Property or any assets or Equity Interests (or any rights to acquire, or securities convertible into or exchangeable for, any such Equity Interests) of Seller, or (iv) similar transaction or business combination involving Seller or the Property (each of the foregoing transactions described in clauses (i) through (iv), a “Seller Transaction”) or (b) furnish any information with respect to, assist or participate in or facilitate in any other manner any effort or attempt by any Person (other than Buyer and its

Affiliates) to do or seek to do any of the foregoing. The Seller and the Shareholders agree to notify Buyer immediately if any Person after the date hereof makes any proposal, offer, inquiry or contact with respect to a Seller Transaction.

(h) Taxes, Rents and Utilities. At Closing, real property taxes and assessments will be prorated in accordance with the local custom, as if paid in arrears, with Seller being responsible for the period up to and including July 31, 2019, and Buyer being responsible for August 1, 2019 and thereafter. All real estate taxes and assessments due and payable prior to Closing shall be paid by Seller. With respect to real estate taxes and assessments not yet due and payable as of the Closing, Buyer shall be responsible for the portion thereof allocable to the period on and after August 1, 2019 and Seller shall be responsible for the portion thereof allocable to the period up to July 31, 2019, and such amounts which are the responsibility of Seller shall be credited to Buyer against the Purchase Price at Closing. If the actual assessed value or tax rate for any real estate taxes are not known on the date of Closing, the taxes shall be prorated and credited to Buyer on a per diem basis using 110% of the last ascertainable taxes. Taxes shall be prorated upon the issuance of the actual real estate tax bills. The amount of \$_____ shall be placed in escrow at the Closing to be used to pay any difference between the actual real estate taxes for the period during Seller's ownership of the Property and the amounts prorated at Closing.¹ All rents and fees from counterparties under any agreements affecting the Property, all utilities and other apportionable income and expenses paid or payable by Seller shall be apportioned pro rata on a per diem basis as of the date of Closing with Seller being responsible for such amounts up to and including July 31, 2019 and Buyer being responsible for such amounts on August 1, 2019 and thereafter. Seller will use reasonable efforts to cause all private and public utilities, including without limitation water service, serving the Property to issue final bills to Seller on the basis of readings made as of the date of Closing and all such bills relating to periods up to and including July 31, 2019 will be paid by Seller at or prior to Closing. If such utilities cannot, or will not, issue such final bill, then Buyer and Seller shall estimate in good faith such amounts. Seller shall be charged the following amounts at Closing: (i) State, County and local town or village real property transfer taxes and conveyance fees; (ii) one-half (½) of any escrow fee; and (iii) the cost of the title exam and the portion of the cost of the Title Policy equal to the base premium for an owner's policy in the amount of the Purchase Price. Buyer shall be charged the following amounts at Closing: (i) all costs of the Title Policy in excess of the base premium, including the cost of any endorsements to the Title Policy required by Buyer or its lender; (ii) all recording costs; (iii) any financing costs; (iv) the cost of the Survey; and (v) one-half (½) of any escrow fee. Each party shall pay its own attorneys' fees. Any prorations to which Buyer may be entitled by reason of the foregoing shall be credited against the Purchase Price and shall be shown on the Closing Statement. The provisions of this Section shall survive the Closing.

(i) Service Contracts for the Property. Prior to Closing, Buyer shall notify Seller whether or not it desires to continue any or all of the Service Contracts for the Property. If Buyer elects to continue any or all of the Service Contracts, at the Closing, Seller shall use reasonable commercial efforts to assign to Buyer (or cause assignment to Buyer of) such Service Contracts; provided, however, all amounts due thereunder as of Closing shall be paid by Seller

¹ To confirm change in assessment of the Property in the last two years.

and all Liabilities arising from any breach or default under such Service Contract relating to facts or circumstances occurring prior to Closing shall remain Seller's responsibility.

(j) Condemnation and Damage or Destruction. Until the Closing, all risk of any loss or damage to all or a portion of the Property shall be and remain on Seller. In the event any loss or damage shall occur to the Property prior to the Closing by either fire or other casualty, Buyer may, at its option, elect to either: (a) terminate this Agreement upon written notice to Seller, and in such event neither Seller nor Buyer shall have any further obligation, liability or responsibility to each other under this Agreement, or (b) proceed with the transaction contemplated under this Agreement, in which event Seller will assign to Buyer at the Closing all of its right, title and interest to the proceeds of any insurance covering such loss or damage (including any rent loss/business interruption insurance allocable to the period from and after the Closing), and Buyer shall receive a credit against the Purchase Price at the Closing in the amount of any deductible of such insurance that has not been paid by Seller prior to Closing.

(k) Confidentiality. Seller, Shareholders and Buyer will, prior to the Closing, maintain the confidentiality of this sale and purchase and will not disclose the terms of this Agreement, the existence of this Agreement, of the transactions contemplated herein or any of Seller's materials related to the Property to any third parties whomsoever unless the other party consents in writing. Notwithstanding the foregoing, any such information and the existence of this Agreement may be disclosed to those employees, agents, advisors, consultants, potential lenders, other representatives of Seller and Buyer and Governmental Authorities (but with respect to Governmental Authorities, only in connection with the assignment of consent orders, decrees, permits, authorizations and other consents, or application therefor, required in connection with the transactions contemplated hereby) who need to know such information in connection with the potential acquisition and disposition of the Property without the other party's consent.

(l) Further Assurances. The Seller and Buyer shall execute and deliver such further instruments of conveyance and transfer and take such additional actions as Buyer, on the one hand, or a Seller, on the other hand, may reasonably request to effect, consummate, confirm or evidence the transfer to Buyer of the Property (including with respect to obtaining and maintaining all licenses, permits, authorizations, accreditations and consents necessary or desirable in connection therewith), and such other things necessary, proper or advisable under applicable Law as may reasonably be required to carry out the provisions of this Agreement, the related transactions documents and to consummate the transactions contemplated, and Seller shall execute such documents as may be reasonably necessary to assist Buyer in preserving or perfecting its rights in the Property and its ability to conduct the Business thereon.

(m) Open LUST File. As soon as practicable, but commencing prior to Closing, (i) Seller and Shareholders will take all actions necessary to cause the closure from the Illinois Environmental Protection Agency (or such other governmental authority with jurisdiction) (collectively, "IEPA") of that certain open LUST file (No. 941345) with respect to the previously removed underground storage tanks at the Property (the "LUST Matter"), and will use their best efforts to obtain such closure within one (1) year of Closing, it being recognized and understood that IEPA closure may be delayed to due to required sampling and analysis that lengthens the IEPA closure timing, or bureaucratic delays which add to or lengthen the IEPA closure timing. Buyer understands, consents and agrees that, notwithstanding the IEPA closure

of the LUST Matter, hazardous substances will remain and be present at, in, on, upon, under, beneath and/or migrating to or from the Property, and that the IEPA closure of the LUST Matter, as a consequence of the hazardous substances which remain and are present after the IEPA closure of the LUST Matter, may include conditions such as installation, maintenance and inspection of a cap or cover, as well as a recorded notice or restriction against the title of the Property due to and regarding the continued presence of hazardous substances at, in, on, upon, and/or beneath and migrating to or from the Property after the IEPA closure of the LUST Matter.

7. Closing Conditions.

(a) The obligation of Buyer to consummate the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions at or prior to the Closing:

(i) Representations and Warranties Condition : Each of the representations and warranties contained in Sections 3 and 4 of this Agreement (i) that is qualified as to or by materiality or Material Adverse Effect shall, subject to such qualification be true and correct in all respects at and as of the Closing as if made anew at such time (except to the extent any such representation and warranty expressly relates to an earlier time or date (in which case it shall be true and correct in all respects as of such earlier time or date)) and (ii) that is not qualified as to or by materiality or Material Adverse Effect shall be true and correct in all material respects at and as of the Closing as if made anew at such time (except to the extent any such representation and warranty expressly relates to an earlier time or date (in which case it shall be true and correct in all material respects as of such earlier time or date)), in each case, without taking into account any disclosures to Buyer pursuant to Section 6(f).

(ii) Covenants Condition: Seller and the Shareholders shall have performed in all material respects all of the covenants and agreements required to be performed by them hereunder prior to the Closing.

(iii) Adverse Claims: No Proceeding shall be pending or to the Seller's Knowledge overtly threatened by or before any Governmental Authority or any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling or charge could reasonably be expected to (i) prevent the performance of this Agreement or the consummation of any of the transactions contemplated hereby or declare unlawful any of the transactions contemplated hereby, (ii) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, (iii) affect adversely the right of Buyer to own or operate the Property, or (iv) result in any material damages being assessed against Seller or the Property; and no such injunction, judgment, order, decree or ruling shall have been entered or be in effect.

(iv) Material Adverse Effect: Since the date hereof, no fact, event or circumstance has occurred or arisen that, individually or in combination with any other fact, event or circumstance, has had or would reasonably be expected to have a Material Adverse Effect.

(v) Closing Certificate. At the Closing, Seller shall have delivered to Buyer a certificate dated the date of the Closing and signed by Seller, stating that the conditions specified in Section 7(a)(i) and Section 7(a)(ii) have been satisfied as of the Closing.

(vi) Closing Deliveries: Seller shall have delivered the deliverables and consummated the transactions set forth in Section 2.

(vii) Merger: Buyer (or its Affiliate) shall have executed and delivered the Merger Agreement and the closing provided for in such Merger Agreement shall have occurred contemporaneously with the Closing contemplated by this Agreement.

(viii) Environmental Condition: The environmental condition of the Property is acceptable to Buyer, including but not limited to a Phase I environmental study.

(ix) Title Condition: Buyer's satisfaction, in its sole discretion, with the state of title to, and the Survey of, the Property pursuant to Section 6(a), including that all monetary obligation Defects shall be paid in full prior to or simultaneously with Closing.

(x) Buyer Approval: Buyer (and its Affiliate, Red White and Bloom, Inc.) shall have received approval of the transactions contemplated by this Agreement, the Merger Agreement and all of the related transaction documents from the shareholders and applicable governing body of Buyer (and RWB, following consummation of the RTO), if applicable.

(xi) Intercompany Arrangements/Transition Services Agreement: All intercompany/affiliate arrangements providing services, benefits or assets to the Property necessary for the conduct of the Business shall have been addressed in a manner acceptable to Buyer (which may include termination of such arrangements and the direct assignment and transfer of such rights, interests and/or assets to Buyer pursuant to the Pre-Closing Restructuring Transactions (as defined in the Merger Agreement) or the provision of transition services to Buyer after Closing).

(xii) Specified Indebtedness. The Specified Indebtedness (as defined in the Merger Agreement) shall have been refinanced or assumed to the satisfaction of Buyer (as contemplated by the Merger Agreement), including receipt of a payoff and lien release from the holder of such Specified Indebtedness with respect to any Liens affecting the Property.

(xiii) Liens. Seller shall have delivered terminations, pay-offs and/or releases, or, at Buyer's option, assignments, necessary to terminate, release or assign, as the case may be, all Liens on the Property, other than the Permitted Exceptions, satisfactory to Buyer.

(xiv) Access and Indemnity Agreement. If the LUST Matter has not been closed pursuant to Section 6(m) by Closing, the Parties have executed a customary access and indemnity agreement in form reasonably acceptable to the Parties, with respect to Seller's and Shareholders' remediation work to be conducted on the Property with respect to the LUST Matter after the Closing pursuant to Section 6(m).

(b) The obligation of Seller and the Shareholders to consummate the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions at or prior to the Closing:

(i) Representations and Warranties Condition: Each of the representations and warranties contained in Section 5 hereof shall be true and correct in all material respects at and as of the Closing as if made anew at such time (except to the extent any such representation and warranty expressly relates to an earlier time or date (in which case it shall be true and correct in all material respects as of such earlier time or date)), without taking into account any disclosures to Seller pursuant to Section 6(f).

(ii) Covenants Condition: Buyer shall have performed in all material respects all the covenants and agreements required to be performed by it hereunder prior to the Closing.

(iii) Adverse Claims: No Proceeding shall be pending before any Governmental Authority or any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling or charge could reasonably be expected to (i) prevent the performance of this Agreement or the consummation of any of the transactions contemplated hereby or declare unlawful any of the transactions contemplated hereby or (ii) cause any of the transactions contemplated by this Agreement to be rescinded following consummation; and no such injunction, judgment, order, decree or ruling shall be in effect.

(iv) Closing Certificate: At the Closing, Buyer shall have delivered to Seller a certificate dated the date of the Closing and signed by an authorized officer of Buyer, stating that the conditions specified in Section 7(b)(i) and Section 7(b)(ii) above have been satisfied.

(v) Merger: The closing provided for in the Merger Agreement shall have occurred contemporaneously with the Closing contemplated by this Agreement.

(vi) Closing Deliveries: Buyer shall have delivered the deliverables and consummated the transactions set forth in Section 2.

(c) Mutual Conditions to the Parties' Obligations. The obligation of the parties to consummate the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions at or prior to the Closing:

(i) Governmental and Other Approval Condition: Receipt of all governmental and regulatory consents, approvals, licenses and authorizations (including, from the State of Delaware, the State of Illinois, or any municipalities and expiration of any applicable waiting periods) that are necessary for (i) the consummation of the transactions contemplated at the Closing hereby and (ii) Buyer to own and operate the Property following the Closing as proposed to be conducted (including, the right to use any Permits), in each case, in form and substance satisfactory to Buyer.

(ii) RTO Completion: The completion of the reverse takeover transaction currently proposed between Buyer and Tidal Royalty Corp. pursuant to that Business Combination Agreement dated as May 8, 2019 (the "RTO") and subsequent assignment by Buyer of this Agreement to Red White & Bloom Inc. (the resulting issuer in the RTO) ("RWB").

Any condition specified in this clause (c) may be waived if such waiver is set forth in a writing duly executed by Buyer, Seller and Shareholders.

8. **Termination.** This Agreement may be terminated at any time prior to the Closing only as follows:

(a) By the mutual written consent of Buyer, on the one hand, and Seller, on the other hand;

(b) By the Buyer if (i) at any time any of the representations or warranties of the Seller or Shareholders in this Agreement becomes untrue or inaccurate such that the condition set forth in Section 7(a)(a) would not be satisfied (treating such time as if it were the Closing for purposes of applying this Section 8(b)) or (ii) there has been a breach on the part of Seller or the Shareholders of any of their covenants or agreements contained in this Agreement such that the condition set forth in Section 7(a)(ii) would not be satisfied (treating such time as if it were the Closing for purposes of applying this Section 8(b)), and, in the case of any covenant breach, such breach (if curable) has not been cured within fifteen (15) days after delivery of notice thereof by Buyer to Seller; or (iii) a condition set forth in Section 7(a) is not, or becomes incapable of being, satisfied; or

(c) By Seller and Shareholders if (i) at any time any of the representations or warranties of Buyer in this Agreement becomes untrue or inaccurate such that the condition set forth in Section 7(b)(i) would not be satisfied (treating such time as if it were the Closing for purposes of applying this Section 8(c)) or (ii) there has been a breach on the part of Buyer of any of its covenants or agreements contained in this Agreement such that the condition set forth in Section 7(b)(ii) would not be satisfied (treating such time as if it were the Closing for purposes of applying this Section 8(c)), and, in the case of any covenant breach, such breach (if curable) has not been cured within fifteen (15) days after delivery of notice thereof by Seller to Buyer; or (iii) a condition set forth in Section 7(b) is not, or becomes incapable of being, satisfied; or

(d) By either Buyer or Seller, on thirty (30) days' prior written notice to the other party, if the transactions contemplated hereby have not been consummated by October 31, 2019; or

(e) As otherwise expressly set forth in any other provision in this Agreement.

9. **Effect of Termination.** In the event of termination of this Agreement as provided above, this Agreement shall immediately terminate and have no further force and effect, except that (a) Section 6(k), this Section 9 and Sections 13-30 shall survive such termination indefinitely and (b) nothing in Section 8 or this Section 9 shall be deemed to release any party from any Liability for any breach by such party of the terms and provisions of this Agreement. In the event of the Merger Agreement is terminated in accordance with its terms, the parties agree that this Agreement shall automatically terminate concurrently therewith without any further action by either party.

10. **Indemnification.**

(a) Indemnification by the Seller and Shareholders. Subject to the limitations and conditions contained in this Section 10, Seller and the Shareholders agree to jointly and severally indemnify, defend and hold harmless Buyer and its respective Affiliates and each of their respective officers, directors, employees, agents, and representatives (each, a “Buyer Indemnified Party”), from and against, and to promptly pay to a Buyer Indemnified Party or reimburse a Buyer Indemnified Party for, any and all Liabilities (whether contingent, fixed or unfixed, liquidated or unliquidated, or otherwise), obligations, diminution in value, deficiencies, demands, claims, suits, actions, causes of action, assessments, losses, costs, expenses, interest, fines, penalties, damages or costs, or expenses of any and all investigations, proceedings, judgments, environmental analyses, remediations, settlements and compromises (including, without limitation, reasonable fees and expenses of attorneys, accountants and other experts) (individually, a “Loss” and collectively, the “Losses”) sustained or incurred by any Buyer Indemnified Party relating to, resulting from or arising out of any of the following:

(i) any inaccuracy in or breach of a representation or warranty made herein or in the related transaction documents by Seller or a Shareholder;

(ii) any non-compliance with or breach by Seller or a Shareholder of any of the covenants or agreements contained in this Agreement or the related transaction documents to be performed by such party, including, but not limited to, such covenants and agreements set forth in Section 10 hereunder;

(iii) all Taxes (i) imposed on Seller or Shareholders, (ii) relating to the Property for any pre-Closing Tax period; or (iii) of any Person (including any Liability for Taxes of Seller or Shareholders) imposed on Buyer as a transferee or successor, by Contract or pursuant to Law, which Taxes relate to an event or transaction occurring before the Closing;

(iv) any Indebtedness of Seller or Shareholders (excluding the assumption/refinancing of the Specified Indebtedness as contemplated herein);

(v) any Seller Transaction Expenses;

(vi) any Excluded Liabilities;

(vii) any of the items set forth on Schedule 10(a)(vii)²; and

(viii) any environmental conditions at, under or on the Property existing prior to Closing regardless of whether such conditions are actually discovered prior to the Closing (“Environmental Conditions”); provided, however, this subparagraph (h) shall not apply to any such condition discovered through laboratory analysis of environmental media (soil or groundwater) sampling conducted by or on behalf of a Buyer Indemnified Party after the Closing, except to the extent such sampling was either (A) required by a Governmental Authority pursuant to Law, (B) conducted as part of an investigation of the 10,000 gallon underground storage tank or the 12,000 gallon underground storage tank, in the event either such tank has failed any mechanical or physical testing of the integrity of the UST system, including, but not limited to, hydrostatic testing or European suction testing (and such failure is not due to

² To contain similar specific indemnities as the Merger Agreement Schedule 10.1(g)

Buyer's negligence or willful misconduct) or (C) conducted as part of and to advance the IEPA closure of the LUST Matter in the event Buyer reasonably determines that Seller has failed and/or refused to diligently pursue IEPA closure of the LUST Matter (the "Environmental Indemnity"). Except for the specific indemnities set forth on Schedule 10(a)(vii), this Environmental Indemnity shall be Seller's and Shareholders' exclusive indemnification obligation to Buyer Indemnified Parties with respect to Environmental Conditions

(b) Indemnification by Buyer. Subject to the limitations and conditions contained in this Section 10, Buyer agrees to indemnify, defend and hold harmless the Seller and the Shareholders, and each of their respective officers, directors, employees, agents, representatives, successors and assigns (each, a "Seller Indemnified Party") harmless from and against, and to promptly pay to a Seller Indemnified Party or reimburse a Seller Indemnified Party for, any and all Losses sustained or incurred by a Seller Indemnified Party relating to, resulting from or arising out of any non-compliance with or breach by Buyer of any of the covenants or agreements contained in this Agreement or the Transaction Documents to be performed by Buyer, including, but not limited to, such covenants and agreements set forth in Section 10 hereunder.

(c) Indemnification Procedure. The indemnification procedures set forth in Section 10.3, 10.4 and 10.5 of the Merger Agreement are hereby incorporated by reference into this Agreement and shall fully apply to this Agreement.

(d) Survival. All representations and warranties contained in Sections 3, 4 and 5 shall survive the Closing for a period ending eighteen (18) months from the Closing Date, except that: (i) the representations and warranties set forth in Sections 3(a)(i) (Authority), 3(a)(ii) (Noncontravention), 3(a)(iv) (Broker Fees) and Sections 4(a)(i) (Authority), 4(a)(ii) (Organization and Qualification of Seller), 4(a)(iii) (Noncontravention), 4(a)(iv) (Title to Property), 4(a)(vi) (Tax Matters), 4(a)(xiii) (Broker Fees), 5 (a) (Authority) and 5 (b) (Authorization) (collectively, the "Fundamental Representations"), shall survive the Closing for the maximum period permitted by Law (including Del. C. 8106(c)) and (ii) all representations or warranties in Sections 3, 4 and 5 shall survive beyond the applicable period with respect to any inaccuracy therein or breach thereof, provided notice of which shall have been duly given within such applicable period in accordance with Section 10 hereof. Notwithstanding the foregoing, except as otherwise expressly provided herein, the covenants and agreements of the Seller, Shareholders and Buyer contained herein shall survive the Closing for the periods set forth therein or, if no such period is set forth, for the maximum period permitted by Law (including Del. C. 8106(c)). For the avoidance of doubt, Seller's and Shareholders' indemnification obligations under Section 10(a)(vi) (Excluded Liabilities) shall survive Closing for a period ending eighteen (18) months from the Closing Date and Seller's and Shareholders' indemnification obligations under Section 10(a)(viii) (Environmental Conditions) shall survive the Closing for a period of thirty-six (36) months from the Closing Date. Any claims asserted in writing by notice from a Buyer Indemnified Party prior to the expiration date of a survival period shall not thereafter be barred by the expiration of the relevant survival period and such claims shall survive until finally resolved.

(e) Certain Limitations and Exceptions. Notwithstanding the foregoing:

(i) The Buyer Indemnified Parties shall not be entitled to recover under the provisions of this Section 10 for any inaccuracy in or breach of a representation or warranty pursuant to Sections 10(a)(i), until the aggregate amount which all Buyer Indemnified Parties would be entitled to recover on account thereof, but for this Section 10(e)(i), exceeds \$500,000 in the aggregate (when combined with such amounts the buyer indemnified parties under the Merger Agreement would be entitled to recover pursuant to Section 10.1(a) of the Merger Agreement) (the “Basket”), in which event the Buyer Indemnified Parties shall be entitled to recover for all such Losses (and not merely the portion of the Losses exceeding the Basket); provided however, that the Basket shall not apply to (A) recovery for an inaccuracy in or breach of any Fundamental Representation; (B) recovery for any amounts in connection with any action or claim based upon Fraud; or (C) any claims pursuant to Sections 10(a)(ii) through (viii).

(ii) The Buyer Indemnified Parties shall not be entitled to recover Losses under the provisions of this Section 10 for inaccuracy in or breach of a representation or warranty pursuant to Sections 10(a)(i) (when combined with such indemnification amounts paid by the sellers under the Merger Agreement pursuant to Section 10.1(a) of the Merger Agreement) in excess of the Cap; provided however, that the Cap shall not apply to (A) recovery for an inaccuracy in or breach of any Fundamental Representation; (B) recovery for any amounts in connection with any action or claim based upon Fraud; or (C) any claims pursuant to Sections 10(a)(ii) through (viii).

(iii) The Buyer Indemnified Parties shall not be entitled to recover Losses under the provisions of this Section 10 for Environmental Conditions pursuant to Section 10(a)(viii) and the specific environmental indemnity on Schedule 10(a)(vii) (when combined with such indemnification amounts paid by the sellers under the Merger Agreement pursuant to Section 10.1(h) and Section 10.1(g) of the Merger Agreement) in excess of \$50,000,000 (“Environmental Cap”).

(iv) The Buyer Indemnified Parties shall not be entitled to recover under the provisions of this Section 10 to the extent the Losses relating to the matter were included as a Liability in the calculation of the Final Net Working Capital under the Merger Agreement.

(v) Payments by an Indemnifying Party pursuant to Section 10(a) or 10(b) in respect of any Loss shall be (i) reduced by the amount of any net Tax benefit actually realized by the Indemnified Parties in connection with the Loss and (ii) increased by the amount of any Tax imposed on receipt of such indemnity payment (which for purposes of clarity takes into account any Tax detriment to such Indemnified Party).

(vi) For purposes of determining whether any Loss has occurred, or calculating any Losses arising, directly or indirectly, from or in connection with a breach of a representation, warranty, covenant or agreement, all references to “material,” “materiality,” “in all material respects,” “Material Adverse Effect” or similar phrases or qualifiers contained in such representations and warranties shall be disregarded.

(f) Manner of Payment. The manner of payment set forth in Section 10.8 of the Merger Agreement is hereby incorporated by reference into this Agreement and shall fully apply to this Agreement, *mutatis mutandis*.

(g) Allocation of Indemnification Payments. The parties hereto agree that any indemnification payment pursuant to this Agreement shall, to the extent permitted by applicable law, be treated as an adjustment to the Purchase Price for Tax purposes.

(h) Special Rule for Fraud. Notwithstanding anything herein to the contrary, in no event shall any limit or restriction on any rights or remedies set forth in this Agreement limit or restrict the rights or remedies of any party for the Fraud by any other party or any Affiliate or representative of such other party.

(i) Specific Performance. Seller and Shareholders acknowledge that the Property is unique and recognizes and affirms that in the event of a breach of this Agreement by Seller and/or Shareholders, money damages may be inadequate and Buyer may have no adequate remedy at law. Accordingly, Seller and Shareholders agree that Buyer shall have the right, in addition to any other rights and remedies existing in its favor, to enforce its rights and the obligations of the Seller and Shareholders hereunder not only by an action or actions for damages but also by an action or actions for specific performance, injunctive and/or other equitable relief. If any such action is brought by Buyer to enforce this Agreement, Seller and Shareholders hereby waive the defense that there is an adequate remedy at law.

11. **Definitions**. For the purposes hereof, the following terms have the meanings set forth below:

(a) “Affiliate” of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where “control” means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities or otherwise.

(b) “Buyer Material Adverse Effect” means any event, occurrence, fact, condition or change that is materially adverse to (a) the business, results of operations, condition (financial or otherwise) or assets of the Buyer (or RWB, following consummation of the RTO), or (b) the ability of Buyer (or RWB, following consummation of the RTO) to consummate the transactions contemplated hereby; provided, however, that “Buyer Material Adverse Effect” shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which Buyer (or RWB) operates; (iii) any changes or fluctuations in the price of RWB Stock; (iii) any other changes in financial or securities markets in general; (iv) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (v) any action required or permitted by this Agreement; (vi) any changes in applicable Laws or accounting rules, including GAAP; or (vii) the public announcement, pendency or completion of the transactions contemplated by this Agreement.

(c) “Cap” has such meaning as defined in the Merger Agreement.

(d) “Charter Documents” means any corporate, partnership or limited liability organizational documents, including, but not limited to, Certificates or Articles of Incorporation, By-laws and Certificates of Existence, as applicable.

(a) “Environmental Laws” means, whenever in effect, all federal, state, local and foreign Laws, including statutes, regulations, ordinances, rules, directives, orders, decrees and other provisions or common law having the force or effect of law, and all judicial and administrative orders and determinations that are binding upon Seller or the Property concerning pollution or protection of the environment, including all those relating to the generation, handling, transportation, treatment, storage, disposal, distribution, labeling, discharge, release, threatened release, control, or cleanup of any hazardous substances. By way of example and not limitation, the term “Environmental Laws” shall include (as may be amended from time to time prior to the Closing Date) the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Clean Water Act, the Safe Drinking Water Act, the Atomic Energy Act, the Oil Pollution Act, the Endangered Species Act, the Safe Drinking Water Act, the Solid Waste Disposal Act, the Emergency Planning and Community Right to Know Act, the Federal Insecticide, Fungicide, and Rodenticide Act, the Clean Air Act and all regulations under such statutes.

(b) “Excluded Liabilities” means all Liabilities relating to, based upon or arising from the Property, that arise, or relate to events or circumstances that occur, on or prior to the Closing regardless of whether such Liabilities are actually discovered or incurred prior to the Closing, but specifically excludes Environmental Conditions.

(c) “Laws” means all statutes, laws, codes, ordinances, regulations, rules, orders, judgments, writs, injunctions, acts or decrees of any Governmental Authority, including common law.

(d) “Liability” means any obligation or liability, whether absolute or contingent, asserted or unasserted, known or unknown, liquidated or unliquidated, due or to become due, fixed or unfixed, and regardless of when or by whom asserted.

(e) “Lien” or “Liens” means any mortgages, pledges, security interests, deeds of trust, liens, charges, options, conditional sales contracts, claims, covenants, easements, rights of way, title defects, restrictions on use, voting, transfer, receipt of income, or the right to exercise any other attribute of ownership, or other encumbrances of any nature whatsoever.

(f) “Material Adverse Effect” means any event, occurrence, fact, condition or change that is, or could be reasonably expected to become, individually or in the aggregate, material adverse to (a) the Property, (b) the business, results of operations, condition (financial or otherwise) or assets of Seller, or (b) the ability of the Seller or Shareholders to consummate the transactions contemplated hereby on a timely basis.

(g) “Permitted Exceptions” means (i) zoning ordinances and regulations; (ii) real estate taxes and assessments, both general and special, which are a lien but are not yet due and payable at the Closing Date; (iii) easements, conditions, restrictions and covenants of record relating to the Property not objected to by Buyer pursuant to Section 6(a) hereof; and (iv)

the rights of the public in and to any roadways or highways within the legal description of the Property.

(h) “Person” means any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, unincorporated association, corporation, entity or government (whether Federal, state, county, city or otherwise, including, without limitation, any instrumentality, division, agency or department thereof).

(i) “Proceeding” means any action, arbitration, audit, claim, dispute, hearing, investigation, litigation, order or suit (whether civil, criminal, administrative, investigative, or informal) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Authority or arbitrator.

(j) “Seller Party” means Seller, each Shareholder and any of their respective Affiliates.

(k) “Seller Transaction Expenses” means (without duplication) to the extent not paid before the Closing, the collective amount payable by Seller or the Shareholders (i) to accountants, lawyers, advisors, brokers and other third parties, arising in connection with the sale of Property, and (ii) in respect of any fees and expenses associated with obtaining necessary or appropriate waivers, consents or approvals of any Governmental Authority or other third-party, including change of control or transfer payments.

(l) “Survey” means a certified ALTA survey of the Property containing such detail as Buyer shall require in its reasonable commercial judgment, certified to Buyer, Seller, the Title Company and, if applicable, such lending institution or institutions as Buyer shall desire, all to the extent Buyer elects to obtain such a survey.

(m) “Tax” or “Taxes” means any and all federal, state, local and non-U.S. taxes, however denominated, the Liability for which is imposed by law, contractual agreement or otherwise, which taxes shall include, but not be limited to, all net income, gross income, gross receipts, franchise, excise, occupation, estimated, alternative minimum, add on minimum, premium, windfall profit, profits, gains, net worth, paid up capital, capital stock, greenmail, sales, use, ad valorem, value added, retailers’ occupation, stamp, natural resources, environmental, real property, personal property, custom, duty, transfer, recording, escheat or unclaimed property, registration, documentation, leasing, insurance, social security, employment, severance, workers’ compensation, impact, hospital, health, unemployment, disability, payroll, license, service, service use, employee or other withholding, or other tax or governmental charge, of any kind whatsoever, whether disputed or not, including any interest, penalties, fees, charges, levies, assessments, duties, tariffs, imposts or additions to Tax that may become payable in respect thereof, and any Liability in respect of such amounts arising as a result of being a member of any affiliated, consolidated, combined, unitary or similar group, as a successor to or transferee of another person or by contract.

(n) “Title Company” means such title company selected by Buyer and mutually agreeable to the parties.

12. **Notices, Consents, Etc.** All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (i) when personally delivered, sent by fax or email (with hard copy to follow) or sent by reputable overnight express courier (charges prepaid), or (ii) three (3) calendar days following mailing by certified or registered mail, postage prepaid and return receipt requested. Such notices, demands and other communications shall be sent to the addresses indicated below or such other address or to the attention of such other person as the recipient has indicated by prior written notice to the sending party in accordance with this Section 13:

(i) If to Seller/Shareholders:

[●]

[●]

[●]

Attention: [●]

Email: [●]

with a copy to:

Reinhart Boerner Van Deuren s.c.
1000 North Water Street, Suite 1700
Milwaukee, Wisconsin 53202
Attention: Lucien Beaudry
Email: (REDACTED)

(ii) If to Buyer:

Attention:

Email:

13. **Public Announcements.** Unless required by Law (including in connection with the filing of any Tax return), the Seller, Shareholders and their Affiliates shall not make any public announcement or filing with respect to the transactions provided for herein without the prior consent of Buyer; provided, however, that no such press, news or other public release or announcement shall refer to the purchase price or other material economic terms of the transactions contemplated hereby without the prior written approval of Buyer and Seller. Notwithstanding the foregoing, Buyer shall be allowed to disclose the terms of this Agreement and the transactions contemplated hereby (i) to Buyer's representatives and employees of Buyer or its Affiliates, (ii) in connection with summary information about Buyer or Buyer's Affiliates financial condition, (iii) to any of Buyer's Affiliates, auditors, attorneys, financing sources, potential investors or other agents, (iv) to any bona fide prospective purchaser of the equity or assets of Buyer or its Affiliates and (v) as required to be disclosed by order of a court of

competent jurisdiction, administrative body or governmental body, or by subpoena, summons or legal process, or by law, rule or regulation.

14. **Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable Law or rule in any jurisdiction, in any respect, such invalidity shall not affect the validity, legality and enforceability of any other provision or any other jurisdiction and, the remaining terms and provisions of this Agreement shall not in any way be affected or impaired thereby, all of which shall remain in full force and effect, and the affected term or provision shall be modified to the minimum extent permitted by Law so as to achieve most fully the intention of this Agreement.

15. **Amendment and Waiver.** This Agreement may be amended, or any provision of this Agreement may be waived upon the approval, in a writing, executed by Buyer, Seller and the Shareholders. No course of dealing between or among the parties hereto shall be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any such party under or by reason of this Agreement. A waiver by any party of any term or condition of this Agreement in any one instance shall not be deemed or construed to be a waiver of such term or condition for any other instance in the future (whether similar or dissimilar) or of any subsequent breach hereof.

16. **Counterparts.** This Agreement may be executed in one or more counterparts (including by means of telecopied signature pages or signature pages delivery by electronic transmission in portable document format (pdf)), all of which taken together shall constitute one and the same instrument. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or electronic transmission in portable document format (pdf), shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

17. **Expenses.** Except as otherwise specifically provided herein, each of the parties shall pay all costs and expenses incurred or to be incurred by it in negotiating and preparing this Agreement and in closing and carrying out the transactions contemplated by this Agreement.

18. **Headings.** The subject headings of Articles and Sections of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

19. **Assignment.** This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; provided that neither this Agreement nor any of the covenants and agreements herein or rights, interests or obligations hereunder may be assigned or delegated by any Seller, without the prior written consent of Buyer, and neither this Agreement nor any of the covenants and agreements herein or rights, interests or obligations hereunder may be assigned or delegated by Buyer without the prior written consent of Seller, except that Buyer may assign or convey its rights under this Agreement (a) to RWB following consummation of the RTO, (b) to any existing Affiliate of Buyer or newly formed Affiliate real estate holding company, (c) in connection with

a merger or consolidation involving Buyer or in connection with a sale of any equity interests or assets of Buyer or its Affiliates or other disposition of all or any portion of the Business, or (d) to lenders of Buyer or its Affiliates as collateral security for borrowings, at any time whether prior to or following the Closing Date; and in each such case Buyer will nonetheless remain liable for all of its obligations hereunder.

20. **Entire Agreement.** This Agreement, the Preamble and the Exhibits and Schedules attached to this Agreement (all of which shall be deemed incorporated in the Agreement and made a part hereof), along with the Merger Agreement, set forth the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements, understandings or letters of intent among any of the parties hereto.

21. **Third Parties.** Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any Person, other than the parties to this Agreement and their respective permitted successors and assigns, any rights or remedies under or by reason of this Agreement (other than in respect of the Indemnified Parties pursuant to Section 10).

22. **Interpretative Matters.** Unless the context otherwise requires, (a) all references to Articles, Sections or Schedules are to Articles, Sections or Schedules in this Agreement, (b) each accounting term not otherwise defined in this Agreement has the meaning assigned to it in accordance with GAAP, (c) words in the singular or plural include the singular and plural, and pronouns stated in either the masculine, the feminine or neuter gender shall include the masculine, feminine and neuter, (d) all references to “dollars” or “\$” are to United States dollars and (e) whenever the words “include,” “includes” or “including” are used in this Agreement they shall be deemed to be followed by the words “without limitation.” In addition, nothing in the Schedules hereto shall be deemed adequate to disclose an exception to a representation or warranty made herein unless the Schedule identifies the exception with reasonable particularity and describes the relevant facts in reasonable detail. Without limiting the generality of the foregoing, the mere listing (or inclusion of a copy) of a document or other item shall not be deemed adequate to disclose an exception to a representation or warranty made herein (unless the representation or warranty has to do with the existence of the document or other item itself). The parties intend that each representation, warranty, and covenant contained herein shall have independent significance. If any party has breached any representation, warranty, or covenant contained herein (or is otherwise entitled to indemnification) in any respect, the fact that there exists another representation, warranty, or covenant (including any indemnification provision) relating to the same subject matter (regardless of the relative levels of specificity) which the party has not breached (or is not otherwise entitled to indemnification with respect thereto) shall not detract from or mitigate the fact that the party is in breach of the first representation, warranty, or covenant (or is otherwise entitled to indemnification pursuant to a different provision).

23. **Knowledge.** Where any representation or warranty contained in this Agreement is expressly qualified by reference “to the knowledge of Seller,” “Seller’s Knowledge,” or any similar term, it refers to the actual knowledge of Seller, Seller Party and Anne Hyde, Bruce Daniel, and Johannes Pieterse, and all knowledge that such listed persons should have assuming such persons have conducted a reasonable inquiry or investigation regarding the subject matter at issue, including inquiring of those employees of Seller and any Seller Party occupying or using

the Property whose duties would, in the normal course of Seller's or such Seller Party's affairs, result in such employees having actual knowledge concerning such subject, area or aspect.

24. **No Strict Construction.** The language used in this Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction will be applied against any party hereto.

25. **Jurisdiction and Governing Law.** This Agreement and any claim, controversy, dispute, or cause of action (whether in contract, equity, tort, or otherwise) based upon, arising out of or relating to this Agreement and the transactions contemplated hereby shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to principles of conflicts of law, provided, however, that any claim, controversy, dispute, or cause of action based upon, arising out of, or relating to the transfer of ownership of any interest in the Property shall be governed by and construed in accordance with the laws of the state where the Property is located, without regard to principles of conflicts of law. Each party hereby irrevocably submits to the exclusive jurisdiction of the state or federal courts located in the State of Delaware or in the state where the Property is located (as applicable), in respect of any claim relating to the interpretation and enforcement of the provisions of this Agreement and of the documents referred to in this Agreement, or otherwise in respect of the transactions contemplated hereby and thereby, and hereby waives, and agrees not to assert, as a defense in any action, suit or proceeding in which any such claim is made that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in such courts or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such courts.

26. **Service of Process.** Each of the parties hereto irrevocably consents to the service of process outside the territorial jurisdiction of the courts referred to in Section 25 hereof in any such action or proceeding by giving copies thereof by hand delivery of air courier to his, her or its address as specified in or pursuant to Section 12 hereof. However, the foregoing shall not limit the right of a party to effect service of process on the other party by any other legally available method.

27. **WAIVER OF JURY TRIAL .** EACH PARTY HEREBY WAIVES (TO THE FULLEST EXTENT PERMITTED BY LAW) ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT. THE PARTIES ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO THIS AGREEMENT. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TRANSACTIONS CONTEMPLATED HEREBY. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

28. **Schedules.** The disclosure of any facts or items in the Schedules accompanying this Agreement is not intended to imply that such items so included are or are not material, or that the occurrence or existence of any such violation, inaccuracy, breach, default, failure to comply, change in circumstances, loss, effect, fact, agreement arrangement, commitment,

understanding or obligation, as a result of the occurrence or existence thereof, would individually or collectively, result in a Material Adverse Effect. The disclosure of any fact or item in the Schedules with respect to a particular paragraph or section of the Agreement shall be deemed to be disclosed with respect to such other paragraph or section of the Agreement to which an appropriate cross reference is made to another Schedule or to the extent it is reasonably apparent on its face that such disclosure is also applicable to any other paragraph or section of the Agreement. Each agreement, instrument and document described herein is incorporated herein by reference. All capitalized terms used in the Schedules and not otherwise defined in the Schedules will have the meanings assigned to them in this Agreement.

29. **Consent and Waiver.** By executing and delivering this Agreement, the Shareholders consent to the sale of the Property as contemplated by this Agreement.

[SIGNATURES TO FOLLOW]

The undersigned have executed this Real Estate Purchase Agreement as of the date first above written.

SELLER:

VW PROPERTIES, INC.

By: _____

Name:

Title:

BUYER:

[_____]

By: _____

Name:

Title:

SHAREHOLDERS:

Arthur VanWingerden

Ken VanWingerden

EXHIBIT A
DESCRIPTION OF THE PROPERTY

[INSERT LEGAL DESCRIPTION]

DISCLOSURE SCHEDULES
to the
AGREEMENT AND PLAN OF MERGER
by and among
MICHICANN MEDICAL INC.,
MID-AMERICAN GROWERS, INC.,
RWB ACQUISITION SUB, INC.,
and THE SELLERS PARTY THERETO
October 9, 2019

GENERAL STATEMENT

These disclosure schedules (each a “Schedule” and collectively, the “Schedules”) are delivered pursuant to and concurrently with the Agreement and Plan of Merger (the “Agreement”) dated as of October 9, 2019, by and among Mid-American Growers, Inc., a Delaware corporation (the “Company”), Michicann Medical Inc., a Michigan corporation (“Buyer”), RWB Acquisition Sub, Inc., a Delaware corporation and a wholly owned Subsidiary of Buyer (“Merger Sub”), and each of Arthur VanWingerden and Ken VanWingerden (each a “Seller” and together, the “Sellers”).

Headings have been inserted for convenience of reference only and shall in no way have the effect of amending or changing the express description of the corresponding sections as set forth in the Agreement. Capitalized terms used but otherwise not defined in the Schedules have the meanings set forth in the Agreement.

All information contained in the Schedules is confidential information and may not be disclosed unless (i) such information is required to be disclosed pursuant to applicable Law (unless such Law permits the parties to refrain from disclosing the information for confidentiality or other purposes), such information was or becomes known to the recipient thereof without reference to or use of the Schedules, or (ii) a party needs to disclose such information in order to enforce or exercise its rights under the Agreement or to a lender or financier or purchaser of assets.

INDEX TO DISCLOSURE SCHEDULE

Schedule No.	Title
Schedule 2.2	Closing Distributions and Payments
Schedule 2.6	Third Party Consents
Schedule 3.2	Title to Company Capital Stock
Schedule 3.3	Noncontravention
Schedule 4.2	Organization and Qualification of the Company
Schedule 4.3	Noncontravention
Schedule 4.4	Capitalization; Title to Company Capital Stock
Schedule 4.5	Absence of Certain Developments
Schedule 4.6	Compliance with Applicable Laws
Schedule 4.7	Financial Statements
Schedule 4.7(e)	Indebtedness
Schedule 4.8	Assets
Schedule 4.9	Taxes
Schedule 4.9(j)	Tax Returns
Schedule 4.10	Contracts
Schedule 4.11	Real Property
Schedule 4.12	Litigation
Schedule 4.13	Intellectual Property
Schedule 4.14	Insurance Policies
Schedule 4.15	Licenses and Permits
Schedule 4.16	Welfare and Benefit Plans
Schedule 4.17	Health, Safety and Environment
Schedule 4.18	Employees
Schedule 4.19	Affiliate Transactions
Schedule 4.21	Broker Fees
Schedule 5.6	Compliance with Applicable Laws
Schedule 5.7	Financial Statements
Schedule 10.1(g)	Specific Indemnity Items
Net Working Capital Schedule	Calculation of Net Working Capital

Schedule 2.2
Closing Distributions and Payments

Payee	Address	Wire Transfer Instructions
Arthur VanWingerden	(REDACTED)	(REDACTED)
Kenneth VanWingerden	(REDACTED)	(REDACTED)

Schedule 2.6(g)

Third Party Cnsents

1. Consent to the Agreement and all transactions contemplated thereby from AG Credit Agricultural Association ("AG Credit") in connection with the Amended and Restated Credit Agreement, dated December 13, 2017, by and among AG Credit, the Company, Color Point, LLC ("Color Point"), VW Properties, LLC ("VWP") and Mid-American Trucking, Inc. (together with all other instruments and documents executed in connection therewith, collectively, the "AG Credit Facility").
-

Schedule 3.2

Title to Company Capital Stock

Seller	Shares	Certificate Number
Arthur VanWingerden	125	143
Kenneth VanWingerden	125	142

Schedule 3.3

Noncontravention

1. The AG Credit Facility. All Liens under the AG Credit Facility on the Company, its assets or properties (including the Owned Real Property and Leased Real Property), or affecting Company Capital Stock, will be released at or prior to Closing.

1. Iowa

Schedule 4.3

Noncontravention

1. The AG Credit Facility. All Liens under the AG Credit Facility on the Company, its assets, stock or properties (including the Owned Real Property and the Leased Real Property), or affecting Company Capital Stock, will be released at or prior to Closing.

Schedule 4.4

Capitalization; Title to Company Capital Stock

Shareholder	Address	Shares Owned
Art VanWingerden	(REDACTED)	125
Ken VanWingerden	(REDACTED)	125

Schedule 4.5

Absence of Certain Developments

- 1 In connection with the transactions contemplated by the Agreement, the Contributed Entities have ceased conducting business as a grower of various decorative and ornamental plants for retailers as historically operated by the Contributed Entities. In connection with such action, the Contributed Entities have terminated related customer and supplier relationships. There are no outstanding contractual liabilities related to the termination of such relationships.
- 2 See attached listing of assets transferred to Color Point.
- 3 See attached listing of salary increases for Company employees.
- 4 Pursuant to a letter agreement dated as of October 9, 2019 between the Company and Color Point, the Company and Color Point memorialized an agreement pursuant to which (a) Color Point has made, and will continue to make, advancements to the Company to fund Company operations and (b) the Company will repay such advancements to Color Point by December 31, 2019.

Asset ID	Description	Date Acquired	GL Asset Acct	Category	Cost	Net Book Value	Notes
2015-02	Agromix, Inc. KXXL Tray & Rot Filler	41542	15400	Greenhouse Equipment	\$	\$	TFR From IL to KY
2015-035	Agromix Seeding Tray Washer	41617	15400	Greenhouse Equipment	\$	\$	TFR From IL to KY
2015-044	Agromix U-RN09-R Plug Tray Filler	41638	15400	Greenhouse Equipment	\$	\$	TFR From IL to KY
2015-022	Visser XL Drum Seeding Line	41624	15400	Greenhouse Equipment	\$	\$	TFR From IL to KY
300031	39 Shipping Carts (Used)	38897	15600	Carts (3Y)	\$	\$	TFR From IL to KY
500059	1,000 Hi-Cube Transport Carts w Grid Shelves	39073	15600	Carts (3Y)	\$	\$	TFR From IL to KY
500074	1125 Metal Carts for Aids (1/2 Carts)	39202	15600	Carts (3Y)	\$	\$	TFR From IL to KY
300105	25 Barge Carts (DBI R Mfg.)	39435	15600	Carts (3Y)	\$	\$	TFR From IL to KY
500113	1,500 Hi-Cube Transport Carts w/ 7,500 Grid S	39443	15600	Carts (3Y)	\$	\$	TFR From IL to KY
500160	800 Hi-Cube Transport Carts w/ Grid Shelves (2	39613	15600	Carts (3Y)	\$	\$	TFR From IL to KY
500217	2000 Shipping Carts (PacWest)	40263	15600	Carts (3Y)	\$	\$	TFR From IL to KY
300249	800 Shipping Carts (Bases w/ 2 Sides & 7 shelv	40297	15600	Carts (3Y)	\$	\$	TFR From IL to KY
300256	Casters for New Carts (3200) (AmEx/Alled Cat	40333	15600	Carts (3Y)	\$	\$	TFR From IL to KY
500282	Shipping 1/2 Carts - Metal - Used	40528	15600	Carts (3Y)	\$	\$	TFR From IL to KY
500287	900 Planting Carts	40541	15600	Carts (3Y)	\$	\$	TFR From IL to KY
500288	Wheels for Carts - assec. 3500287	40543	15600	Carts (3Y)	\$	\$	TFR From IL to KY
300325	220 Shipping Carts - Modified High Cube w/ 6 s	40626	15600	Carts (3Y)	\$	\$	TFR From IL to KY
500343	24 Barge Carts	40647	15600	Carts (3Y)	\$	\$	TFR From IL to KY
500386	Casters (Wheels) for Carts	40909	15600	Carts (3Y)	\$	\$	TFR From IL to KY
300409	800 Shipping Carts (Used)	40955	15600	Carts (3Y)	\$	\$	TFR From IL to KY
500420	250 Shipping Carts	41050	15600	Carts (3Y)	\$	\$	TFR From IL to KY
300428	Casters for New Carts	41033	15600	Carts (3Y)	\$	\$	TFR From IL to KY
500456	2,000 Shipping Carts - Hook-in Style (35"x23.5	41238	15600	Carts (3Y)	\$	\$	TFR From IL to KY
500560	Casters for New Shipping Carts	41490	15600	Carts (3Y)	\$	\$	TFR From IL to KY
300561	Wheels for New Shipping Carts	41726	15600	Carts (3Y)	\$	\$	TFR From IL to KY
2014-105	803 Powder Coated Shipping Carts	42006	15600	Carts (3Y)	\$	\$	TFR From IL to KY
2016-11	Double R Manufacturing Flower Carts	42551	15600	Carts (3Y)	\$	\$	TFR From IL to KY
1033	Tugger Qty 5	43374	15600		\$	\$	TFR From KY to IL

* Cost and Net Book Values have been REDACTED

Last Name	First Name	Position	Department	2018 Rate	2019 Rate
	Emmanuel	MAINTENANCE I	Maintenance		
	Elba	GENERAL LABOR III	PULLING		
	Sergio	GENERAL LABOR III	Production	-	
	Guadalupe	GENERAL LABOR III	HEMP		
	Humberto	GENERAL LABOR III	HEMP		
	Gloria	GENERAL LABOR IV	Production		
	Juan K	GENERAL LABOR I	Dock		
	Kathie	GROWER II	Growing		
	Roger L.	GROWER III	Growing		
	Randall W	GROWER I	Growing		
	Maria	GENERAL LABOR III	Production		
	Richard	MAINTENANCE IV	Maintenance		
	Camilo	SUPERVISORY II	Utility		
	Mark E.	MAINTENANCE III	Maintenance		
	Tyler	GENERAL LABOR III	Dock		
	Patricia	GENERAL LABOR III	PULLING		
	M. Guadalupe	GROWER II	Growing		
	Devon	MAINTENANCE III	Maintenance		
	Darlene	GROWER III	Growing		
	Cara	GROWER II	Growing		
	Martha P.	LEAD GROWER	Growing		
	Maria	GENERAL LABOR III	HEMP		
	Margarito	GENERAL LABOR III	Production		
	Gerardo	GENERAL LABOR III	PULLING		
	Daniela	GENERAL LABOR III	Production		
	Silvia	GENERAL LABOR III	HEMP		
	Antonio	GENERAL LABOR III	Warehouse		
	Rufina	GENERAL LABOR III	Setting		
	Jose I	GENERAL LABOR I	Production	-	
	Fidel	GENERAL LABOR I	Production		
	Antonio	GENERAL LABOR III	HEMP		
	Leticia	GENERAL LABOR I	HEMP		
	Mario	GENERAL LABOR II	Production	-	
	Henry	MAINTENANCE III	Maintenance		
	Mavin Jeremias	GENERAL LABOR I	Dock	-	
	Juan	GENERAL LABOR II	PULLING		
	Maria	GENERAL LABOR I	Production	-	
	Gloria	GENERAL LABOR III	HEMP		
	Maria S	GENERAL LABOR III	Utility		
	Garet	ASSISTANT GENERAL MANAGER	SALES Department		
	Angelica	GENERAL LABOR III	HEMP		
	Bertha	GENERAL LABOR II	HEMP		
	Diana	GENERAL LABOR III	PULLING		
	John	SUPERVISORY III	Warehouse		
	Lorena	GENERAL LABOR I	Production		
	Maria	GENERAL LABOR III	Production		
	David	MAINTENANCE IV	Maintenance		
	Michael	GENERAL LABOR IV	SECURITY Department		
	Gustavo	GROWER III	Growing		
	Jose	MAINTENANCE II	Maintenance		
	Juan Antonio	SUPERVISORY I	HEMP		
	Ofelia	GENERAL LABOR III	PULLING		
	Susan	INTERMEDIATE	SALES Department		
	Mischelle	LEAD GROWER	Growing		
	Carmen	SUPERVISORY III	PULLING		

* Last Names, 2018 Rates and 2019 Rates have been REDACTED

Sanjuana	INTERMEDIATE	Human Resources
Angel	GENERAL LABOR III	Production
Rosalba	SUPERVISORY I	Production
Maribel	GENERAL LABOR I	HEMP
Efrain H	MAINTENANCE IV	Production
Reynaldo	GENERAL LABOR IV	PULLING
David P	GENERAL LABOR IV	SECURITY Department
Fernando	ASSISTANT GENERAL MANAGER	Production
Anthony	GENERAL LABOR I	Production
Juan C	GENERAL LABOR III	Utility
Berta	INTERMEDIATE	Human Resources
Jose Luis	MAINTENANCE II	Maintenance
Hector	GENERAL LABOR II	Production
Keith L	MAINTENANCE I	Equipment Maintenance
Almee	GROWER II	Growing
Cheryl L	GROWER III	Growing
Brian	MAINTENANCE IV	Maintenance
Gudelia H	GROWER I	HEMP
Michael	MANAGER	Sales - Field Reps
Brandon	MAINTENANCE IV	Maintenance
Maximina	GENERAL LABOR II	PULLING
Hortencia	GENERAL LABOR III	PULLING
Fermin	MAINTENANCE IV	Maintenance
Yatzareth M	GENERAL LABOR II	HEMP
Gary (Bill)	MANAGER	IT
Lucia	GENERAL LABOR III	Production
Cal		
Jakub		
James N	SUPERVISORY IV	Dock
James A	SUPERVISORY I	Dock
Larry	GROWER III	Growing
Damian	DIRECTOR	Maintenance
Amy S	MAINTENANCE I	Custodial
Nicholas J.	MAINTENANCE IV	Production
Blanca	GENERAL LABOR III	AVAILABILITY
Martin	GENERAL LABOR III	Setting
Oscar M.	GROWER II	Growing
Maria M.	GROWER I	HEMP
Eloiza	GENERAL LABOR III	Utility
Guillermina	GENERAL LABOR III	AVAILABILITY
Ester	MAINTENANCE I	Custodial
Emily	GENERAL LABOR I	Production
Lus Maria	GENERAL LABOR III	Utility
Samuel	GENERAL LABOR III	Utility
Reyes	GENERAL LABOR III	Dock
Diana	GENERAL LABOR I	HEMP
Deysi	GENERAL LABOR II	HEMP
Luz A.	GENERAL LABOR III	Production
Jesus	LEAD GROWER	Growing
Jordan	SENIOR MANAGER	Sales - Tap Admin
Oliva	GENERAL LABOR III	Production
Miguel	GENERAL LABOR I	Dock
Celia	GENERAL LABOR III	Production
Evelyn S	GENERAL LABOR III	Production
Jonathan	GENERAL LABOR IV	Dock
Tyler J	MAINTENANCE II	Maintenance

* Last Names, 2018 Rates and 2019 Rates have been REDACTED

Allie	GROWER III	Growing	
Blanca	GENERAL LABOR II	Production	
Martin	GENERAL LABOR III	Production	
Jessie	GROWER III	Growing	-
Carmen	GENERAL LABOR III	HEMP	
Josefina	GENERAL LABOR III	Production	
Rosa	SUPERVISORY I	Production	
Santos	GENERAL LABOR III	PULLING	
Laura	GENERAL LABOR III	PULLING	
Dolores	GROWER I	Growing	
Maria L.	GENERAL LABOR III	Production	
David	GENERAL LABOR III	Production	
Josue I.	SUPERVISORY I	Production	
Alicia	GENERAL LABOR III	Production	
Maria L.	GENERAL LABOR III	Production	
Magdaleno	SUPERVISORY IV	PULLING	
Guadalupe	GENERAL LABOR III	Production	
Adrian	GENERAL LABOR III	Production	
Richard	GENERAL LABOR IV	SECURITY Department	
Nallely	ENTRY LEVEL	Human Resources	-
Gilberto	GENERAL LABOR III	Production	
Jovan	GENERAL LABOR I	Dock	-
Jose	GENERAL LABOR III	HEMP	
David	GENERAL LABOR III	Production	
Maria D	MAINTENANCE I	Custodial	
Rosa	GENERAL LABOR III	Production	
Kevin	GENERAL LABOR III	Dock	
Lilia	GENERAL LABOR II	HEMP	
Catrina	GENERAL LABOR III	Setting	
Ismael	GENERAL LABOR III	Utility	
Mary	SUPERVISORY IV	Production	
Ana Isabel	SUPERVISORY I	Production	
Fidel	GENERAL LABOR III	PULLING	
Kevin E.	GENERAL LABOR III	Production	
Carolina	GENERAL LABOR III	Production	
Kendra	GROWER III	Growing	
Johannes	GENERAL MANAGER	ADMIN Department	
Fatima	GENERAL LABOR II	Production	
Maria	GENERAL LABOR III	HEMP	
Julio	SUPERVISORY I	Production	
Elvio	GENERAL LABOR IV	SECURITY Department	
Diana	GENERAL LABOR III	Production	
Gerardo	GENERAL LABOR III	Maintenance	
Sergio	GENERAL LABOR III	Utility	
Eleazar	GENERAL LABOR III	PULLING	
Ma De La Luz	GENERAL LABOR II	HEMP	
Saturnina	GENERAL LABOR III	Production	
Esther	GENERAL LABOR III	PULLING	
Agustin	GENERAL LABOR IV	Warehouse	
Annette	SPECIALIST	Accounting	
Maria E	GROWER I	Growing	
Maria	GENERAL LABOR III	Production	
Maria D.	SUPERVISORY II	AVAILABILITY	
Diana	GENERAL LABOR IV	AVAILABILITY	
Juan	GENERAL LABOR I	HEMP	-
Dann	GENERAL LABOR I	HEMP	-

* Last Names, 2018 Rates and 2019 Rates have been REDACTED

Mario	GENERAL LABOR III	Maintenance	
Guadalupe	GENERAL LABOR III	Production	
Hermenegildo	GENERAL LABOR III	PULLING	
Jose L.	GENERAL LABOR III	PULLING	
Daniel	GENERAL LABOR I	Dock	-
Hugo E	SUPERVISORY II	Utility	
Leticia	GENERAL LABOR II	PULLING	
Pilar	GENERAL LABOR III	HEMP	
Ismael	GENERAL LABOR III	Setting	
Jose G	GENERAL LABOR I	Utility	-
Rosio	GENERAL LABOR III	Production	
Bertha	GENERAL LABOR II	HEMP	
Karina	GENERAL LABOR III	Production	
Kristina	SPECIALIST	ADMIN Department	
Israel	SUPERVISORY I	PULLING	
Daniel	GENERAL LABOR III	Dock	
Samara K.	GROWER II	Growing	
Adrian	SUPERVISORY II	Dock	
Francisco	GENERAL LABOR I	Utility	-
Carrie	GENERAL LABOR I	Utility	-
Celia	GENERAL LABOR III	Utility	
Anita	SUPERVISORY I	Production	
Angela	ENTRY LEVEL	SALES Department	
Perry J	GROWER II	Growing	
John	MAINTENANCE I	Maintenance	
Jesus	GENERAL LABOR I	Production	-
Bertha	GENERAL LABOR III	HEMP	
Matilde	GENERAL LABOR III	HEMP	
Gary	GROWER III	Growing	
Ricardo	GENERAL LABOR IV	Production	
Virginia	GENERAL LABOR III	Production	
Santiago	GENERAL LABOR III	PULLING	
Artemio	MAINTENANCE II	Production	
Brent	HEAD GROWER	Growing	
Maria Guadalupe	GENERAL LABOR III	Production	
Raul	GENERAL LABOR II	Production	
Gloria	GENERAL LABOR III	HEMP	
Elias	GENERAL LABOR III	Production	
Enrique	GROWER III	Growing	
Omar	GENERAL LABOR III	Production	
Reyna	GENERAL LABOR III	HEMP	
Laura	GENERAL LABOR III	HEMP	
Maria	GENERAL LABOR III	Production	
Esmeralda	GENERAL LABOR I	Production	-
Olivia	GENERAL LABOR III	Production	
Timothy M.	GROWER I	Growing	
Mark	MAINTENANCE IV	Maintenance	
Terrance L	MAINTENANCE IV	Maintenance	
James	MAINTENANCE II	Maintenance	
Leroy	MAINTENANCE IV	Maintenance	
Jessica	INTERMEDIATE	Accounting	

Compliance with Applicable Laws

- 1 Joe Cerri was terminated following an altercation in the greenhouse with his manager Brent Troost. Cerri threatened that he would physically harm Troost, because Troost asked Cerri to complete a project. Cerri subsequently filed a complaint with the EEOC claiming age discrimination and claimed his duties were changed because of his age. Cerri's claims were investigated by the EEOC and the Illinois Human Rights Commission and no probable cause was found. Cerri retained legal counsel to attempt to reopen his case with the Illinois Human Rights Commission, which declined the case a second time (the "Cerri Matter"). For the avoidance of doubt, any Liabilities relating to the Cerri Matter shall be Excluded Liabilities.
- 2 In March 2019, the Company notified the Illinois Environmental Protection Agency that the Company failed to comply with Condition 19f of its Federally Enforceable Operating Permit No. 07020030 (the "FESOP") by failing to conduct a required biennial "tune up" of its wood fired boilers within 25 months after the prior tune up (the "FESOP Deviation"). The Company does not anticipate any fines, penalties or other enforcement action arising from the FESOP deviation. For the avoidance of doubt, any Liabilities relating to the FESOP Deviation shall be an Environmental Condition covered by the Environmental Indemnity.
- 3 The Company received a Notice of Violation dated September 17, 2019 from the Office of the Illinois State Fire Marshal. For the avoidance of doubt, any Liabilities relating to the violations shall be covered by the specific indemnity on Schedule 10.1(g).
- 4 The Company failed to submit documentation of a site investigation remediation report (identified as LPC #1550055001 – Putnam County) as required by the Illinois Environmental Protection Agency (the "IL EPA Violation"). For the avoidance of doubt, any Liabilities relating to the IL EPA Violation shall be covered by the specific indemnity on Schedule 10.1(g).

1. See attached.

Mid American Growers, Inc
Balance Sheet as of December 31, 2018
Unaudited

ASSETS

Current Assets

Cash	\$ 300,798
Accounts Receivable	1,280,885
Inventory	6,943,846
	<u>8,525,529</u>

Fixed Assets

Property and Equipment	110,438,379
Accumulated Depreciation	<u>(68,164,061)</u>

42,274,318

Other Assets

Due from Related Parties	214,308
Loan Acquisition Expense	
Natural Gas Pipeline Deposit	
Other Assets	
	<u> </u>

Total Other Assets	<u>214,308</u>
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Total Assets	<u>\$ 51,014,155</u>
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LIABILITIES AND CAPITAL

Current Liabilities

Accounts Payable - Trade	\$ (1,595)
Intercompany Transfers	(777,440)
Accrued Expenses	220,876
Deferred Revenue	-
N/P - Lines of Credit	
N/P - Current Portion (Primary	1,207,671
N/P - Current Portion (Oth)	
	<u>649,512</u>

Long-TermLiabilites

LT N/P-Net Current Ptn (Prim)	10,417,893
LT N/P-Net Current Ptn (Oth)	<u>-</u>

Total Liabilities	<u>\$ 11,067,405</u>
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Capital

Units of Capital	2,500
Treasury Stock	(321,825)
Accumulated Earnings (Deficit)	41,794,951
Current Year Net Income	(1,528,876)

Total Capital	<u>\$ 39,946,750</u>
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Total Liabilities & Capital	<u>\$ 51,014,155</u>
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Mid American Growers, Inc.
Income Statement for the Period Ending December 31, 2018
Unaudited

<u>Sales</u>		
Gross Sales		41,459,826
Sales Returns & Allowances		(399,437)
		<hr/>
Total Revenue	\$	41,060,389
<u>Cost of Goods Sold</u>		
Direct Materials		11,631,849
Indirect Materials		4,914,047
Labour		8,336,378
Applied/Relieved Overhead		2,158,597
		<hr/>
Gross Margin	\$	14,019,518
Production Overhead		2,815,578
Shipping and Delivery		4,647,189
		<hr/>
Gross Profit	\$	6,556,751
<u>Expenses</u>		
Sales and Marketing Expense		775,212
General and Administrative		2,629,912
		<hr/>
EBITDA	\$	3,151,627
<u>Depreciation, Interest and Tax</u>		
Depreciation and Amortization		4,222,452
Interest Expense		442,351
Income Tax Expense		4,916
		<hr/>
Net Income from Operations		(1,518,092)
<u>Other Income & Expense</u>		
Disposal of Fixed Assets		23,362
Disconts Taken		-
Interest Income		(8)
Charitable Giving		1,350
Finance Charges		
Miscellaneous Income		(13,920)
		<hr/>
Net Income (Loss)	\$	(1,528,876)

Mid American Growers, Inc
Balance Sheet as of August 31, 2019
Unaudited

ASSETS

Current Assets

Cash	\$ 204,725
Accounts Receivable	1,704,884
Inventory	5,552,341

7,461,950

Fixed Assets

Property and Equipment	104,563,159
Accumulated Depreciation	(65,158,220)

39,404,939

Other Assets

Due from Related Parties	9,669,937
Other Assets	-

Total Other Assets	9,669,937
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Total Assets	\$ 59,536,826
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LIABILITIES AND CAPITAL

Current Liabilities

Accounts Payable - Trade	\$ 2,204,927
Intercompany Transfers	(714,302)
Accrued Expenses	125,552
N/P - Current Portion (Primary	297,006
N/P - Current Portion (Oth)	-

1,913,183

Long-TermLiabilites

LT N/P-Net Current Ptn (Prim)	10,169,465
Distribution Payable MAG	5,248,215

Total Liabilities	\$ 17,330,863
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Capital

Units of Capital	2,500
Treasury Stock	(321,825)
Accumulated Earnings (Deficit)	34,446,614
Current Year Net Income	5,078,674

Total Capital	\$ 39,205,963
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Total Liabilities & Capital	\$ 56,536,826
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Mid American Growers, Inc.
Income Statement for the Period Ending August 31, 2019
Unaudited

<u>Sales</u>	
Gross Sales	36,998,783
Sales Returns & Allowances	(904,670)
	<hr/>
Total Revenue	\$ 36,094,113
 <u>Cost of Goods Sold</u>	
Direct Materials	11,078,040
Indirect Materials	3,004,377
Labour	6,636,691
Applied/Relieved Overhead	(1,688,311)
	<hr/>
Gross Margin	\$ 17,063,316
 Production Overhead	
Shipping and Delivery	2,099,598
	<hr/>
Gross Profit	\$ 11,457,365
 <u>Expenses</u>	
Sales and Marketing Expense	566,812
General and Administrative	2,757,233
	<hr/>
EBITDA	\$ 8,133,320
 <u>Depreciation, Interest and Tax</u>	
Depreciation and Amortization	2,640,017
Interest Expense	298,385
Income Tax Expense	-
	<hr/>
Net Income from Operations	5,194,918
 <u>Other Income & Expense</u>	
Disposal of Fixed Assets	1,480,630
Disconts Taken	-
Interest Income	-
Charitable Giving	-
Finance Charges	-
Miscellaneous Income	(1,364,386)
	<hr/>
Net Income (Loss)	\$ 5,078,674

Indebtedness

- 1 The indebtedness owing by the Company under the AG Credit Facility, which indebtedness will be paid off at Closing and the Company and Sellers will obtain consent and full release of all Liens on the Company, its assets or properties (including the Owned Real Property and Leased Real Property) or affecting the Company Capital Stock.
- 2 Each of Kenneth VanWingerden and Arthur VanWingerden has provided a personal guarantee with respect to the AG Credit Facility (collectively, the "Guarantees"), for which Sellers will obtain consent and full release of any Liens securing such Guarantees, to the extent affecting the Company Capital Stock.
- 3 See item 4 on Schedule 4.5.

1. See attached fixed asset schedule.

Mid American Growers, LLC [MAG]						
Asset List						
S	Asset ID	Description	Date In Service	GL Asset Acct.	Category	Fed - Cost/Basis
	21001	9-Acre Greenhouse @ 79,400 ea.	5/4/1976	15200-00	Building & Structure (30Y)	
	227001	1 Water Pump, Tank, House Pond	5/4/1976	15010-00	Greenhouses & Systems	
	296007	1 16# Brake	5/4/1976	15400-00	Automobiles (5 Years)	
	21003	Cement	6/1/1976	15200-00	Concrete	
	21004	Labor on Add. to Greenhouse	7/2/1976	15200-00	Greenhouses & Systems	
	21005	Electrical Material - New Add.	7/15/1976	15200-00	Building Improvements	
	21008	Steel	8/5/1976	15200-00	Greenhouses 30	
	21010	Pipe	8/10/1976	15200-00	Greenhouses 30	
	21013	Steel	8/10/1976	15200-00	Greenhouses 30	
	21014	Polycork Boarding	8/10/1976	15200-00	Greenhouses 30	
	227002	Culverts	8/10/1976	15010-00	Land Improvements 30	
	296017	20 M. Gal. Fuel Tank	8/10/1976	15400-00	Small Equipment (10Y)	
	21015	4" Plastic & 400' Trenching	8/19/1976	15200-00	Greenhouses	
	21021	Mertel Gravel Material	9/15/1976	15200-00	Gravel	
	21024	Concrete	9/24/1976	15200-00	Concrete	
	21027	Pouring Concrete	10/1/1976	15200-00	Concrete/Gravel	
	21029	Nails	10/5/1976	15200-00	Greenhouses & Systems	
	21030	Steel Construction Rods	10/5/1976	15200-00	Greenhouses & Systems	
	21031	Pipe	10/14/1976	15200-00	Greenhouses & Systems	
	21032	Electric Material (Englewood)	10/20/1976	15200-00	Greenhouses & Systems	
	21033	Concrete & Labor	10/20/1976	15200-00	Concrete	
	21034	Windows	10/20/1976	15200-00	Greenhouses & Systems	
	21035	VW Plastic Greenhouse	10/20/1976	15200-00	Greenhouses & Systems	
	21036	Doors	10/25/1976	15200-00	Doors	
	21037	Lumber	11/3/1976	15200-00	Greenhouses & Systems	
	21038	Electrical Impr. (Englewood)	11/12/1976	15200-00	Building Improvements	
	21039	Eimprvment Material (Inland)	11/12/1976	15200-00	Greenhouses & Systems	
	21040	Improvements (Mid-States Ind.)	11/12/1976	15200-00	Greenhouses & Systems	
	21041	Door Track & Hangers	11/15/1976	15200-00	Doors	
	21042	Improvements (Connor Co.)	12/1/1976	15200-00	Greenhouses & Systems	
	21043	Galvanized Sheets	12/1/1976	15200-00	Greenhouses & Systems	
	21044	Electrical Impr. (Englewood)	12/13/1976	15200-00	Building Improvements	
	21045	Steel	12/14/1976	15200-00	Greenhouses & Systems	
	21046	Gearbox for Windws	12/14/1976	15200-00	Greenhouses & Systems	
	21047	Lumber	12/14/1976	15200-00	Greenhouses & Systems	
	21048	Improvements (Chicago Tube)	12/27/1976	15200-00	Greenhouses & Systems	
	21049	Glass	12/27/1976	15200-00	Greenhouses & Systems	
	21050	Fittings	12/27/1976	15200-00	Greenhouses & Systems	
	21051	Finishing Concrete	1/5/1977	15200-00	Concrete	
	21052	Improvements (Chicago Tube)	1/7/1977	15200-00	Greenhouses & Systems	
	21053	Electrical Imp. (Englewood)	1/13/1977	15200-00	Greenhouses & Systems	
	21054	Concrete Finishing	1/14/1977	15200-00	Concrete	
	21055	Concrete Finishing	1/26/1977	15200-00	Concrete	
	21056	Steel	2/2/1977	15200-00	Greenhouses 30	
	21057	Labor (hook up electricity)	2/5/1977	15200-00	Greenhouses & Systems	

* Fed - Cost/Basis have been REDACTED

21058	Electrical Impr. (Englewood)	2/10/1977	15200-00	Building Improvements	
21059	Electrical Impr. (Piedmont)	2/14/1977	15200-00	Building Improvements	
21060	Improvements (Wicks Corp.)	2/14/1977	15200-00	Greenhouses & Systems	
21061	Improvements (Monarch Ind.)	2/17/1977	15200-00	Greenhouses & Systems	
21062	Steel	3/3/1977	15200-00	Greenhouses 30	
21063	Pipe	3/10/1977	15200-00	Greenhouses & Systems	
21064	Steel	3/10/1977	15200-00	Greenhouses 30	
21065	Improvements (Chicago Tube)	3/22/1977	15200-00	Greenhouses & Systems	
21066	Electrical Impr (Englewood)	3/22/1977	15200-00	Building Improvements	
21067	Labor (Edgcomb Stel Co.)	3/28/1977	15200-00	Greenhouses & Systems	
21068	Electrical Impr. (Englewood)	3/30/1977	15200-00	Building Improvements	
21069	Steel	4/12/1977	15200-00	Greenhouses 30	
21070	Electrical Imp.(Piedmont)	4/12/1977	15200-00	Greenhouses & Systems	
21071	Improvements (Chicago Tube)	5/12/1977	15200-00	Greenhouses & Systems	
296036	WX-301 Extol Tank	6/6/1977	15400-00	Small Equipment (10Y)	
21072	Cement & Gravel (Impr. & Con.)	6/7/1977	15200-00	Concrete	
21073	Galvanized Pipe	7/21/1977	15200-00	Greenhouses & Systems	
21074	Valves	7/21/1977	15200-00	Greenhouses & Systems	
21075	New Section Greenhouse Plastic	8/2/1977	15200-00	Ghse- Plexiglas Covering 15	
21076	Tiled Outlet Behind Greenhouse	8/10/1977	15200-00	Greenhouses & Systems	
21077	Parts for New Windows	8/11/1977	15200-00	Greenhouses & Systems	
21078	Valves	8/11/1977	15200-00	Greenhouses & Systems	
21079	Steel	9/8/1977	15200-00	Greenhouses & Systems	
21080	Plastic	9/8/1977	15200-00	Greenhouses & Systems	
296040	Tubing	10/18/1977	15400-00	Greenhouse & Systems	
21081	Tube & Iron	10/19/1977	15200-00	Greenhouses & Systems	
21082	Plastic	11/2/1977	15200-00	Greenhouses & Systems	
21083	Ironwork - New Greenhouse	11/21/1977	15200-00	Greenhouses & Systems	
21084	Pmt. on New Greenhouse Mater'l	12/21/1977	15200-00	Greenhouses 30	
21085	Improvements (Len Trovero Con)	1/17/1978	15200-00	Greenhouses & Systems	
21086	Plastic	6/13/1978	15200-00	Greenhouses & Systems	
227004	Drain Ditch (Asset 7005-7009)	6/29/1978	15010-00	Land Improvements 30	
296046	Ventilation Controller	7/25/1978	15400-00	Greenhouse & Systems	
21087	Greenhouse - Concrete Mater'l	8/1/1978	15200-00	Concrete	
21088	Insulation	8/11/1978	15200-00	Greenhouses & Systems	
21089	Insulation	8/18/1978	15200-00	Greenhouses & Systems	
21090	Underground Heating System	9/12/1978	15200-00	Greenhouses & Systems	
227010	Gravel & Concrete Drainage	9/21/1978	15010-00	Land Improvements 30	
21091	Watering System - VW Plastics	10/2/1978	15200-00	Greenhouses & Systems	
296049	14 Expansion Tanks	10/2/1978	15400-00	Greenhouse & Systems	
296050	Fans	10/9/1978	15400-00	Greenhouse & Systems	
227011	Gravel & Concrete Drainage	10/10/1978	15010-00	Land Improvements 30	
21092	Pipe 2000'	10/17/1978	15200-00	Greenhouses & Systems	
21093	Insulation	11/9/1978	15200-00	Greenhouses & Systems	
21094	Greenhouse Heating System	12/26/1978	15200-00	Greenhouses & Systems	
21095	Plastic	12/26/1978	15200-00	Greenhouses & Systems	
21096	New Heating System - Connor Co	2/10/1979	15200-00	Greenhouses & Systems	
21097	New Heating System	2/20/1979	15200-00	Greenhouses & Systems	
21098	Shading Compund & Bow Inserts	3/19/1979	15200-00	Greenhouses & Systems	

* Fed - Cost/Basis have been REDACTED

227012	Yard Expansion	7/13/1979	15010-00	Land Improvements 30	
227013	Steel Fencing	9/1/1979	15010-00	Land Improvements	
227014	Flynn Drainage Products Co.	10/6/1979	15010-00	Land Improvements 30	
296062	Grundfos Pumps	11/1/1979	15400-00	Pumps (5Y)	
227015	Land Improvements	11/30/1979	15010-00	Land Improvements 30	
21099	Hagerty Steel	12/14/1979	15200-00	Greenhouses & Systems	
21101	Energy Curtain	1/5/1980	15200-00	Ghse- Energy Curtains	
21100	Conversion of Boiler to Gas	1/11/1980	15200-00	Heavy Equipment (15 Years)	
21102	Energy Curtain	2/8/1980	15200-00	Ghse- Energy Curtains	
21104	Conversion of Boiler to Gas	2/8/1980	15200-00	Heavy Equipment (15 Years)	
21105	Hagerty Steel - Energy Curtain	2/8/1980	15200-00	Ghse- Energy Curtains	
21106	Ryerson Steel - Energy Curtain	2/21/1980	15200-00	Ghse- Energy Curtains	
21103	Energy Curtain	2/23/1980	15200-00	Ghse- Energy Curtains	
21107	Hagerty Steel - Energy Curtain	3/8/1980	15200-00	Ghse- Energy Curtains	
21108	Mertel Gravel - New Benches	3/8/1980	15200-00	Gravel	
21109	V&V Noorland (Shading System)	3/8/1980	15200-00	Ghse- Energy Curtains	
21110	Unarco Rohn Energy Curtain	3/15/1980	15200-00	Ghse- Energy Curtains	
21111	V.W. Plastics	3/18/1980	15200-00	Ghse- Energy Curtains	
227016	Mertel Gravel Co. (Yard Maint)	6/10/1980	15010-00	Land Improvements 30	
21112	V.W. Plastics	6/11/1980	15200-00	Ghse- Energy Curtains	
296063	V&V Noorland Cooling System	6/18/1980	15400-00	Ghse Equip-Small 10	
227017	Mertel Gravel Co. (Yard Maint)	7/15/1980	15010-00	Land Improvements 30	
296064	V&V Noorland Cooling System	7/15/1980	15400-00	Ghse Equip-Small 10	
227018	Skoog Landscaping	7/28/1980	15010-00	Land Improvements	
21113	E.S.P. Insulation (Gutters)	8/22/1980	15200-00	Greenhouses & Systems	
227019	Mertel Gravel	8/22/1980	15010-00	Land Improvements 30	
296068	Tri-Town Electric Curtain Shad	8/26/1980	15400-00	Greenhouse & Systems	
21114	Bruno Bucholz(Urethane Gutter)	9/12/1980	15200-00	Building Improvements	
21115	Benches in Greenhouse	9/15/1980	15200-00	Greenhouses	
21116	V.W. Plastics - Energy Curtain	10/3/1980	15200-00	Ghse- Energy Curtains	
21117	Sheets of Double Plexiglass	11/13/1980	15200-00	Ghse- Plexiglas Covering 15	
227021	Ellena Const.	12/30/1980	15010-00	Land Improvements 30	
227020	Mertel Gravel (Construct Road)	3/9/1981	15010-00	Land Improvements 30	
320502	56.658 Acres Remaining		15000-00	Land	
162001	Chain Link Fence Installation	5/5/1981	15300-00	Land Improvements	
21201	Ryerson Steel Galv. Sheets	6/2/1981	15200-00	Greenhouses 30	
21202	Monsanto Plastics	6/12/1981	15200-00	Greenhouses 30	
21203	Levitt Tube & Iron (New Grnhs)	6/23/1981	15200-00	Greenhouses & Systems	
21204	Ryerson Steel (New Greenhouse)	6/26/1981	15200-00	Greenhouses 30	
21205	Continental Prod. Co.	7/1/1981	15200-00	Greenhouses & Systems	
21206	Zethoff Greenhouse Energy Curt	7/10/1981	15200-00	Ghse- Energy Curtains	
21207	Zethoff Green (Energy Curt.)	7/20/1981	15200-00	Ghse- Energy Curtains	
21208	Green Circle - Urethane Gut.	7/28/1981	15200-00	Greenhouses & Systems	
21209	Fabricating & Welding Corp.	8/21/1981	15200-00	Greenhouses & Systems	
21222	Tri-Town Electric - Wiring	9/1/1981	15200-00	Greenhouses 30	
21223	Zethoff-Energy Curtain	9/1/1981	15200-00	Ghse- Energy Curtains	
296110	W.W. Grainger - 5HP Compress	9/1/1981	15400-00	Small Equipment (10Y)	
21210	Galvanized Channels	9/8/1981	15200-00	Greenhouses & Systems	
21220	WHO KNOWS	9/10/1981	15200-00	Greenhouses 30	

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21211	Galvanized Sheets	9/12/1981	15200-00	Greenhouses & Systems	
21212	Galvanized Sheets	9/21/1981	15200-00	Greenhouses & Systems	
21213	Energy Cloth Installation	9/27/1981	15200-00	Ghse- Energy Curtains	
21214	Ryerson Steel (Structure)	10/19/1981	15200-00	Greenhouses 30	
227101	Universal Contr. (Asphalt)	10/20/1981	15010-00	Land Improvements 30	
21215	Windows, Dramex, Dripperline	11/16/1981	15200-00	Greenhouses & Systems	
21216	Mertel Gravel - Cement	12/7/1981	15200-00	Gravel	
21217	Chicago Tube & Iron	12/7/1981	15200-00	Greenhouses & Systems	
243002	Widmer's - Fire Proof Cabinet	1/6/1982	15700-00	Office Equipment	
21218	Ryerson - Gal. Steel & Iron	2/9/1982	15200-00	Greenhouses & Systems	
162002	Progress Billing on New Bldg.	2/11/1982	15300-00	Building & Structure (30Y)	
21219	Energy Cloth System (Zetho)	2/13/1982	15200-00	Ghse- Energy Curtains	
21221	New Shadin System (Zethof)	2/24/1982	15200-00	Ghse- Energy Curtains	
162003	Van Loo Door Salles-Steel Door	3/4/1982	15300-00	Doors	
162004	Heaters - Newark Florists	3/20/1982	15300-00	Building & Structure (30Y)	
296105	Potting Machine - Javo, Inc.	3/25/1982	15400-00	Small Equipment (10Y)	
296107	Electrical Foot Pedal	3/30/1982	15400-00	Ghse Equip-Small 10	
243101	Booths for Lunch Room	4/16/1982	15700-00	Office Equipment	
21306	Plastic Greenhouse	4/27/1982	15200-00	Greenhouses 30	
162101	Building	5/1/1982	15300-00	Building & Structure (30Y)	
162102	Partitions for Bathrooms	5/1/1982	15300-00	Building & Structure (30Y)	
162103	Building	5/1/1982	15300-00	Building & Structure (30Y)	
162104	Bricks, Cement, Sand	5/1/1982	15300-00	Building & Structure (30Y)	
162105	Steel Fire Doors	5/1/1982	15300-00	Doors	
162106	Progress Billing on New Bldg.	5/1/1982	15300-00	Building & Structure (30Y)	
162107	Van Loo Doors	5/1/1982	15300-00	Doors	
162108	Wagner Home Center	5/1/1982	15300-00	Building & Structure (30Y)	
162109	Ladzinski Cement	5/1/1982	15300-00	Building & Structure (30Y)	
162110	Kettman Heating	5/1/1982	15300-00	HVAC	
162111	H.B. Cabinet	5/1/1982	15300-00	Building & Structure (30Y)	
162112	Connor Co.	5/1/1982	15300-00	Building & Structure (30Y)	
162113	Imperial Builders	5/1/1982	15300-00	Building & Structure (30Y)	
162114	Tri-Town Electric	5/1/1982	15300-00	Building & Structure (30Y)	
162115	Van Loo Doors	5/1/1982	15300-00	Doors	
162116	Putnam County Tile	5/1/1982	15300-00	Building & Structure (30Y)	
162117	Chamlin & Associates	5/1/1982	15300-00	Building & Structure (30Y)	
162119	Tri-Town Electric - Mat. Labor	5/1/1982	15300-00	Building & Structure (30Y)	
162120	Imperial Builders	5/1/1982	15300-00	Building & Structure (30Y)	
162121	Mertel Gravel	5/1/1982	15300-00	Building & Structure (30Y)	
162122	P.L. Light Systems	5/1/1982	15300-00	Building & Structure (30Y)	
162123	Wagner Home Center	5/1/1982	15300-00	Building & Structure (30Y)	
162125	Ellena Constructions	5/1/1982	15300-00	Building & Structure (30Y)	
162126	Billy Hall Masonry (Firewall)	5/1/1982	15300-00	Building & Structure (30Y)	
162127	Van Loo Doors	5/1/1982	15300-00	Doors	
162128	Ellena Construction	5/1/1982	15300-00	Building & Structure (30Y)	
162129	F.X. Newmann- Concrete Blocks	5/1/1982	15300-00	Building & Structure (30Y)	
162130	Hall Masonry - Labor for Block	5/1/1982	15300-00	Building & Structure (30Y)	
162131	Hall Masonry	5/1/1982	15300-00	Building & Structure (30Y)	
162132	Wagner Home Center	5/1/1982	15300-00	Building & Structure (30Y)	

162133	Newmann & Sons	5/1/1982	15300-00	Building & Structure (30Y)	
162134	Burns Glass Co. - Glass Office	5/1/1982	15300-00	Building & Structure (30Y)	
162135	Wagner Home Center	5/1/1982	15300-00	Building & Structure (30Y)	
162136	Ladzinski Cement - Concrete	5/1/1982	15300-00	Building & Structure (30Y)	
162137	F. Newmann - Cement Block	5/1/1982	15300-00	Building & Structure (30Y)	
162138	Imperial Builders	5/1/1982	15300-00	Building & Structure (30Y)	
162139	Hall Masonry Co. - Labor	5/1/1982	15300-00	Building & Structure (30Y)	
162140	F. Newmann & Sons - Cement	5/1/1982	15300-00	Building & Structure (30Y)	
162141	Hall Masonry - Labor Block	5/1/1982	15300-00	Building & Structure (30Y)	
162142	Englewood Electric	5/1/1982	15300-00	Building & Structure (30Y)	
162143	Wagner Home Center	5/1/1982	15300-00	Building & Structure (30Y)	
162144	Imperial Builders	5/1/1982	15300-00	Building & Structure (30Y)	
162146	Adams Door Co. - Fire Door	5/1/1982	15300-00	Doors	
162147	Kettman, Heating & Air	5/1/1982	15300-00	HVAC	
162148	Mertel Gravel - Cement Found.	5/1/1982	15300-00	Building & Structure (30Y)	
162149	Wagner Home Center - Mat.	5/1/1982	15300-00	Building & Structure (30Y)	
162150	Wagner Home Center - Mat.	5/1/1982	15300-00	Building & Structure (30Y)	
162151	Kettman Heating & Air	5/1/1982	15300-00	HVAC	
162152	Wagner Home Center	5/1/1982	15300-00	Building & Structure (30Y)	
162153	Tri Town Electric	5/1/1982	15300-00	Building & Structure (30Y)	
162155	Universal Contractors #11974	5/1/1982	15300-00	Building & Structure (30Y)	
243103	Sun Ray Fixture - Booths Table	6/7/1982	15700-00	Office Equipment	
296203	Bouldin & Lawsin	6/7/1982	15400-00	Ghse Equip-Small 10	
296204	W.W. Granger, Inc.	6/7/1982	15400-00	Ghse Equip-Small 10	
296205	V.W. PGC Shelves, Poting, etc	6/7/1982	15400-00	Ghse Equip-Small 10	
227201	Smiley Funfsinn - Pond Work	8/23/1982	15010-00	Land Improvements 30	
21301	Plastic Greenhouses	8/30/1982	15200-00	Greenhouses 30	
21302	V.V. Noorland - Greenhouses	9/22/1982	15200-00	Greenhouses 30	
296207	VW PDG Galv. Metal Hose, etc.	10/26/1982	15400-00	Ghse Equip-Small 10	
296212	Old Mill Co. - Seeder	11/1/1982	15400-00	Small Equipment (10Y)	
296213	Old Mill Co. - Seeder Parts	12/22/1982	15400-00	Ghse Equip-Small 10	
296210	Smiley Funfsinn - Work on Dam	1/6/1983	15400-00	Land Improvements 30	
285103	Ryerson Steel	1/12/1983	15600-00	Ghse Equip-Small 10	
21303	Tri-Twon Electric - Mat. Labor	1/24/1983	15200-00	Greenhouses 30	
296216	Old Mill Co.	2/22/1983	15400-00	Ghse Equip-Small 10	
162154	Tri Town - Material & Labor	3/1/1983	15300-00	Misc Bldg Impv 15	
21304	Ryerson Steel (#13289)	3/9/1983	15200-00	Greenhouses & Systems	
296219	Aluminum Dist.	3/21/1983	15400-00	Ghse Equip-Small 10	
296220	Bouldin & Lawson	3/21/1983	15400-00	Ghse Equip-Small 10	
296218	Growers Equip. - Sprayer	3/30/1983	15400-00	Growing	
296221	V&V Noordland - Burners	3/31/1983	15400-00	Ghse Equip-Small 10	
296303	Motorola-Walkie-Talkies #13366	4/3/1983	15400-00	Small Equipment (10Y)	
21421	Mertel's Gravel Sidewalk	4/11/1983	15200-00	Gravel	
21422	Mertel'S Gravel Sidewalks	4/25/1983	15200-00	Gravel	
21424	Labor on Greenhouse 6/83-2/84)	6/1/1983	15200-00	Greenhouses & Systems	
21401	V.W. Plastics - #13458	6/14/1983	15200-00	Ghse- Energy Curtains	
21403	Vaughn-Jacklin (Shade Cloth)	6/21/1983	15200-00	Ghse- Energy Curtains	
162201	Imperial Builders	6/27/1983	15300-00	Misc Bldg Impv 15	
21402	Smiley Funfsinn - Grading	6/28/1983	15200-00	Greenhouses 30	

21404	D.S. Plastics _ #13492	7/5/1983	15200-00	Ghse- Energy Curtains	
162202	Van Loo Door Sales	7/11/1983	15300-00	Doors	
21405	Mertel Gravel - #573	7/19/1983	15200-00	Gravel	
162203	Henry Clark-Carpentry #13526	8/1/1983	15300-00	Misc Bldg Impv 15	
162209	Ron Moreno-Carpentry #13527	8/1/1983	15300-00	Misc Bldg Impv 15	
162215	Wagner Home Center #651	8/2/1983	15300-00	Misc Bldg Impv 15	
21406	Mertel Gravel #628	8/2/1983	15200-00	Gravel	
227302	Thomas Graceffa #13529	8/2/1983	15010-00	Land Improvements 30	
21410	Chicago Tube & Iron - Steel	8/3/1983	15200-00	Greenhouses & Systems	
296310	Paul Phillips #13533	8/3/1983	15400-00	Greenhouse & Systems	
296311	Robert Gray #13538	8/3/1983	15400-00	Greenhouse & Systems	
21409	Funfsinn-Grading Rpr. #13543	8/6/1983	15200-00	Land Improvements	
162204	Henry Clark-Carpentry #13545	8/8/1983	15300-00	Misc Bldg Impv 15	
162210	Ron Moreno-Carpentry #13546	8/8/1983	15300-00	Misc Bldg Impv 15	
162205	Henry Clark-Carpentry #13555	8/15/1983	15300-00	Misc Bldg Impv 15	
162211	Ron Moreno-Carpentry #13556	8/16/1983	15300-00	Misc Bldg Impv 15	
21407	Mertel Gravel #677	8/16/1983	15200-00	Gravel	
21408	Mertel Gravel #726	8/16/1983	15200-00	Gravel	
296308	VanWingerden Plastic #690	8/16/1983	15400-00	Greenhouse & Systems	
296309	John's Air Conditioning #673	8/16/1983	15400-00	Greenhouse & Systems	
296312	M. Adams Equipment #13560	8/18/1983	15400-00	Ghse Equip-Small 10	
162206	Henry Clark-Carpentry #13566	8/22/1983	15300-00	Misc Bldg Impv 15	
162212	Ron Moreno-Carpentry #13567	8/22/1983	15300-00	Misc Bldg Impv 15	
162207	Henry Clark-Carpentry #13576	8/29/1983	15300-00	Misc Bldg Impv 15	
162213	Ron Moreno-Carpentry #13577	8/29/1983	15300-00	Misc Bldg Impv 15	
162208	Henry Clark-Carpentry #13583	8/30/1983	15300-00	Misc Bldg Impv 15	
162214	Ron Moreno-Carpentry #135	8/30/1983	15300-00	Misc Bldg Impv 15	
227301	Terando Brothers #733	8/30/1983	15010-00	Land Improvements 30	
162216	Wagner Home Center #13600	9/10/1983	15300-00	Misc Bldg Impv 15	
21412	Mertel Gravel #13627	9/13/1983	15200-00	Gravel	
21413	Zellmer Truck Lines	9/13/1983	15200-00	Greenhouses 30	
21411	Mertel Gravel #840	9/27/1983	15200-00	Gravel	
21415	Universal	10/11/1983	15200-00	Greenhouses 30	
296313	Robert Gray- Cooler Doors	10/11/1983	15400-00	Doors	
296314	Kettman - Coolers for Bulbs	10/11/1983	15400-00	Ghse Equip-Small 10	
296315	Eidson Pipe & Tubing (Tables)	10/11/1983	15400-00	Growing	
21414	VW Plastic - New Greenhouse	10/25/1983	15200-00	Greenhouses & Systems	
296316	VW Plastics - Weld New Tables	10/26/1983	15400-00	Growing	
21418	CK#1000 - Mertel Gravel	11/8/1983	15200-00	Land Improvements	
21420	CK#971 - Connor Co. (Pipe)	11/8/1983	15200-00	Greenhouses	
227303	Underground Spr. #13750	11/8/1983	15010-00	Land Improvements	
21416	CK#13768 Price Heating (Pipe)	11/12/1983	15200-00	Greenhouses & Systems	
162217	CK#13771 - Ed Moreno (Carpet)	11/14/1983	15300-00	Misc Bldg Impv 15	
227304	Harding (Elec Pole) #13785	11/14/1983	15010-00	Land Improvements	
21417	CK#13778 Universal - Asphalt	11/18/1983	15200-00	Driveway Repairs	
21419	CK#1078 VW Plastics	11/22/1983	15200-00	Ghse- Energy Curtains	
296317	Bouldin & Lawson Seeder #1088	12/6/1983	15400-00	Small Equipment (10Y)	
296319	R.V. Evans - Tape Mach. #1102	12/6/1983	15400-00	Small Equipment (10Y)	

296328	E.Coast Grower #1451 Watering	12/14/1983	15400-00	Growing	
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296320	Blackmore Transplanter #1160	12/20/1983	15400-00	Ghse Equip-Small 10	
296321	Javo/Planting Machine #13833	12/30/1983	15400-00	Ghse Equip-Small 10	
296322	Bouldin Lawson Seeder #1218	1/3/1984	15400-00	Small Equipment (10Y)	
21423	Neuman Concrete Block #1310	1/17/1984	15200-00	Greenhouses 30	
296324	B.F.G. Supply 2 Seeders #1269	1/17/1984	15400-00	Ghse Equip-Small 10	
296325	Blackmore Trucking #121	1/17/1984	15400-00	Ghse Equip-Small 10	
296326	Evans RV Tracking Machine#1285	1/17/1984	15400-00	Ghse Equip-Small 10	
21425	Green Circle Growers Greenhse	2/1/1984	15200-00	Greenhouses & Systems	
296331	Norland Comp Gh-13943	3/1/1984	15400-00	Ghse Equip-Large 15	
21427	Tri Town Electric - Various	3/9/1984	15200-00	Greenhouses 30	
296329	Bouldin & Lawson - 1526	3/13/1984	15400-00	Ghse Equip-Small 10	
21426	Sidewalks-CK# 1531,1571,1644	3/15/1984	15200-00	Greenhouses 30	
21431	Kettman Heating & Air #1697	4/1/1984	15200-00	Greenhouses & Systems	
296337	Wiese Planning Forklift #1721	4/27/1984	15400-00	Forklift/Tugger/Scissorlift (10Y)	
296336	3 Motorola Radios	4/30/1984	15400-00	Small Equipment (10Y)	
21433	Tri-Town Electric #14050	5/1/1984	15200-00	Greenhouses & Systems	
21432	Ladzinski Cement #1767	5/8/1984	15200-00	Concrete	
296339	Allied-Conveyor #1807-8;117404	5/22/1984	15400-00	Ghse Equip-Small 10	
21435	Vaughn-Jacklin Shade Curt#2046	7/3/1984	15200-00	Ghse- Energy Curtains	
296341	VW Plastic Elec&Push Cart#2045	7/3/1984	15400-00	Small Equipment (10Y)	
21434	VW Plastic #2163	7/10/1984	15200-00	Ghse- Plexiglas Covering 15	
243212	Complete Ind. Lockers #2058	7/17/1984	15700-00	Office Equipment	
285213	Ryerson Ck#2278	9/5/1984	15600-00	Ghse Equip-Small 10	
21436	Cement CK#13200	9/11/1984	15200-00	Concrete	
21440	Concrete CK#2465	10/1/1984	15200-00	Concrete	
21441	Asphalt CK#14284	10/1/1984	15200-00	Driveway Repairs	
296347	4 Cargo Heaters Ck#2512	10/1/1984	15400-00	Small Equipment (10Y)	
296346	5 Mechanical Dock Boards	10/23/1984	15400-00	Small Equipment (10Y)	
285214	4 Suspended Basket Systems	11/20/1984	15600-00	Ghse Equip-Small 10	
296349	Auto Media Filter 30' Tank	11/20/1984	15400-00	Small Equipment (10Y)	
21442	Parts Shadin System	12/4/1984	15200-00	Ghse- Energy Curtains	
296352	Generator Casing	12/4/1984	15400-00	Generator	
296353	Conveyor Rollers Ck#14418	12/19/1984	15400-00	Small Equipment (10Y)	
179001	DC Builders #14115	1/1/1985	15300-00	Building & Structure (30Y)	
179002	Universal Cont Blacktop #2160	1/1/1985	15300-00	Building & Structure (30Y)	
179003	DC Builders	1/1/1985	15300-00	Building & Structure (30Y)	
179004	Ck2250 2371 2331 14273 2290	1/1/1985	15300-00	Building & Structure (30Y)	
179005	DC Building Systems Ck#14380	1/1/1985	15300-00	Building & Structure (30Y)	
179007	DC Build Systems Ck#14381	1/1/1985	15300-00	Building & Structure (30Y)	
179008	DC Build Systems Ck 2738	1/1/1985	15300-00	Building & Structure (30Y)	
179009	Vanloo Door Sales Ck14400	1/1/1985	15300-00	Doors	
21443	Tri-Town Electric CK 14460	1/8/1985	15200-00	Greenhouses & Systems	
227307	Landscaping CK#2965	1/29/1985	15010-00	Land Improvements	
179010	Thompson Construct. Ck#14528	1/30/1985	15300-00	Building & Structure (30Y)	
299011	Lighting PI Systems C#14550	2/13/1985	15400-00	Growing	
299017	Add'l Const. Universal Cont.	2/13/1985	15400-00	Small Equipment (10Y)	

296355	Potting Machines CK#291600	2/19/1985	15400-00	Small Equipment (10Y)	
179016	Add'l Const. Thompson Construc	4/10/1985	15300-00	Building & Structure (30Y)	
296362	Fertilizer Mixer	5/7/1985	15400-00	Small Equipment (10Y)	

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227311	Parking Lot	5/21/1985	15010-00	Land Improvements 30	
296365	Potting Machine CK# 14815	7/9/1985	15400-00	Small Equipment (10Y)	
296368	Containers CK#14872	7/12/1985	15400-00	Small Equipment (10Y)	
227312	South Parking Lot	7/18/1985	15010-00	Land Improvements 30	
296363	Watering Systems - Wetterings	7/23/1985	15400-00	Ghse Equip-Small 10	
285217	Int'l 284 D Tract w/60" Mower	7/30/1985	15600-00	Small Equipment (10Y)	
179019	Loading Dock & Other Imp 14884	8/8/1985	15300-00	Small Equipment (10Y)	
296371	Trash Compactor CK#3898	8/27/1985	15400-00	Small Equipment (10Y)	
243217	Fireproof Fire Cabinet Ck14949	9/14/1985	15700-00	Office Equipment	
179020	Doors (Ck 4045)	9/24/1985	15300-00	Doors	
296376	Table System	1/2/1986	15400-00	Ghse Equip-Large 15	
21447	Bricklay @ Fertilizer	1/31/1986	15200-00	Growing	
299023	Joseph T. Ryerson & Sons	3/4/1986	15400-00	Ghse Equip-Large 15	
296380	Shade Cloths	3/11/1986	15400-00	Ghse- Energy Curtains 10	
299021	C&C Electric	3/15/1986	15400-00	Misc Bldg Impv 15	
243218	File Cabinet - Ck#15254	3/17/1986	15700-00	Office Equipment	
179024	Thompson Construction	3/18/1986	15300-00	Misc Bldg Impv 15	
296379	Conveyors	3/25/1986	15400-00	Ghse Equip-Small 10	
299022	P.L. Light System	3/25/1986	15400-00	Ghse Equip-Small 10	
179026	Gro-Lights	4/8/1986	15300-00	Growing	
179027	Tile - Szotts	4/8/1986	15300-00	Misc Bldg Impv 15	
296387	Expansion Tank	4/8/1986	15400-00	Greenhouse & Systems	
21451	Shading Cloth Replacement	4/11/1986	15200-00	Ghse- Energy Curtains	
179028	Labor & Mat.-Thompson Construc	4/18/1986	15300-00	Misc Bldg Impv 15	
227316	Trees and Shrubs	4/22/1986	15010-00	Land Improvements	
296386	3 - Gas Pumps	4/22/1986	15400-00	Pumps (5Y)	
179029	Thompson Constr. ch#15323	4/24/1986	15300-00	Misc Bldg Impv 15	
179030	Labor & Materials-C&C Electric	5/6/1986	15300-00	Misc Bldg Impv 15	
179031	Carpet - Szotts	5/6/1986	15300-00	Building & Sturcture Improvement (15 Years)	
21452	Concrete Floor	5/6/1986	15200-00	Concrete	
21453	Shade Cloth Repair	5/17/1986	15200-00	Ghse- Energy Curtains	
179032	Flooring - Szotts	5/20/1986	15300-00	Building & Sturcture Improvement (15 Years)	
243222	Booths for Cafeteria	5/20/1986	15700-00	Office Equipment	
296391	Pressure Washer	6/2/1986	15400-00	Other Equip-Small	
179033	Thompson Construction	6/5/1986	15300-00	Misc Bldg Impv 15	
179034	Asphalt - Universal Cont.	7/1/1986	15300-00	Driveway Repairs	
21454	Addition to Greenhouse	7/1/1986	15200-00	Greenhouses	
296392	Compressor	7/1/1986	15400-00	Small Equipment (10Y)	
243223	Cabinets for Cafeteria	8/26/1986	15700-00	Office Equipment	
296393	Fertilizer Injector-Dosatron	8/26/1986	15400-00	Pumps (5Y)	
296395	Potting Machine - Bouldin&Laws	9/4/1986	15400-00	Small Equipment (10Y)	
296394	3 Battery Chargers	9/9/1986	15400-00	Small Equipment (10Y)	
296397	Roller Conveyors - VW Plastic	9/9/1986	15400-00	Ghse Equip-Large 15	
21457	Greenhouse Addit.-Thompson	9/15/1986	15200-00	Greenhouses & Systems	
21456	Greenhouse Addit.-Mertel	9/23/1986	15200-00	Greenhouses & Systems	
296396	Table System - VW Plastic	9/23/1986	15400-00	Growing	
21458	Greenhouse Addit.-Thompson C	10/3/1986	15200-00	Greenhouses & Systems	

21460	Sshading Cloth Repair-Zethof	10/7/1986	15200-00	Greenhouses & Systems	
296389	Echos Equipment in Grmhse.	10/7/1986	15400-00	Ghse Systems-Primary 30	

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21461	Greenhouse Addn. - Mertel Grav	11/4/1986	15200-00	Land Improvements	
21462	Electrical,Heating & A/Dond	12/15/1986	15200-00	Building Improvements	
243225	Steel Cabinet	12/16/1986	15700-00	Office Equipment	
162222	New Furnace	1/27/1987	15300-00	HVAC	
296398	Seeder	1/27/1987	15400-00	Small Equipment (10Y)	
162221	Remodeling	1/28/1987	15300-00	Misc Bldg Impv 15	
162224	Remodeling (Offices) Wagners	3/10/1987	15300-00	Misc Bldg Impv 15	
296402	1/3 Taper - RV Evans	3/13/1987	15400-00	Other Equip-Small	
162223	Furn/Air-Cond.-Kettman	3/20/1987	15300-00	HVAC	
296404	Tables - VW Plastic	3/27/1987	15400-00	Growing	
179035	Bldg. Materials - Wickes	3/30/1987	15300-00	Building & Structure (30Y)	
296407	1/3 Taper-Final Pay Asset#6402	4/13/1987	15400-00	Greenhouses & Systems	
296409	Galv. Steel Links-For BLdg TBL	7/1/1987	15400-00	Ghse Equip-Large 15	
179037	Finishing Work - Thompson Cons	7/28/1987	15300-00	Building & Structure (30Y)	
296408	900 Aluminum Tables	7/31/1987	15400-00	Ghse Equip-Large 15	
189505	Labor-Lay Block (K-Becker Magr	8/3/1987	15300-00	Building & Structure (30Y)	
189504	Concrete Blocks-VW Enterpr.	8/5/1987	15300-00	Concrete	
189503	Castner Steel Buildings	8/7/1987	15300-00	Building & Structure (30Y)	
296416	VW Plastic	8/7/1987	15400-00	Ghse- Plastic Film Covering 05	
296412	900 Aluminum Tables	8/13/1987	15400-00	Ghse Equip-Large 15	
189506	Concrete Products	8/18/1987	15300-00	Concrete	
189502	Castner Steel Buildings	8/24/1987	15300-00	Building & Structure (30Y)	
189507	Castner Steel Buildings	9/21/1987	15300-00	Building & Structure (30Y)	
296415	Cooler (Kettman)	9/21/1987	15400-00	Ghse Equip-Large 15	
299025	3 Cargo Heaters	10/12/1987	15400-00	Small Equipment (10Y)	
299024	Table System Equipment	10/26/1987	15400-00	Growing	
299026	Roller Tables (New Greenhouse)	11/10/1987	15400-00	Ghse Equip-Large 15	
299027	Cooler (VW., Inc.)	11/13/1987	15400-00	Ghse Equip-Large 15	
189509	Castner Steel Builders	12/1/1987	15300-00	Building & Structure (30Y)	
189510	Castner Steel Builders	12/1/1987	15300-00	Building & Structure (30Y)	
299031	Controls & Switches-Echoes sys	12/7/1987	15400-00	Ghse Equip-Small 10	
189512	Thompson (OVH door & docks)	12/11/1987	15300-00	Heavy Equipment (15Y)	
299030	Cooler Floor (Thompson Const)	12/11/1987	15400-00	Ghse Equip-Large 15	
189508	Castner Steel Builders	12/28/1987	15300-00	Building & Structure (30Y)	
189511	Castner (Overh dr frame; insul	12/28/1987	15300-00	Building & Structure (30Y)	
299028	Materials for Tables	12/31/1987	15400-00	Ghse Equip-Large 15	
189513	V.W. Plastic (3/4" Blue pipe)	1/11/1988	15300-00	Building & Structure (30Y)	
189514	Zellmer - 1358 tons sand	1/11/1988	15300-00	Building & Structure (30Y)	
299033	Self-Leveling Base	1/25/1988	15400-00	Small Equipment (10Y)	
299036	Equip.-East Coast Designs I	2/1/1988	15400-00	Small Equipment (10Y)	
189515	Thompson Construction	2/8/1988	15300-00	Building & Structure (30Y)	
189516	Castner Steel Bldrs.	2/8/1988	15300-00	Building & Structure (30Y)	
299038	Pipe - Magnum Pipe Co.	2/22/1988	15400-00	Ghse Equip-Large 15	
299034	Bouldin & Lawson (Convey,Mtrs)	2/29/1988	15400-00	Ghse Equip-Large 15	
299035	Oil Heater - Grainger	2/29/1988	15400-00	Small Equipment (10Y)	
299037	Pipe for Movable Tables	2/29/1988	15400-00	Ghse Equip-Large 15	

299040	10 Hot Water Unit Heaters	3/7/1988	15400-00	Other Equip-Small	
299041	Boom Watering System (East Coa	3/10/1988	15400-00	Booms	
61005	Ossola	3/10/1988	15200-00	Greenhouses 30	

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61107	Concrete Products	3/10/1988	15200-00	Concrete	
61109	Ossola	3/10/1988	15200-00	Greenhouses 30	
189517	Castner Steel Bldrs.	3/14/1988	15300-00	Other Buildings 30	
299048	Shipping System	4/13/1988	15400-00	Heavy Equipment (15Y)	
299049	Cooler - Tri-Town Electric	4/13/1988	15400-00	Ghse Equip-Large 15	
299050	Cooler - Kettman	4/15/1988	15400-00	Ghse Equip-Small 10	
299051	Cooler - Tri-Town Electric	4/15/1988	15400-00	Ghse Equip-Small 10	
258118	Priva Universal Comp.(Rec clim	4/25/1988	15700-00	Computer Hardware	
299052	Labor on Ship. Syst Fr grmhs	4/29/1988	15400-00	Greenhouses & Systems	
299053	Fuel Tank	4/30/1988	15400-00	Small Equipment (10Y)	
299056	Refrigered Air Dryer	5/23/1988	15400-00	Small Equipment (10Y)	
299057	24 Fans for new greenhouse	5/23/1988	15400-00	Ghse Equip-Small	
299058	Concrete for outside tbl syst.	5/23/1988	15400-00	Concrete	
299059	Elect. Tbls for Gl's grmh	5/31/1988	15400-00	Ghse Equip-Large 15	
299060	11,600 Gal. Tank	5/31/1988	15400-00	Small Equipment (10Y)	
299062	10 - 1/4 HP Motors for Echos	6/2/1988	15400-00	Greenhouses & Systems	
285227	Albrecht Well Drill.(tankset)	6/13/1988	15600-00	Greenhouse & Systems	
299063	Spray Car	6/13/1988	15400-00	Ghse Equip-Small 10	
189521	Thompson Construction	6/21/1988	15300-00	Other Buildings 30	
299064	Table System - Addtl.	7/25/1988	15400-00	Ghse Equip-Large 15	
299065	Cooler - Electrical work	8/1/1988	15400-00	Small Equipment (10Y)	
299066	8-Roller Convey.sec.& stl gtrs	8/1/1988	15400-00	Ghse Equip-Large 15	
299067	Steelposts	8/10/1988	15400-00	Greenhouses	
299068	Galv. Steel Pipe (TBL Syst)	8/16/1988	15400-00	Greenhouses	
299069	1,000 Aluminum tables	9/6/1988	15400-00	Growing	
299070	5,000 Liter Expansion Tank	9/6/1988	15400-00	Small Equipment (10Y)	
299071	2 Boilers w/blending pumps	9/6/1988	15400-00	Ghse Systems-Secnd 15	
299072	46 echos syst. & 8 booms-part.	9/14/1988	15400-00	Booms	
21466	New Heating System - Greenhse.	9/19/1988	15200-00	Greenhouses & Systems	
258119	Priva - hook-up new greenhs	9/19/1988	15700-00	Computer Hardware	
299074	Frt for hauling sand-boiler rm	10/3/1988	15400-00	Heavy Equipment (15 Years)	
299077	Pipe for table system	10/18/1988	15400-00	Growing	
227318	Pipes for culvert - new pond	10/24/1988	15010-00	Land Improvements 30	
258120	Priva wiring	10/24/1988	15700-00	Computer Hardware	
299073	Boiler Room	10/24/1988	15400-00	Heavy Equipment (15 Years)	
299075	Concrete for boiler room	10/24/1988	15400-00	Concrete	
299076	Conveyer (incl. install)	10/24/1988	15400-00	Small Equipment (10Y)	
21465	Heating Syst. Labor-C House	10/31/1988	15200-00	Greenhouses & Systems	
299078	Gravel for boiler room	11/7/1988	15400-00	Misc Bldg Impv 15	
21468	Welding for Heating System	11/14/1988	15200-00	Greenhouses & Systems	
299079	12'x14' door for boiler room	11/14/1988	15400-00	Doors	
299083	Bouch Concrete Breaker	11/14/1988	15400-00	Small Equipment (10Y)	
299080	Boiler room construction	11/18/1988	15400-00	Misc Bldg Impv 15	
258121	Wiring for Priva	11/28/1988	15700-00	Computer Hardware	
21467	Heating System C-House	11/29/1988	15200-00	Greenhouses & Systems	
21472	Heating Syst. Labor - C-House	12/1/1988	15200-00	Greenhouses & Systems	
21473	Heating Syst. - C-House	12/1/1988	15200-00	Greenhouses & Systems	
21474	Heating Syst. Labor - C-House	12/1/1988	15200-00	Greenhouses & Systems	

299093	Boiler Stacks	12/1/1988	15400-00	Heavy Equipment (15 Years)	
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299084	Labor-Welding Tables-C House	12/5/1988	15400-00	Growing	
299088	Boiler Rm.-Cont. Construct.	12/6/1988	15400-00	Heavy Equipment (15 Years)	
21469	Heating Syst. Parts - C-House	12/12/1988	15200-00	Greenhouses & Systems	
21470	Heating Syst. Labor - C-House	12/12/1988	15200-00	Greenhouses & Systems	
227319	Labor on New Pond	12/12/1988	15010-00	Land Improvements 30	
299085	Case Sealer	12/12/1988	15400-00	Small Equipment (10Y)	
21471	Pipe Covering - Heating Syst.	12/20/1988	15200-00	Greenhouses & Systems	
299086	Boiler Rm-Sm Stacks-Steel&Lab	12/27/1988	15400-00	Ghse Systems-Secnd 15	
299087	Hook-up new boilers	12/27/1988	15400-00	Heavy Equipment (15 Years)	
299090	Generator	1/3/1989	15400-00	Generator	
299089	Bale Mover	1/9/1989	15400-00	Ghse Equip-Small 10	
299094	Printer Head-Pkkg Machine	1/9/1989	15400-00	Computer Hardware	
227320	New Pond - Equip. Rental	1/16/1989	15010-00	Land Improvements 30	
299091	480 Pcs. Welding Stl - Tables	1/16/1989	15400-00	Growing	
299092	Labor for Welding Tables	1/16/1989	15400-00	Ghse Equip-Large 15	
227321	New Pond - Pipe & Labor	1/23/1989	15010-00	Land Improvements 30	
299095	20 1/2' Tubing for Tables	1/30/1989	15400-00	Growing	
299096	2 Plub Dislodgers	2/8/1989	15400-00	Greenhouses & Systems	
299097	Wiring for Boiler Room	3/6/1989	15400-00	Heavy Equipment (15 Years)	
299099	Bal - Watering Syst./Echo Sys	3/7/1989	15400-00	Ghse Systems-Secnd 15	
299101	VW Plastic	4/3/1989	15400-00	Ghse- Plastic Film Covering	
258124	Priva comp. wiring	5/22/1989	15700-00	Computer Hardware	
243244	TV/VCR Combination	7/18/1989	15700-00	Office Equipment	
299107	3 H.P. Aerator	7/31/1989	15400-00	Greenhouses & Systems	
299109	10 H.P. Motor (Rejacket)	8/7/1989	15400-00	Other Equip-Small	
299108	24 Fans for Greenhouse	8/24/1989	15400-00	Ghse Equip-Small	
299110	Roller Conveyor w/Air Cylinder	9/5/1989	15400-00	Ghse Equip-Large 15	
21476	Wiring for Priva	9/25/1989	15200-00	Greenhouses & Systems	
299106	Reverse Osmosis System	9/25/1989	15400-00	Ghse Equip-Large 15	
299111	Ultraviolet Light (Water)	9/25/1989	15400-00	Small Equipment (10Y)	
299116	Labeling Machine (MPI Label Sy	10/2/1989	15400-00	Ghse Equip-Large 15	
227323	Retention Wall for New Pond	10/16/1989	15010-00	Land Improvements 30	
299115	Packaging Machine (Mdl RM32A)	10/16/1989	15400-00	Small Equipment (10Y)	
299117	Chemical Sprayer (Embar)	10/26/1989	15400-00	Growing	
299119	Labeling System (Zebra 130)	11/6/1989	15400-00	Small Equipment (10Y)	
299121	Addition to Potting Machine	11/20/1989	15400-00	Ghse Equip-Small 10	
299118	Flat & Pot Filling System	11/27/1989	15400-00	Ghse Equip-Large 15	
21478	C-House Fire Replacement	12/1/1989	15200-00	Greenhouses & Systems	
21479	C-House Fire Repl.-Echos,Tabls	12/1/1989	15200-00	Growing	
299122	Table System	1/15/1990	15400-00	Growing	
299123	Dock Board (for easier loading	2/19/1990	15400-00	Small Equipment (10Y)	
299124	Employee Lockers (for Maint.Dp	2/26/1990	15400-00	Small Equipment (10Y)	
299126	Wheels for New Table System	2/26/1990	15400-00	Growing	
162226	Air Conditioning (New Offices)	2/27/1990	15300-00	HVAC	
299127	Paging System	2/27/1990	15400-00	Small Equipment (10Y)	
162227	Office Construction	3/5/1990	15300-00	Misc Bldg Impv 15	
162230	Office Construction	3/7/1990	15300-00	Misc Bldg Impv 15	
162228	Office Construction	3/20/1990	15300-00	Misc Bldg Impv 15	

162231	Carpet for Nick's Office	3/20/1990	15300-00	Building & Sturcture Improvement (15 Years)
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162229	Office Construction	3/26/1990	15300-00	Misc Bldg Impv 15
299128	Addition to Label System	3/29/1990	15400-00	Small Equipment (10Y)
21504	Fire Repair - Computer	3/31/1990	15200-00	Computer Hardware
162234	New Office Constr	4/5/1990	15300-00	Misc Bldg Impv 15
299130	Pipe for New Tables (Go-around	4/9/1990	15400-00	Growing
162233	New Offices	4/23/1990	15300-00	Misc Bldg Impv 15
21501	Fire Repair - Electrical	4/23/1990	15200-00	Building Improvements
299132	100 Roller Stop Sets for R.Bon	4/24/1990	15400-00	Small Equipment (10Y)
299133	R & D Metro Planter	4/26/1990	15400-00	Small Equipment (10Y)
299136	Concrete Forms	5/3/1990	15400-00	Concrete
162236	Carpeting & Tile - New Offices	5/8/1990	15300-00	Building & Sturcture Improvement (15 Years)
21502	Fire Repair - Electrical	5/14/1990	15200-00	Building Improvements
162235	New Office Construct.	5/29/1990	15300-00	Misc Bldg Impv 15
274376	1982 White Dump Truck	6/2/1990	15500-00	Automobiles (5 Years)
21503	Fire Repair - Electrical	6/18/1990	15200-00	Building Improvements
299137	Precision Drum Seeder (Mdl 180	6/25/1990	15400-00	Ghse Equip-Large 15
299138	4 Mohawk Boilers	6/25/1990	15400-00	Heavy Equipment (15 Years)
299140	12 Pumps for New Boilers	6/25/1990	15400-00	Pumps (5Y)
162237	NEW OFFICE CONSTRUCTION	7/9/1990	15300-00	Misc Bldg Impv 15
162238	Brick Front of Office Building	7/9/1990	15300-00	Misc Bldg Impv 15
162239	Concrete Front - Office	7/9/1990	15300-00	Misc Bldg Impv 15
299141	UPDATING SEEDER	7/9/1990	15400-00	Small Equipment (10Y)
299142	UP,PARTS,LABOR NEW BOILER HOOK	7/9/1990	15400-00	Heavy Equipment (15 Years)
162240	Concrete - Labor Front Office	7/16/1990	15300-00	Concrete
299143	STACKS FOR BOILERS 1/3 PAY	7/20/1990	15400-00	Heavy Equipment (15 Years)
162241	Tiling for Bathrooms in Barn	7/23/1990	15300-00	Misc Bldg Impv 15
21505	Fire Replacement	7/23/1990	15200-00	Building Improvements
299144	HOUS CHAMBERS FOR NEW TABLES B	7/23/1990	15400-00	Growing
243254	OFF FILING CABINETS FOR DAWN'S	7/30/1990	15700-00	Office Equipment
162242	Office Construction	8/6/1990	15300-00	Misc Bldg Impv 15
299146	RM CONCRETE WORK FOR E. BOILER	8/16/1990	15400-00	Heavy Equipment (15 Years)
299147	LABOR & MATLS BOILER HOOK UP	8/16/1990	15400-00	Ghse Systems-Secnd 15
299148	PARTS FOR PARTITIONS	8/16/1990	15400-00	Small Equipment (10Y)
299149	HOOK ELECTRICAL WORK - BOILER	8/16/1990	15400-00	Heavy Equipment (15 Years)
299150	ACME FAN FOR GREENHOUSE	8/16/1990	15400-00	Ghse Equip-Small 10
162243	LABOR FOR BRICKING BUILDING	8/20/1990	15300-00	Misc Bldg Impv 15
21506	Fire Replacement	8/20/1990	15200-00	Driveway Repairs
299145	NEW TABLE FOR B-HOUSE	8/20/1990	15400-00	Ghse Equip-Large 15
21507	18 x 10 Door	9/1/1990	15200-00	Doors

162244	OFFICE CONSTRUCTION	9/4/1990	15300-00	Misc Bldg Impv 15	
162246	CONCRETE & LABOR FOR FRONT	9/4/1990	15300-00	Concrete	
299152	SPRAYER - HOTSY	9/10/1990	15400-00	Growing	

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299156	CONSTRUCTION EAST BOILER ROOM	9/13/1990	15400-00	Heavy Equipment (15 Years)	
162245	BATHROOM FIXTURES FOR W/HI	9/17/1990	15300-00	Misc Bldg Impv 15	
227325	TREES	9/17/1990	15010-00	Land Improvements	
299157	Labor on Boiler Room Hookup	9/17/1990	15400-00	Heavy Equipment (15Y)	
243255	REFRIGERATOR FOR OFFICE	9/21/1990	15700-00	Office Equipment	
243256	REFRIGERATOR FOR SEED ROOM	9/21/1990	15700-00	Office Equipment	
227326	GAS LINES TO NEW BOILERS	9/24/1990	15010-00	Heavy Equipment (15 Years)	
299154	LABOR ON HEATING SYSTEM	9/24/1990	15400-00	Small Equipment (10Y)	
299155	EXPANSION TANK ASSEMBLY	9/24/1990	15400-00	Small Equipment (10Y)	
162247	FRONT DOOR (KURTZ GLASS CO.)	10/1/1990	15300-00	Doors	
299159	HEAT/PIPE ASSEMBLY	10/9/1990	15400-00	Small Equipment (10Y)	
299163	150 CAMS FOR TABLES	10/9/1990	15400-00	Growing	
299164	400 CAMS FOR TABLES	10/9/1990	15400-00	Growing	
299165	HEATING SYSTEM-PARTS & MATL	10/9/1990	15400-00	Ghse Equip-Large 15	
299166	SYSTEM TRI-FLOW VALVES HEATING	10/9/1990	15400-00	Small Equipment (10Y)	
299160	SYSTEM UPDATING BOOM WATERING	10/16/1990	15400-00	Booms	
299161	GLASS COOLING PAD COVER	10/16/1990	15400-00	Small Equipment (10Y)	
299158	LABOR HEATING SYSTEM	10/22/1990	15400-00	Ghse Equip-Large 15	
299162	INSTALL. ROLL-UP CURTAINS	10/22/1990	15400-00	Ghse- Energy Curtains	
299167	SYSTEM INSULATION FOR HEATING	10/22/1990	15400-00	Ghse Equip-Large 15	
299168	SENSORS 20 WATER TEMPERATURE	10/22/1990	15400-00	Small Equipment (10Y)	
162248	(KETTERMAN) HEATING FOR ATRIUM	10/29/1990	15300-00	HVAC	
162249	CARPETING	10/29/1990	15300-00	Building & Sturcture Improvement (15 Years)	
227327	BUSHES	10/29/1990	15010-00	Land Improvements	
299170	NEW BOOMS-PARTS & LABOR	11/5/1990	15400-00	Ghse Systems-Secnd 15	
299172	HEATING ZONE CONTROL PANELS	11/12/1990	15400-00	Ghse Equip-Large 15	
299173	HEATING CREW LABOR	11/12/1990	15400-00	HVAC	
299175	MATERIALS TO COVER CORRIDOR	11/12/1990	15400-00	Ghse Equip-Large 15	
189523	8 X 10 DOOR	11/19/1990	15300-00	Doors	
299169	12 X 14 DOOR EAST BOILER ROOM	11/19/1990	15400-00	Doors	
299171	LABEL INSTALLATION COST ON MPI	11/26/1990	15400-00	Small Equipment (10Y)	
162250	MISC. CONSTRUCTION FINISHING	12/3/1990	15300-00	Misc Bldg Impv 15	
299176	PARTS TO INSULATE BOILER	12/28/1990	15400-00	Heavy Equipment (15 Years)	
299177	W/AGITA PEAT MOSS HOPPER/MIXER	1/21/1991	15400-00	Ghse Equip-Large 15	
299179	ROLL CURTAINS-SECT C1 & C2	1/28/1991	15400-00	Ghse- Energy Curtains	

299180	PLASTIC SIDEWALKS-C4 & BE A&B	1/28/1991	15400-00	Ghse Equip-Large 15	
299181	2 PLUG DISLODERS	2/11/1991	15400-00	Small Equipment (10Y)	
162251	V.W.E. - WAGNERS FINISHING OFF	2/14/1991	15300-00	Misc Bldg Impv 15	
299182	SLIDE CONVEYOR UNIT W/HOPPER &	2/18/1991	15400-00	Ghse Equip-Small 10	
299183	ROBOT	2/18/1991	15400-00	Ghse Equip-Large 15	
299185	3 USED DOCK PLATES	2/20/1991	15400-00	Small Equipment (10Y)	
162252	RACKS USED STEEL BEAMS PALLET	2/25/1991	15300-00	Small Equipment (10Y)	
162253	Finishing Work-Office	3/4/1991	15300-00	Misc Bldg Impv 15	
299191	Addition to Seeder	3/11/1991	15400-00	Small Equipment (10Y)	
189524	Tiling for Bathrooms in Barn	3/25/1991	15300-00	Misc Bldg Impv 15	
299189	Shipping Belts	3/27/1991	15400-00	Ghse Equip-Large 15	
299190	503 PC Galv Tub to Hang Bskts	3/27/1991	15400-00	Ghse Equip-Small 10	
299195	Supports for Steam Pipes	5/2/1991	15400-00	Small Equipment (10Y)	
299194	Pipe for East Bailer Room	5/20/1991	15400-00	Ghse Equip-Large 15	
227329	South Parking Lot	5/30/1991	15010-00	Land Improvements 30	
227330	Trees	6/10/1991	15010-00	Land Improvements	
299197	Sissor Lift	6/13/1991	15400-00	Lifts	
299198	Roller Racks	6/14/1991	15400-00	Ghse Equip-Large 15	
299199	Rebuilt Engine Welder	7/15/1991	15400-00	Small Equipment (10Y)	
299200	Screed for Concrete Work	7/18/1991	15400-00	Concrete/Gravel	
41303	Construction	7/31/1991	15200-00	Greenhouses 30	
41304	Construction	8/31/1991	15200-00	Greenhouses 30	
299206	8 Dock Levelers	9/10/1991	15400-00	Other Equip-Small 07	
299202	Turbo-Star Fogger	9/16/1991	15400-00	Ghse Equip-Small 10	
299203	3 Twin Star Foggers	9/30/1991	15400-00	Ghse Equip-Large 15	
299204	2 Turbo-Star Foggers	9/30/1991	15400-00	Ghse Equip-Small 10	
299205	Recondition Javo Potting Mach	9/30/1991	15400-00	Greenhouse Equipment	
41305	Construction	9/30/1991	15200-00	Greenhouses 30	
41306	Construction	10/31/1991	15200-00	Greenhouses 30	
299222	Smoke Stacks - East Boiler Rm	11/4/1991	15400-00	Heavy Equipment (15 Years)	
227332	South Parking Lot	11/11/1991	15010-00	Land Improvements 30	
299216	Turbo Fogger	11/11/1991	15400-00	Ghse Equip-Small 10	
227333	Trees	11/18/1991	15010-00	Land Improvements	
299217	Drum for Seeder	11/18/1991	15400-00	Small Equipment (10Y)	
299218	Pallet Racks	11/25/1991	15400-00	Other Equip-Small 07	
41307	Construction	11/30/1991	15200-00	Greenhouses 30	
299223	Lights for D House	12/9/1991	15400-00	Ghse Systems-Secnd 15	
179039	Loading Dock Structure	12/12/1991	15300-00	Other Buildings 30	
179040	Loading Dock - Concrete	12/12/1991	15300-00	Concrete	
299193	Table System for D-House	12/12/1991	15400-00	Growing	
299196	Stands Table System D House	12/12/1991	15400-00	Ghse Equip-Large 15	

299201	Prive for New D-House	12/12/1991	15400-00	Ghse Equip-Large 15	
299208	Shading in D-House	12/12/1991	15400-00	Ghse- Energy Curtains 10	
299211	Gro Lights - D House	12/12/1991	15400-00	Ghse Equip-Large 15	
299212	Table System - D House	12/12/1991	15400-00	Ghse Equip-Large 15	

* Fed - Cost/Basis have been **REDACTED**

299213	Gro-Lights - D House	12/12/1991	15400-00	Ghse Equip-Large 15	
299214	Steam Pipe Heating System (D)	12/12/1991	15400-00	Ghse Systems-Secnd 15	
299215	Heating System - D House	12/12/1991	15400-00	Ghse Equip-Large 15	
299220	Priva Interface	12/12/1991	15400-00	Ghse Equip-Large 15	
299224	Heating System - D House	12/12/1991	15400-00	Ghse Equip-Large 15	
41301	Davis Concrete Const.	12/12/1991	15200-00	Concrete	
41302	Davis Concrete Construction	12/12/1991	15200-00	Concrete	
41308	Construction	12/12/1991	15200-00	Greenhouses 30	
299225	Bar Guides for Table Sytem	12/18/1991	15400-00	Growing	
299226	Priva Hook-up D House	12/23/1991	15400-00	Ghse Systems-Secnd 15	
299227	Heating System D House	1/13/1992	15400-00	Ghse Systems-Secnd 15	
41311	Insulation	1/13/1992	15200-00	Greenhouses 30	
41309	Labor for Construction	1/17/1992	15200-00	Greenhouses 30	
179041	Concrete for Loading Docks	1/20/1992	15300-00	Concrete	
299228	Table System - D House	1/20/1992	15400-00	Growing	
299229	Shading - D House	1/20/1992	15400-00	Ghse- Energy Curtains 10	
41310	Wiring	1/27/1992	15200-00	Ghse Systems-Primary 30	
299233	Labor for Heating System	2/17/1992	15400-00	Ghse Systems-Secnd 15	
41313	Shading Material	2/17/1992	15200-00	Ghse- Energy Curtains	
299232	Echos System Parts	2/24/1992	15400-00	Ghse Systems-Secnd 15	
41312	Wiring to Hook Lights & Pins	2/24/1992	15200-00	Ghse Systems-Primary 30	
299209	23 Echoes - D-House	2/25/1992	15400-00	Ghse Systems-Secnd 15	
299221	Echo System - D House	2/25/1992	15400-00	Ghse Systems-Secnd 15	
299234	Booms D House	3/10/1992	15400-00	Booms	
41314	Pipe Insulation	3/23/1992	15200-00	Ghse Systems-Primary 30	
162255	Carpeting (Office)	3/30/1992	15300-00	Building & Sturdture Improvement (15 Years)	
299207	Fog System	3/30/1992	15400-00	Ghse Equip-Large 15	
299235	Priva Wiring D House	3/30/1992	15400-00	Ghse Equip-Large 15	
299238	Conveyor	3/30/1992	15400-00	Other Equip-Small 07	
299239	B&L Tagger	3/30/1992	15400-00	Other Equip-Small 07	
299241	Caps/Stands Tables D-House	4/3/1992	15400-00	Growing	
299242	Turbo Star Fogging Equip.	4/17/1992	15400-00	Ghse Equip-Small 10	
299243	Twin Star Fogging Equipment	4/17/1992	15400-00	Ghse Equip-Small 10	
41316	Wiring	4/27/1992	15200-00	Ghse Systems-Primary 30	
243261	Upgrade on Asset #3247	5/11/1992	15700-00	Office Equipment	
299244	Cardboard Baler	5/11/1992	15400-00	Other Equip-Small 07	
299245	Soil Return/Pot Filling System	5/18/1992	15400-00	Ghse Equip-Small 10	
41317	Wiring	6/16/1992	15200-00	Ghse Systems-Primary 30	
179043	Remodel Bathroom Shipping Barn	7/6/1992	15300-00	Misc Bldg Impv 15	
299251	Stands for Table System	7/24/1992	15400-00	Growing	
299248	Table System A House	7/27/1992	15400-00	Growing	
299249	Plant Cutter	7/27/1992	15400-00	Ghse Equip-Large 15	
299252	Table System A House Parts	8/17/1992	15400-00	Growing	
299253	Table System A House	9/24/1992	15400-00	Ghse Equip-Large 15	
227335	Landscaping	10/26/1992	15010-00	Land Improvements	
299255	Drum for Seeder	11/9/1992	15400-00	Small Equipment (10Y)	
299256	Pushout Controls - D House	11/9/1992	15400-00	Ghse Equip-Large 15	
299257	Booms - D House	11/16/1992	15400-00	Booms	
299258	36 Fans for D House	12/30/1992	15400-00	Ghse Equip-Large 15	

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41318	Light Control Panels	12/30/1992	15200-00	Ghse Systems-Primary 30	
299279	Conveyors	1/13/1993	15400-00	Ghse Equip-Large 15	
299261	50 Echoes	1/29/1993	15400-00	Ghse Systems-Secnd 15	
299262	Labor for Echoes Install.	1/29/1993	15400-00	Ghse Systems-Secnd 15	
299266	Water System (Recond Stor Trnk)	2/8/1993	15400-00	Other Equip-Small 07	
243263	Air Condit for VJ's office	2/22/1993	15700-00	HVAC	
299267	Pipework for Water System	2/22/1993	15400-00	Ghse Equip-Large 15	
299268	Installation of Gro-lytes	2/22/1993	15400-00	Ghse Equip-Small 10	
299269	Hot Water Boiler f/Water Systm	2/22/1993	15400-00	Heavy Equipment (15 Years)	
299272	Steel to Install Echoes	3/15/1993	15400-00	Ghse Systems-Secnd 15	
299270	Pump of Water System	3/30/1993	15400-00	Pumps (5Y)	
299271	Tables Stands	3/31/1993	15400-00	Growing	
299274	Install Echoes	4/6/1993	15400-00	Ghse Systems-Secnd 15	
299273	Water Tunnel (Down payment)	4/20/1993	15400-00	Ghse Equip-Small 10	
299276	Table System - D House (Inst)	4/27/1993	15400-00	Growing	
299283	2 Elect. Cards (Taylor & Dunn)	5/11/1993	15400-00	Other Equip-Small 07	
227339	Concrete	7/9/1993	15010-00	Concrete	
227340	Outside Table Pads	7/26/1993	15010-00	Concrete	
274396	Trailer	8/17/1993	15500-00	Trailer (5Y)	
274397	Trailer	8/17/1993	15500-00	Trailer (5Y)	
227341	Concrete - #3 Barn Exten.	8/18/1993	15010-00	Concrete	
299282	Table System - F House	8/20/1993	15400-00	Ghse Equip-Large 15	
189627	Back Extension - Concrete	9/1/1993	15300-00	Misc Bldg Impv 15	
189526	Cheical Storage Enclosure Matl	9/8/1993	15300-00	Misc Bldg Impv 15	
299284	Chlorinator	9/13/1993	15400-00	Ghse Equip-Large 15	
227342	Concrete Outside Tables	9/28/1993	15010-00	Concrete	
299285	Brando Trencher	9/28/1993	15400-00	Other Equip-Small 07	
189628	Barn Extension	10/13/1993	15300-00	Other Buildings 30	
299286	Post Robot	10/19/1993	15400-00	Ghse Equip-Large 15	
189629	Construction - Barn Extension	10/25/1993	15300-00	Other Buildings 30	
41320	Concrete	11/10/1993	15200-00	Concrete	
299287	700 Moving Tables	11/15/1993	15400-00	Ghse Equip-Large 15	
41321	Partition Walls	11/23/1993	15200-00	Ghse Structural Improvement	
299288	Tables	12/10/1993	15400-00	Growing	
299289	Fuel Tanks	12/15/1993	15400-00	Small Equipment (10Y)	
189630	Gravel for Concrete	12/20/1993	15300-00	Concrete	
299290	Sowing Line	12/20/1993	15400-00	Ghse Equip-Large 15	
189632	Barn Extension	1/11/1994	15300-00	Other Buildings 30	
299292	Table System for E3 & E4	1/31/1994	15400-00	Growing	
299293	Truck Box for Seed Storage	2/17/1994	15400-00	Ghse Equip-Large 15	
299295	3 Robots & Tower Table Mover	2/22/1994	15400-00	Ghse Equip-Large 15	
299296	Generator #2	3/2/1994	15400-00	Generator	
299313	50 Echos	3/20/1994	15400-00	Ghse Systems-Secnd 15	
41323	Glazing	3/21/1994	15200-00	Ghse Structural Improvement	
189633	Fire Doors	3/29/1994	15300-00	Doors	
299298	Pipe to hold dripline -Cravo	4/4/1994	15400-00	Ghse Equip-Large 15	
299297	Pipe for Echos	4/5/1994	15400-00	Ghse Systems-Secnd 15	
299299	2 Taylor Dunn Carts SC1-59	4/13/1994	15400-00	Electric Cart/Golf Cart/Scooter (7Y)	
299305	Crown Pump	4/13/1994	15400-00	Pumps (5Y)	

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299306	Wathering Pump	4/19/1994	15400-00	Pumps (5Y)	
299300	40' Conveyor	4/26/1994	15400-00	Other Equip-Small 07	
299301	2 Agitators	4/26/1994	15400-00	Production	
299302	Material Hopper	4/26/1994	15400-00	Ghse Equip-Small 10	
299303	1 Agitator	4/26/1994	15400-00	Small Equipment (10Y)	
299304	Agitator for Peat Shredder	4/26/1994	15400-00	Ghse Equip-Small 10	
299307	Seeder Drum - Landmark	4/26/1994	15400-00	Ghse Equip-Small 10	
189634	Wiring for Overhead Doors	5/3/1994	15300-00	Misc Bldg Impv 15	
299309	Install Update to Echoes	5/3/1994	15400-00	Ghse Systems-Secnd 15	
299310	Sowing Drum for Seeder	5/18/1994	15400-00	Production	
70007	Construction - Mertel Gravel	5/18/1994	15200-00	Greenhouses 30	
299308	2-20' & 2-150' Conveyors	5/31/1994	15400-00	Ghse Equip-Large 15	
299316	Robot Table System (F House)	6/28/1994	15400-00	Ghse Equip-Large 15	
299317	2 Boilers	7/5/1994	15400-00	Heavy Equipment (15 Years)	
299334	Production System (Hawe Elek)	7/6/1994	15400-00	Ghse Equip-Large 15	
299318	2 Cold Water Washers	8/16/1994	15400-00	Other Equip-Small 07	
299320	Insect Screen	8/16/1994	15400-00	Ghse Equip-Large 15	
227346	Pipe for Pond	8/30/1994	15010-00	Greenhouses & Systems	
299319	Air Gates for Table System	8/30/1994	15400-00	Growing	
70009	Construction - Mertel Grvl	9/20/1994	15200-00	Greenhouses 30	
227347	Lake Construction	9/27/1994	15010-00	Land Improvements 30	
227348	New Parking Lot	9/27/1994	15010-00	Land Improvements 30	
299321	Greenhouse Fans (All Houses)	9/29/1994	15400-00	Ghse Equip-Large 15	
227349	Rock for Road	10/4/1994	15010-00	Land Improvements 30	
299324	J. L. Aerial Platform	10/4/1994	15400-00	Ghse Equip-Large 15	
299326	Tubing for Echo Installation	10/11/1994	15400-00	Ghse Systems-Secnd 15	
189635	Concrete Replacement	11/8/1994	15300-00	Misc Bldg Impv 15	
227352	Grading, Excav, & Hauling (Drv	11/8/1994	15010-00	Land Improvements 30	
299328	Box Labeler (Printer)	11/8/1994	15400-00	Computer Hardware	
299329	Box Labeler (Printer)	11/8/1994	15400-00	Computer Hardware	
299330	Box Conveyor	11/8/1994	15400-00	Other Equip-Small 07	
227350	Rock for Driveways & Pkg Lot	11/29/1994	15010-00	Land Improvements 30	
227351	Grading - Drives & Lot	11/29/1994	15010-00	Land Improvements 30	
299327	Exhaust Fan Enclosure	11/29/1994	15400-00	Ghse Equip-Large 15	
299331	East Boiler Room Expansion	11/29/1994	15400-00	Heavy Equipment (15 Years)	
299341	Potting Machine (Jaco, Inc.)	12/21/1994	15400-00	Ghse Equip-Large 15	
258148	Jet Color Printer	12/30/1994	15700-00	Computer Hardware	
299344	Flame Safeguard on 8 Boilers	12/30/1994	15400-00	Heavy Equipment (15 Years)	
299346	2 Snowmobiles & Trailer	1/10/1995	15400-00	Small Equipment (10Y)	
299348	Label System (MPI)	1/10/1995	15400-00	Ghse Equip-Large 15	
299367	Priva Sensor (Hot water temp)	1/10/1995	15400-00	Other Equip-Small 07	
299368	Priva extension	1/10/1995	15400-00	Ghse Systems-Secnd 15	
179045	Galvanized Beams	1/18/1995	15300-00	Misc Bldg Impv 15	
179046	Barn Extension - Construction	1/18/1995	15300-00	Other Buildings 30	
179047	Floor in Extension (Davis Con)	1/18/1995	15300-00	Concrete	
179049	Construction (Castner)	1/18/1995	15300-00	Other Buildings 30	
179050	Davis Concrete	1/18/1995	15300-00	Other Buildings 30	
179051	Lights for Barn (Complete)	1/25/1995	15300-00	Other Buildings 30	
21509	C - House Extension (Construct	2/8/1995	15200-00	Greenhouses	

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299369	Priva - interface motor/panels	2/10/1995	15400-00	Ghse Systems-Secnd 15	
299361	Water Injection System (Flier)	2/13/1995	15400-00	Ghse Equip-Small 10	
179052	Mertel Gravel	2/15/1995	15300-00	Other Buildings 30	
179054	Chemical Storage Room (Castner	2/15/1995	15300-00	Misc Bldg Impv 15	
179055	Four Overhead Steel Doors	2/15/1995	15300-00	Doors	
299349	Boom Mounts (Double R)	2/15/1995	15400-00	Ghse Systems-Secnd 15	
299350	Table Rails (Magnum Pipe)	2/15/1995	15400-00	Growing	
299351	Heating System	2/15/1995	15400-00	Ghse Equip-Large 15	
299421	Boiler Stacks - DblR	2/16/1995	15400-00	Heavy Equipment (15 Years)	
100002	Construction (VWE)	2/20/1995	15200-00	Greenhouses 30	
100003	Construction (Mertel Gravel)	2/20/1995	15200-00	Greenhouses 30	
100004	Construction (Davis Concrete)	2/20/1995	15200-00	Greenhouses 30	
100005	Construction (Mertel & Davis)	2/20/1995	15200-00	Greenhouses 30	
100006	Construction	2/20/1995	15200-00	Greenhouses 30	
100007	Construction	2/20/1995	15200-00	Greenhouses 30	
100008	Construction	2/20/1995	15200-00	Greenhouses 30	
100009	Construction	2/20/1995	15200-00	Greenhouses 30	
100010	Heating System	2/20/1995	15200-00	HVAC	
100011	Pipe Insulation for F-House	2/20/1995	15200-00	Ghse Systems-Primary 30	
100012	Kettman Heating & Air	2/20/1995	15200-00	HVAC	
100013	Electical Work - F-House (Tri)	2/20/1995	15200-00	Ghse Systems-Primary 30	
100014	8 Sheets Shading Mtl (F-Hse)	2/20/1995	15200-00	Ghse- Energy Curtains	
100015	Roof for F-House	2/20/1995	15200-00	Greenhouses 30	
299314	Curtain System (C 5&6 & F 1-4)	2/20/1995	15400-00	Ghse- Energy Curtains	
299315	Priva System Update (Incl Brds	2/20/1995	15400-00	Ghse Equip-Large 15	
299322	Roof Fan & Enclosure (F-House)	2/20/1995	15400-00	Ghse Equip-Large 15	
299325	1,000 Moving Tables (F-House)	2/20/1995	15400-00	Growing	
299332	Table System - Steel Posts -F	2/20/1995	15400-00	Growing	
299333	Heat Pumps (F 1-4)	2/20/1995	15400-00	Pumps (5Y)	
299337	Heating System (C 5&6 & F 1-4)	2/20/1995	15400-00	Ghse Equip-Large 15	
299338	Mount Echos (F 1-4)	2/20/1995	15400-00	Ghse Systems-Secnd 15	
299339	Tables for F 1-4	2/20/1995	15400-00	Growing	
299340	Pipe for Tables for F 1-4	2/20/1995	15400-00	Growing	
299342	Heating System (Nordland)	2/20/1995	15400-00	Ghse Equip-Large 15	
299352	Zebra Printer for Label System	2/23/1995	15400-00	Computer Hardware	
21511	C 3,4,&5 (C-House extension)	2/28/1995	15200-00	Greenhouses	
299353	Install Echos (Jolly) C4&5,F1-	3/2/1995	15400-00	Ghse Systems-Secnd 15	
299354	Pot Filling System	3/8/1995	15400-00	Ghse Equip-Large 15	
100021	Construction (Various)	3/15/1995	15200-00	Greenhouses 30	
179053	Electrical Work (Tri-Town)	3/15/1995	15300-00	Misc Bldg Impv 15	
299355	4 Dosatron Injectors	3/15/1995	15400-00	Pumps (5Y)	
299356	Pins for Table Stacking System	3/15/1995	15400-00	Growing	
299357	Curtain System (Cravo Unlmt)	3/21/1995	15400-00	Ghse- Energy Curtains	
100020	Labor - Construction (Lindaman	3/31/1995	15200-00	Greenhouses 30	
21512	Labor - Construction	3/31/1995	15200-00	Greenhouses & Systems	
299359	Install Booms & Echos	3/31/1995	15400-00	Booms	
100017	Cooling Pads	4/13/1995	15200-00	Ghse Systems-Primary 30	
100018	Electrical Work (Tri-Town)	4/13/1995	15200-00	Ghse Systems-Primary 30	
100019	Pipe Insulation (A C & S Inc.)	4/19/1995	15200-00	Ghse Systems-Primary 30	

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189638	Doors (Ill Val Door Co.)	4/19/1995	15300-00	Doors	
299360	Install Booms & Echos	4/20/1995	15400-00	Booms	
274407	1995 Utility Trailer	5/1/1995	15500-00	Trailer (5Y)	
299364	Pipe Insulation	5/16/1995	15400-00	Ghse Equip-Large 15	
227355	Moving Power Lines	5/23/1995	15010-00	Land Improvements 30	
189639	3 Overhead Doors(10x10,9x10,8x	7/18/1995	15300-00	Doors	
227356	Pave road around greenhouse	8/22/1995	15010-00	Land Improvements 30	
274412	14' Jon Boat (Riverview Marine	8/31/1995	15500-00	Landscape/Utility/Farm Equipment	
227358	Move Power Lines	10/3/1995	15010-00	Land Improvements	
299372	10 Heaters (Production)	11/1/1995	15400-00	Production	
299373	3 Modene Heaters (Thrall Dist)	11/7/1995	15400-00	Ghse Equip-Small 10	
299374	3 Cargo Heaters (Rue R. Elston	11/14/1995	15400-00	Small Equipment (10Y)	
299375	Dosatron Injector (Metrolina)	11/14/1995	15400-00	Pumps (5Y)	
227359	North Road Const. & Pond Upgrd	11/21/1995	15010-00	Driveway Repairs	
110002	7 Acres - Cravo	12/1/1995	15200-00	Greenhouses 30	
110003	Concrete (Davis Concrete)	12/1/1995	15200-00	Concrete	
110004	Construction (Thrall Distrib.)	12/1/1995	15200-00	Greenhouses 30	
110005	Construction (Concrete Prodct)	12/1/1995	15200-00	Concrete	
110006	Construction (Starline)	12/1/1995	15200-00	Greenhouses 30	
110007	Construction (Wolahan Lmbr)	12/1/1995	15200-00	Greenhouses 30	
110008	Pipe for G1&G2 (Thrall Distr.)	12/1/1995	15200-00	Greenhouses 30	
110010	Concrete (Mertel Gravel)	12/1/1995	15200-00	Concrete	
110011	Construction (Thrall Distrib.)	12/1/1995	15200-00	Greenhouses 30	
110012	Construction (Ryerson, Joseph)	12/1/1995	15200-00	Greenhouses 30	
110013	Construction Labor (Lindeman)	12/1/1995	15200-00	Greenhouses 30	
110015	Concrete (Concrete Products)	12/1/1995	15200-00	Concrete	
110016	Construction (Thrall Distrib.)	12/1/1995	15200-00	Greenhouses 30	
110017	Concrete (Mertel Gravel) H-Hs.	12/1/1995	15200-00	Concrete	
110018	Heating System (VW Intrnl)	12/1/1995	15200-00	Ghse Systems-Primary 30	
110019	Construction Labor (Lindeman)	12/1/1995	15200-00	Greenhouses 30	
110020	Construction (Mechanical Suply	12/1/1995	15200-00	Greenhouses 30	
110022	Concrete (Mertel Concrete)	12/1/1995	15200-00	Concrete	
110023	Construction Labor (Lindeman)	12/1/1995	15200-00	Greenhouses 30	
110025	Concrete (Mertel Gravel)	12/1/1995	15200-00	Concrete	
110026	Construction (Concrete Prodct)	12/1/1995	15200-00	Computer Hardware	
110027	Construction Labor (Lindeman)	12/1/1995	15200-00	Greenhouses 30	
110028	Construction Labor (Lindeman)	12/1/1995	15200-00	Greenhouses 30	
110029	Additions to West Block -Cravo	12/1/1995	15200-00	Ghse Systems-Primary 30	
110030	Concrete (Mertel Gravel)	12/1/1995	15200-00	Concrete	
110032	Construction (Wolohan (VWE))	12/1/1995	15200-00	Greenhouses 30	
110034	Construction Labor (Lindeman)	12/1/1995	15200-00	Greenhouses 30	
110035	Construction (Thrall Distrib.)	12/1/1995	15200-00	Greenhouses 30	
110037	Construction (Cravo # 8433)	12/1/1995	15200-00	Ghse Systems-Primary 30	
110038	Construction (VW Greenhouse)	12/1/1995	15200-00	Ghse Systems-Primary 30	
110039	Construction (VW Greenhouse)	12/1/1995	15200-00	Ghse Systems-Primary 30	
110041	Construction Labor (Lindeman)	12/1/1995	15200-00	Greenhouses 30	
299379	50 Echos (East Coast Designs)	12/1/1995	15400-00	Ghse Systems-Secnd 15	
299385	Construction (Tri-Town Elec)	12/1/1995	15400-00	Greenhouses & Systems	
299381	Black pipe for fire protection	12/5/1995	15400-00	Other Equip-Small 07	

* Fed - Cost/Basis have been REDACTED

299380	Labor for Heating System	12/12/1995	15400-00	Other Equip-Small 07	
110042	Construction (VWE Cravo-poly/c	12/13/1995	15200-00	Ghse Systems-Primary 30	
110036	Construction Labor (Lindeman)	12/21/1995	15200-00	Greenhouses 30	
299382	2 Packaging Printers (Boxes,et	12/26/1995	15400-00	Computer Hardware	
299384	Microjet Printer for Productn	12/26/1995	15400-00	Computer Hardware	
110040	Construction (VW Greenhouse)	12/28/1995	15200-00	Ghse Systems-Primary 30	
243275	15 Lockers for Growers	12/29/1995	15700-00	Office Equipment	
299383	Fire Fighting Equipment (Hose&	12/29/1995	15400-00	Other Equip-Small 07	
21514	Tie-in to A-4 (Betwn Prod.Room	1/25/1996	15200-00	Greenhouses 30	
21515	Tie-in (A4 & Prod. Room)Concrt	1/25/1996	15200-00	Greenhouses 30	
21516	Tie-in (A4 & Prod. Room)	1/25/1996	15200-00	Greenhouses 30	
21517	Tie-in (A4 & Prod. Room)	1/25/1996	15200-00	Greenhouses 30	
299411	Part of Booms (East Coast Des)	2/2/1996	15400-00	Booms	
299387	Parts for Basket System (Cravo	2/5/1996	15400-00	Ghse Equip-Large 15	
299388	Condenser (Truck Box Cooler)	2/5/1996	15400-00	Other Equip-Small 07	
21518	Tie-in (A4 & Prod. Room)	2/6/1996	15200-00	Greenhouses 30	
299376	Table System (Double R Manuf.)	2/13/1996	15400-00	Ghse Equip-Large 15	
299377	Hanging Basket System (FW Syst	2/14/1996	15400-00	Ghse Equip-Large 15	
21519	Tie-in (A4 & Prod. Room)	2/20/1996	15200-00	Greenhouses 30	
299378	Stacker System (FW Systems)	2/20/1996	15400-00	Ghse Equip-Large 15	
299390	18 Switch Boxes for Priva	2/20/1996	15400-00	Ghse Systems-Secnd 15	
227361	4 Trees (Tonica Nurseries)	2/29/1996	15010-00	Land Improvements	
299389	Threading Machine	2/29/1996	15400-00	Other Equip-Small 07	
21520	Tie-in (A4 & Product. Room)	3/7/1996	15200-00	Greenhouses 30	
179056	New Shop (Castner)	3/10/1996	15300-00	Other Buildings 30	
179058	New Shop (Frame Door & Hdwr)	3/10/1996	15300-00	Other Buildings 30	
179059	New Shop (Mertel Gravel)	3/10/1996	15300-00	Other Buildings 30	
179060	New Shop (Mertel Gravel)	3/10/1996	15300-00	Other Buildings 30	
179061	New Shop (Mertel Gravel)	3/10/1996	15300-00	Other Buildings 30	
179062	New Shop (Castner Steel Bldgs)	3/10/1996	15300-00	Other Buildings 30	
179063	New Shop (Mertel Gravel)	3/10/1996	15300-00	Other Buildings 30	
299386	Table System Parts & Materials	3/19/1996	15400-00	Growing	
110044	PVC Pipe (Thrall Dist.)	3/22/1996	15200-00	Ghse Systems-Primary 30	
110045	Galvanized Pipe (Thrall)	3/22/1996	15200-00	Ghse Systems-Primary 30	
299393	Cold Saw (Metric Am. Saws)	3/22/1996	15400-00	Other Equip-Small 07	
299394	Booms (East Coast)	3/31/1996	15400-00	Booms	
299396	Echos (East Coast)	3/31/1996	15400-00	Ghse Systems-Secnd 15	
110047	Electical Work - D 5-10	4/12/1996	15200-00	Ghse Systems-Primary 30	
299413	Echo Parts (Brackets-Rail Sup)	4/19/1996	15400-00	Ghse Systems-Secnd 15	
299414	Hoses & Pipe (Heating Hookup)	4/19/1996	15400-00	Other Equip-Small 07	
110051	Galv. Pipe for Drainage Syst.	5/10/1996	15200-00	Ghse Systems-Primary 30	
299402	Dibble Units w/pneumatic brush	5/10/1996	15400-00	Ghse Equip-Small 10	
299459	Wiring for Compressor to Barn	5/15/1996	15400-00	Other Equip-Small 07	
299403	Galvanized Pipe (Thrall)	5/16/1996	15400-00	Other Equip-Small 07	
299408	Catwalk in D-House for Bask Sy	5/16/1996	15400-00	Other Equip-Small 07	
110052	Vent. & Wire for Dayton Htrs.	5/23/1996	15200-00	Ghse Systems-Primary 30	
110053	Wiring Cravo - D-5	5/31/1996	15200-00	Ghse Systems-Primary 30	
299410	Labor on Booms (F. Lindeman)	5/31/1996	15400-00	Booms	
110048	Concrete - Davis Concrete	6/20/1996	15200-00	Concrete	

110049	Ribar (Iron rods - in concret)	6/27/1996	15200-00	Ghse Systems-Primary 30	
110050	Pipe for Drainage System	6/27/1996	15200-00	Ghse Systems-Primary 30	
299400	Hanging Basket System (FWSyst)	6/27/1996	15400-00	Ghse Equip-Large 15	
299404	Flat/Pot Robots W/ Pneum.LftGt	6/27/1996	15400-00	Ghse Equip-Large 15	
299405	2,300 Wheelsets for Table Syst	6/27/1996	15400-00	Ghse Equip-Large 15	
299422	Roller Bond (Dbl R Manuf.)	7/9/1996	15400-00	Ghse Equip-Large 15	
299423	Freight on Basket Syst. (Hipag)	7/18/1996	15400-00	Other Equip-Small 07	
189641	Enclosure for Seeding Area	8/16/1996	15300-00	Misc Bldg Impv 15	
299426	Glacier Core for Cooling Pads	8/16/1996	15400-00	Ghse Equip-Large 15	
189642	12'x9' Overhead Door	8/30/1996	15300-00	Doors	
110046	Blackout Curtain Syst. (CRAVO)	9/16/1996	15200-00	Ghse- Energy Curtains	
110055	Construction Cost for July	9/16/1996	15200-00	Ghse Systems-Primary 30	
110056	Construction (Flynn/VWE)	9/16/1996	15200-00	Ghse Systems-Primary 30	
110057	Construction for August (Var)	9/16/1996	15200-00	Ghse Systems-Primary 30	
110058	Labor (Globe Constr./Frank Lin	9/16/1996	15200-00	Ghse Systems-Primary 30	
110059	Construction for Sept.	9/16/1996	15200-00	Ghse Systems-Primary 30	
110060	Additional Parts for Cravo Hse	9/16/1996	15200-00	Ghse Systems-Primary 30	
110061	Finishing Work on Construction	9/16/1996	15200-00	Ghse Systems-Primary 30	
299428	Booms for D 1-4 (Part. Pay)	9/24/1996	15400-00	Ghse Systems-Secnd 15	
243278	Carpet for Dispatch Office	9/26/1996	15700-00	Building & Sturcture Improvement (15 Years)	
21522	Midsection between A-Hs & W/h#1	10/24/1996	15200-00	Greenhouses 30	
299437	Moving Table System (VW GRNHS)	11/1/1996	15400-00	Ghse Equip-Large 15	
299438	Labor - Mov Tbl Sys (Willem L)	11/1/1996	15400-00	Ghse Equip-Large 15	
227362	Trees (Tonica Nurseries)	11/7/1996	15010-00	Land Improvements	
110063	Labor - Finishing wk (Lindeman	11/18/1996	15200-00	Greenhouse & Systems	
21523	Midsection Const. (Castner)	11/21/1996	15200-00	Greenhouses 30	
299436	Pipe for Hanging Basket System	11/21/1996	15400-00	Other Equip-Small 07	
299443	Auto Laser 500 System (Tower)	11/21/1996	15400-00	Other Equip-Small 07	
299444	1 Ton Chain Hoist	11/21/1996	15400-00	Small Equipment (10Y)	
21526	Midsect. Constr. (Mertel)	11/27/1996	15200-00	Greenhouses 30	
299441	(B&Lawson) 1 Flat & Pot Filling System	11/27/1996	15400-00	Production	
21527	Midsect. Constr. (Mertel)	12/5/1996	15200-00	Greenhouses 30	
299445	Case Sealer (Shorr Paper Prod)	12/5/1996	15400-00	Other Equip-Small 07	
227363	Blacktopping - Park.Lot,Roadwy	12/6/1996	15010-00	Driveway Repairs	
189643	Soil Room Construct. (Concret)	12/15/1996	15300-00	Other Buildings 30	
189644	Soil Room Construct. (Castner)	12/15/1996	15300-00	Other Buildings 30	
189646	Soil Room Construct.-Concrete	12/15/1996	15300-00	Concrete	
21524	Mid-section Const.(Carter Lmb)	12/15/1996	15200-00	Greenhouses 30	
110062	Polycarbonate Walls (92 pics)	12/30/1996	15200-00	Greenhouse & Systems	
299448	250' Belt Conveyor (Flier USA)	12/30/1996	15400-00	Ghse Equip-Large 15	
299449	Seeder (Mdl 100EMW) seed-air-m	12/30/1996	15400-00	Ghse Equip-Large 15	
299455	Priva Interface (2 panels)	12/30/1996	15400-00	Other Equip-Small 07	
299457	INJECTORS 2 - 100 GPM DOSATRON	12/30/1996	15400-00	Pumps (5Y)	
299458	Galv Tubng for HB Syst in D1-4	12/30/1996	15400-00	Other Equip-Small 07	
21525	Midsection Constr (Castner)	12/31/1996	15200-00	Greenhouses 30	
299453	Ink Jet Upgrade for existg lin	12/31/1996	15400-00	Ghse Equip-Large 15	
299468	Roller Bond (2nd Half -1st7/96	1/15/1997	15400-00	Ghse Equip-Large 15	

110065	Gasline in D1-4 (Thrall Dist)	1/24/1997	15200-00	Greenhouse & Systems	
110066	Ankr-Tite for D1-5 (Fastenal)	1/31/1997	15200-00	Greenhouse & Systems	
189647	Concrete for Soil Room - Davis	1/31/1997	15300-00	Concrete	
189648	Gravel for Concrete (Mertel)	2/6/1997	15300-00	Concrete	
299462	Air Chambers for Table System	2/6/1997	15400-00	Growing	
299463	Boom Supports (Magnum Pipe)	2/6/1997	15400-00	Booms	
189649	Concrete for Soil Room - Davis	2/13/1997	15300-00	Concrete	
299464	Grating for Catwalk (McNichol)	2/14/1997	15400-00	Other Equip-Small 07	
189650	Ribar for Concrete (VWE-Woloha)	2/20/1997	15300-00	Concrete	
110069	Gasline to Cravo - D1 (thrB1C1	2/27/1997	15200-00	Ghse Systems-Primary 30	
227366	North Roadway - Starline Const	3/6/1997	15010-00	Driveway Repairs	
41324	Electrical for Gro-lights	3/6/1997	15200-00	Greenhouses & Systems	
110067	Gateway Vinyl Door w/vision pn	3/13/1997	15200-00	Doors	
299465	Rebuild PLC Hardware & Softwar	3/19/1997	15400-00	Ghse Equip-Large 15	
110070	New Wiring in D1-4 Cravo	3/20/1997	15200-00	Greenhouse & Systems	
110071	Water Line D1-4 Cravo	3/20/1997	15200-00	Greenhouse & Systems	
299466	200 Hose Trolleys for Irrigatn	3/20/1997	15400-00	Other Equip-Small 07	
299467	2 Crosswise Agitators	3/26/1997	15400-00	Other Equip-Small 07	
299469	2 - 16' Operators for Ovrhd Dr	3/26/1997	15400-00	Other Equip-Small 07	
299470	Pipe, Hose for Heaters in D1-5	4/4/1997	15400-00	Other Equip-Small 07	
299471	Parts for Basket Syst in D2	4/4/1997	15400-00	Other Equip-Small 07	
285254	2 Stock Chasers - Allied Hndlg	4/11/1997	15600-00	Forklift/Tugger/Scissorlift (10Y)	
299472	Venting & Wiring Heaters D Hs	4/11/1997	15400-00	Other Equip-Small 07	
299475	2 Radios w/ Batteries	4/24/1997	15400-00	Small Equipment (10Y)	
299476	Pot lifters & Stops for tray f	4/24/1997	15400-00	Other Equip-Small 07	
299479	Aircraft Cable for new Echos	5/1/1997	15400-00	Ghse Systems-Secnd 15	
110068	Electrical - Var -Htrs, Bsk Mv	5/9/1997	15200-00	Greenhouse & Systems	
285257	1996 Ottawa Spotting Tractor	5/29/1997	15600-00	Forklift/Tugger/Scissorlift (10Y)	
299488	Add'l Flat Setup/Dibble Brd	6/12/1997	15400-00	Other Equip-Small 07	
243281	Lockers for Lunchroom	6/20/1997	15700-00	Office Equipment	
299489	Peat Hopper w/ Dbl Agitator	6/20/1997	15400-00	Ghse Equip-Large 15	
299490	100 Lb Dry Chemical Hopper	6/20/1997	15400-00	Other Equip-Small 07	
243282	Booths/Tables for Lunchroom	6/26/1997	15700-00	Office Equipment	
299492	Soilmixer	7/23/1997	15400-00	Production	
299493	2 Pressure Washers - 5 hp	8/14/1997	15400-00	Landscape/Utility/Farm Equipment	
299495	Roller Bond Track (D1-8)	9/12/1997	15400-00	Ghse Equip-Large 15	
179064	Door Structure for Shipping Bn	9/19/1997	15300-00	Other Buildings 30	
243283	Fireproof File Cabinet (BC)	10/2/1997	15700-00	Office Equipment	
299501	Shipping for Soil Conveyor	10/2/1997	15400-00	Ghse Equip-Small 10	
299500	10 Heaters for Trailrs-HKIII30	10/9/1997	15400-00	Small Equipment (10Y)	
299502	8 Moving Carts for Booms-D Hs.	10/9/1997	15400-00	Booms	
110073	D-1 Addition - Davis Concrete	10/21/1997	15200-00	Concrete	
227368	Upgrade to Driveway & Storg Are	10/23/1997	15010-00	Driveway Repairs	
110074	D-1 Addition - Mertel Gravel	10/30/1997	15200-00	Gravel	
299503	14 Gas Fired Heaters for Grnhs	10/30/1997	15400-00	Ghse Equip-Small	
299505	1 Motorola Radio	10/30/1997	15400-00	Small Equipment (10Y)	
110075	Concrete for Ad-On to D1	11/20/1997	15200-00	Concrete	
299507	Air Compressor/Dryer/Filter Eq	11/20/1997	15400-00	Landscape/Utility/Farm Equipment	

299508	D20S 100 GPM Dosatron Injector	11/28/1997	15400-00	Other Equip-Small 07	
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110076	Structure for Cravo Retract-Rf	12/5/1997	15200-00	Greenhouses 30	
110077	Retract-a-Roof Operating Syst.	12/5/1997	15200-00	Ghse Systems-Primary 30	
162256	New Cafeteria - Gravel - Mertl	12/5/1997	15300-00	Misc Bldg Impv 15	
162257	Cafeteria-Fabricate Beams,Colm	12/5/1997	15300-00	Misc Bldg Impv 15	
162258	Architects Fees for Cafeteria	12/5/1997	15300-00	Misc Bldg Impv 15	
162259	Cafeteria - Gravel for Conc	12/5/1997	15300-00	Misc Bldg Impv 15	
162260	Cafeteria - Concrete - Davis	12/5/1997	15300-00	Misc Bldg Impv 15	
162261	Cafeteria - Gravel - Mertel	12/5/1997	15300-00	Misc Bldg Impv 15	
162262	Cafeteria - Beams & Columns Fn	12/5/1997	15300-00	Misc Bldg Impv 15	
162263	Cafeteria - Lumber - Hundman	12/5/1997	15300-00	Misc Bldg Impv 15	
162264	Cafeteria - Materials - Allen	12/5/1997	15300-00	Misc Bldg Impv 15	
162265	Cafeteria - Lumber -Roselle Lr	12/5/1997	15300-00	Misc Bldg Impv 15	
162266	Cafeteria - Sledgister Constr.	12/5/1997	15300-00	Misc Bldg Impv 15	
162267	Cafeteria - Lights -Springfld.	12/5/1997	15300-00	Misc Bldg Impv 15	
162268	Cafeteria - Mat'l-VWE Hundman	12/5/1997	15300-00	Misc Bldg Impv 15	
162269	Cafeteria - Lumber - Roselle	12/5/1997	15300-00	Misc Bldg Impv 15	
162270	Cafeteria - Granville Floor	12/5/1997	15300-00	Misc Bldg Impv 15	
162271	Cafeteria Materials - Allen	12/5/1997	15300-00	Misc Bldg Impv 15	
162272	Furnace for Cafeteria - Kettmn	12/5/1997	15300-00	HVAC	
162273	Cafeteria - Fan & Lights	12/5/1997	15300-00	Misc Bldg Impv 15	
162274	Lumber for Cafeteria - Roselle	12/5/1997	15300-00	Misc Bldg Impv 15	
162275	Cafeteria - Koolmaster/VWE	12/5/1997	15300-00	Office Equipment	
162276	Cafet. - Block work for Bathrm	12/5/1997	15300-00	Misc Bldg Impv 15	
162277	Cafeteria - Materials _ VWE	12/5/1997	15300-00	Misc Bldg Impv 15	
162278	Cafeteria/Restrm Fixtures	12/5/1997	15300-00	Misc Bldg Impv 15	
162279	Cafeteria Materials - Allen Im	12/5/1997	15300-00	Misc Bldg Impv 15	
162280	Restrooms in New Cafet. - VWE	12/5/1997	15300-00	Misc Bldg Impv 15	
110078	Concrete for add-on D1 (Mertl)	12/11/1997	15200-00	Concrete	
299509	Bucket Soil Elevator - N.SoiIR	12/11/1997	15400-00	Production	
162281	New Cafeteria - Electrical	12/18/1997	15300-00	Misc Bldg Impv 15	
299512	3 Drum Cylinger Heads for 9631	12/18/1997	15400-00	Ghse Equip-Small 10	
299518	New Pump for Old Well - VWE	12/18/1997	15400-00	Pumps (5Y)	
299519	Roller Bond in North D (Dbl R)	1/15/1998	15400-00	Ghse Equip-Large 15	
162283	Cafeteria Final Pay (Sledgistr	1/22/1998	15300-00	Misc Bldg Impv 15	
299516	32 Echos for A13 & A14 (East C	2/5/1998	15400-00	Ghse Systems-Secnd 15	
299522	Mat'l for Germ Chamber (Complt	2/5/1998	15400-00	Ghse Equip-Small 10	
299527	Water Conditioner (Tri County)	2/5/1998	15400-00	Other Equip-Small 07	
162284	Septic System (Starline Const)	2/12/1998	15300-00	Other Buildings 30	
299559	Mat'l for Roller Bond - D Nth	2/12/1998	15400-00	Other Equip-Small 07	
299560	Airline for Germ Chamber	2/12/1998	15400-00	Ghse Equip-Small 10	
299514	Spindle Transplanter - Flier U	2/15/1998	15400-00	Ghse Equip-Large 15	
299515	Automated Filling System	2/15/1998	15400-00	Ghse Equip-Large 15	
299528	4 Movable Booms in D 1-8	2/19/1998	15400-00	Booms	
299529	Roller Bond Mat'l for North D	2/26/1998	15400-00	Other Equip-Small 07	
299539	Add'l 288 Plug Tray Set(32ES)	3/2/1998	15400-00	Ghse Equip-Small 10	
110079	Install Suspended Heaters in D	3/5/1998	15200-00	Ghse Systems-Primary 30	
162286	Wirng/Light storage rm ovr caf	3/5/1998	15300-00	Misc Bldg Impv 15	

299530	Air Brakes for Roller Bond	3/5/1998	15400-00	Other Equip-Small 07	
299532	Storage light over Lunch Room	3/5/1998	15400-00	Other Equip-Small 07	

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299545	Roller Bond Wheels for D1-8	3/5/1998	15400-00	Other Equip-Small 07	
299531	Air Brakes for Roller Bond	3/19/1998	15400-00	Other Equip-Small 07	
299541	Water All (Blackmore Company)	3/19/1998	15400-00	Other Equip-Small 07	
299494	Germination Chamber w/liftunit	3/20/1998	15400-00	Ghse Equip-Large 15	
299517	Germ. Chamber (Aluma Shield)	3/20/1998	15400-00	Ghse Equip-Large 15	
299520	Germination Chamber (Cravo Eq)	3/20/1998	15400-00	Heavy Equipment (15Y)	
299521	Germination Chamber (Davis C)	3/20/1998	15400-00	Heavy Equipment (15Y)	
299523	Germination Chamber (Tri-Town)	3/20/1998	15400-00	Heavy Equipment (15Y)	
299524	Germination Chamber (Mertel)	3/20/1998	15400-00	Heavy Equipment (15Y)	
299525	Germ Chamber (Elka Air)Humidif	3/20/1998	15400-00	Heavy Equipment (15Y)	
299533	Germination Chamber (Springfld)	3/20/1998	15400-00	Heavy Equipment (15Y)	
299534	Germination Chamber (Springfld)	3/20/1998	15400-00	Heavy Equipment (15Y)	
299535	Germ Chamber -instal heat pump	3/20/1998	15400-00	Pumps (5Y)	
299536	Germ Chamber (Tri-Town Elect.)	3/20/1998	15400-00	Heavy Equipment (15Y)	
299543	Duct for Air Dryer - East Blrm	3/25/1998	15400-00	Other Equip-Small 07	
299544	Table System Mat'ls -Var place	3/25/1998	15400-00	Growing	
299551	4 Movable Booms for A13&14	3/25/1998	15400-00	Booms	
299552	Roller Bond Mat'l for A13&14	3/27/1998	15400-00	Other Equip-Small 07	
299553	Table System (Dbl R Manuf.)	4/2/1998	15400-00	Growing	
41333	Foundation - A14 (Mertel Grav)	4/2/1998	15200-00	Greenhouses 30	
299554	Germ. Chamber (Vent&Wir Heat P	4/10/1998	15400-00	Heavy Equipment (15Y)	
299555	Germ Chamber (wire for heat pu	4/10/1998	15400-00	Heavy Equipment (15Y)	
41325	A13-14 Glass House Structure	4/15/1998	15200-00	Greenhouses 30	
41326	A13-14 Glass-Ventg,Heatg,Curtln	4/15/1998	15200-00	Ghse- Energy Curtains	
41327	Concrete for A13 & A 14 (Mert)	4/15/1998	15200-00	Concrete	
41328	Labor for Concr. - A13-14(Davs	4/15/1998	15200-00	Greenhouses 30	
41329	Concrete for A13 & A14(Mertel)	4/15/1998	15200-00	Concrete	
299556	Roller Bond for A13 & A14	4/16/1998	15400-00	Ghse Equip-Large 15	
110080	Wall Panels in D2 (Castner)	4/23/1998	15200-00	Ghse- Plexiglas Covering 15	
299557	Germ Chamber (Tri-Town Elec)	4/23/1998	15400-00	Heavy Equipment (15Y)	
41334	Drain pipe for A13 & A14	4/23/1998	15200-00	Ghse Systems-Primary 30	
41336	A13 & A14 Construct. (Starlin)	4/30/1998	15200-00	Greenhouses 30	
110081	Galv Tubing for Echos in D1	5/1/1998	15200-00	Greenhouse & Systems	
299563	Speed Controls for Basket Syst	5/1/1998	15400-00	Ghse Equip-Large 15	
110083	Blackout Curtain System -Cravo	5/15/1998	15200-00	Ghse- Energy Curtains	
299550	Priva for Cravo House - D	5/15/1998	15400-00	Ghse Equip-Large 15	
299569	1200 Moving Tables (VW Greenh)	5/15/1998	15400-00	Growing	
299566	2 Taylor Dunn Carts (SC-159)	5/22/1998	15400-00	Electric Cart/Golf Cart/Scooter (7Y)	
299568	2 Sets Pot Holders (Javo USA)	5/22/1998	15400-00	Other Equip-Small 07	
41335	Wiring for Window Motors, etc.	5/22/1998	15200-00	Ghse Systems-Primary 30	
227371	New Well (Albrecht Well Drill)	5/29/1998	15010-00	Heavy Equipment (15Y)	
100022	Concrete for Addition to C12	6/4/1998	15200-00	Concrete	
299570	Wiring for Echos,Priva,Bsk Drv	6/18/1998	15400-00	Ghse Systems-Secnd 15	
41337	Construct. for add-on Bay A14	6/18/1998	15200-00	Concrete	
110087	Shade Retention System (Cravo)	6/25/1998	15200-00	Ghse- Energy Curtains	
41338	Concrete for Add-on Bay @A14	6/25/1998	15200-00	Concrete	

299577	Power for A13 & A14 (Tri-Town)	7/16/1998	15400-00	Ghse Equip-Large 15	
41339	Davis Concrete - A13 & A14	7/16/1998	15200-00	Concrete	
41340	Mertel Gravel - A13 & A14	7/16/1998	15200-00	Greenhouses 30	

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70016	Extension B12 - Mertel Gravel	7/23/1998	15200-00	Greenhouses 30	
243286	Tran Air Furnace - 2nd fl.mid.	7/30/1998	15700-00	HVAC	
70018	B12 Extension - Mertel Gravel	7/30/1998	15200-00	Greenhouses 30	
41341	Mertel Gravel (A13 & A14)	8/6/1998	15200-00	Greenhouses 30	
100023	C12 Extension - Davis Concrete	8/13/1998	15200-00	Concrete	
100024	C12 Extension - Davis Concrete	8/13/1998	15200-00	Concrete	
70017	B12 Extension - Mertel Gravel	8/13/1998	15200-00	Greenhouses 30	
100025	C12 Extension - Mertel Gravel	8/20/1998	15200-00	Gravel	
100026	C12 Extension - Mertel Gravel	8/27/1998	15200-00	Gravel	
100027	C12 Extension - Mertel Gravel	9/3/1998	15200-00	Gravel	
110086	Mertel Gravel	9/10/1998	15200-00	Gravel	
299579	Parts for Echos in A & B House	9/18/1998	15400-00	Ghse Systems-Secnd 15	
299580	C-Hs.(Auto Trnsfr Switch,Panel	9/18/1998	15400-00	Other Equip-Small 07	
299581	8 Booms for A13 & A14 (+#9616)	10/2/1998	15400-00	Booms	
299582	Dibble Conveyor (Bouldin & Ln)	10/2/1998	15400-00	Ghse Equip-Small 10	
299583	Parts for Booms (Cherry Creek)	10/8/1998	15400-00	Booms	
299584	Miller Bobcat Welder (225NT)	10/8/1998	15400-00	Landscape/Utility/Farm Equipment	
299585	Moving Table System (Magnum P)	10/15/1998	15400-00	Growing	
299586	Controller for 64 Echos (Feed)	10/29/1998	15400-00	Ghse Systems-Secnd 15	
299565	Priva for A13 & A14 (Climate C	11/27/1998	15400-00	Ghse Equip-Large 15	
299595	2 Electric Carts - Minute Miser	11/27/1998	15400-00	Electric Cart/Golf Cart/Scooter (7Y)	
299601	1730 Legs & Tops for Tables	12/10/1998	15400-00	Growing	
299603	Container for Compactor	12/11/1998	15400-00	Other Equip-Small 07	
299598	32 Roller Bond for Tables	12/21/1998	15400-00	Ghse Equip-Large 15	
299599	Upgrade - Series 4 Imaje ink j	12/21/1998	15400-00	Other Equip-Small 07	
227372	Rock for Road -North end E-Hos	12/29/1998	15010-00	Driveway Repairs	
299600	Semiauto Top Bottom Taper Ovrs	12/31/1998	15400-00	Other Equip-Small 07	
299631	Stretch Cylinder Seeder w/PLC	1/15/1999	15400-00	Ghse Equip-Large 15	
162288	Growers Office - Materials	1/20/1999	15300-00	Misc Bldg Impv 15	
162289	Grower Office - Labor - Davis	1/28/1999	15300-00	Misc Bldg Impv 15	
162290	Grower Office - Materials	1/28/1999	15300-00	Misc Bldg Impv 15	
162291	Grower Offices - Materials	2/3/1999	15300-00	Misc Bldg Impv 15	
162292	Grower Office - Tile for Floor	2/11/1999	15300-00	Misc Bldg Impv 15	
299593	IF Panel for Lite Syst A13-14	2/11/1999	15400-00	Ghse Equip-Large 15	
299609	Roller Bond for C11-12 (Tabls)	2/11/1999	15400-00	Other Equip-Small 07	
100029	Tri-Town Elec. - Install Cond	2/18/1999	15200-00	Ghse Systems-Secnd 15	
130041	Galv Pipe for Air Line - Thrall	2/25/1999	15200-00	Ghse Systems-Primary 30	
162293	Grower Office - Quality Builder	2/25/1999	15300-00	Misc Bldg Impv 15	
21530	Waterpipe for B 1-8 (Thrall)	2/25/1999	15200-00	Greenhouses & Systems	
299575	132 Echos - A&B Hs (Cherry Crk	2/25/1999	15400-00	Ghse Systems-Secnd 15	
299590	Automatd Filling Syst.(North P	2/25/1999	15400-00	Ghse Equip-Large 15	
299591	Spindle Transplantr & Syst STS	2/25/1999	15400-00	Ghse Equip-Large 15	
299607	Rails for Waterg Booms-A&B Hse	2/25/1999	15400-00	Booms	
130042	Galvan. Pipe - Thrall	3/11/1999	15200-00	Ghse Systems-Primary 30	
162295	Windows -Grwr Off,Upstrs, recp	3/11/1999	15300-00	Misc Bldg Impv 15	
299610	Chlorine Analyzer -Model CL/17	3/11/1999	15400-00	Other Equip-Small 07	
162296	Growr Office - Labor - Davis	3/12/1999	15300-00	Misc Bldg Impv 15	

299611	Pallet Racks - Wolohan Lumber	3/12/1999	15400-00	Other Equip-Small 07	
299612	Crown Forklift/Manlift - Woloh	3/15/1999	15400-00	Other Equip-Small 07	

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162297	Grower Office - Quality Blders	3/18/1999	15300-00	Misc Bldg Impv 15	
299578	Belt System for Transpl. Line	3/18/1999	15400-00	Ghse Equip-Large 15	
299606	Climate Control Syst - E1-2	3/18/1999	15400-00	Ghse Equip-Large 15	
299613	Conduit for Gro lites - E Hous	3/18/1999	15400-00	Ghse Equip-Large 15	
130002	Construct. - Moving Dirt	3/22/1999	15200-00	Greenhouses 30	
130003	Prairie State Excavat - Earth	3/22/1999	15200-00	Greenhouses 30	
130004	Culvert for E-House (VWE-Flyn)	3/22/1999	15200-00	Greenhouses 30	
130005	Glass House - Structure (Prins	3/22/1999	15200-00	Greenhouses 30	
130006	E1-4 Glass House - Equipment P	3/22/1999	15200-00	Greenhouses 30	
130007	Earth Moving (Prairie & Patten	3/22/1999	15200-00	Land Improvements	
130008	Tower Equip. (Equip. Rental)	3/22/1999	15200-00	Greenhouses 30	
130009	Drainage for E-House (VWE/Flyn	3/22/1999	15200-00	Ghse Systems-Primary 30	
130011	Davis Concrete	3/22/1999	15200-00	Concrete/Gravel	
130012	Rock - Starline Construction	3/22/1999	15200-00	Concrete/Gravel	
130013	Mertel Gravel for Concrete	3/22/1999	15200-00	Concrete/Gravel	
130014	Mertel Gravel for Concrete	3/22/1999	15200-00	Concrete/Gravel	
130015	Mertel Gravel for Concrete	3/22/1999	15200-00	Concrete/Gravel	
130016	Davis Concrete	3/22/1999	15200-00	Concrete/Gravel	
130017	Davis Concrete	3/22/1999	15200-00	Concrete/Gravel	
130020	Construction - Thrall	3/22/1999	15200-00	Greenhouses 30	
130022	Earth Moving - Prairie State	3/22/1999	15200-00	Land Improvements	
130023	Ribar & Wood for Concrete work	3/22/1999	15200-00	Concrete/Gravel	
130024	Carroll Dist. & Construction	3/22/1999	15200-00	Greenhouses 30	
130025	Midwest Testing Service	3/22/1999	15200-00	Greenhouses 30	
130026	Concrete Pumping - Midwest Ltd	3/22/1999	15200-00	Concrete/Gravel	
130027	Concrete Pumping	3/22/1999	15200-00	Concrete/Gravel	
130029	Starline - Komatsu & Dozr Rent	3/22/1999	15200-00	Greenhouses 30	
130030	Cattani - Crane Rental	3/22/1999	15200-00	Greenhouses 30	
130031	Earth Moving - Prairie State	3/22/1999	15200-00	Land Improvements	
130032	Construction - King Engineerin	3/22/1999	15200-00	Greenhouses 30	
130033	Construction - Advanced Engin.	3/22/1999	15200-00	Greenhouses 30	
130034	Welders - VWE/Prins	3/22/1999	15200-00	Greenhouses 30	
130035	Tri-Town Elect.hook-up E House	3/22/1999	15200-00	Greenhouses 30	
130036	Davis Concrete	3/22/1999	15200-00	Concrete/Gravel	
130037	Concrete Pumping - Midwest LTD	3/22/1999	15200-00	Concrete/Gravel	
130038	Davis Concrete (port of 1/28py	3/22/1999	15200-00	Concrete/Gravel	
130039	Tri-Town Elec. -	3/22/1999	15200-00	Greenhouses 30	
130040	Tri-Town Electric (pd 2/18/98)	3/22/1999	15200-00	Greenhouses 30	
299608	192 Booms - A&B Hse (Cherry Cr	3/22/1999	15400-00	Booms	
299614	18 Un multi-task echo Controlr	3/30/1999	15400-00	Ghse Systems-Secnd 15	
41342	A13-14 Glass Struct.-Final Pay	4/1/1999	15200-00	Ghse Systems-Primary 30	
41343	A13-14 glass-Ventg,Heatg,Curtln	4/1/1999	15200-00	Ghse- Energy Curtains	
130043	Electrical Materials - Springf	4/2/1999	15200-00	Greenhouses 30	
130044	Electrical Work - Elmore Elect	4/2/1999	15200-00	Greenhouses 30	
130045	Poly & Blade for Concrete Work	4/2/1999	15200-00	Concrete/Gravel	

299629	Pneumatech AD175 Air Dryer	4/2/1999	15400-00	Other Equip-Small 07	
299616	Bal on 8 Booms Asset# 9581	4/12/1999	15400-00	Booms	
130046	Galvan Pipe - Thrall	4/15/1999	15200-00	Greenhouses 30	
162298	Heating System for Growers Off	4/15/1999	15300-00	Misc Bldg Impv 15	

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299617	Base for Radios - Motorola	4/15/1999	15400-00	Other Equip-Small 07	
299618	Priva - Mtr Circuit Cntr, etc	4/26/1999	15400-00	Other Equip-Small 07	
130047	Pipe Insul.&Jacketg (Heating	4/28/1999	15200-00	Greenhouses 30	
285261	Exmark V36-14K-5 Mower	5/7/1999	15600-00	Small Equipment (10Y)	
299622	Gripping&Plantg Fingers-Transplr	5/7/1999	15400-00	Ghse Equip-Small 10	
299623	Gripping Fingers - STS Transpl	5/7/1999	15400-00	Ghse Equip-Small 10	
299624	2 Dibble Plates for Trnsplntr	5/7/1999	15400-00	Production	
299626	3/4 Rail Trolley Assy for Boom	5/27/1999	15400-00	Booms	
299627	2 Fuel Pumps W/ switches,etc.	6/10/1999	15400-00	Pumps (5Y)	
299628	Holmbeck Farms	6/17/1999	15400-00	Other Equip-Small 07	
227375	Trees - Tonica Nurseries	6/30/1999	15010-00	Land Improvements	
299588	Noncontinuous Roll Seal Door	7/10/1999	15400-00	Doors	
299589	Continuous Roll Seal Door	7/10/1999	15400-00	Doors	
299634	Trane Air Conditioning Unit	7/22/1999	15400-00	HVAC	
299636	Runners f/Tbl Sys B1-4&C11-12	7/29/1999	15400-00	Other Equip-Small 07	
299637	Runners f/Tbl Sys B1-4&C11-12	8/5/1999	15400-00	Ghse Equip-Large 15	
299638	Hydraulic Conduit Bender	8/5/1999	15400-00	Other Equip-Small 07	
227376	Work on Dam - Starline	8/26/1999	15010-00	Land Improvements 30	
21531	Tubing f/Interior Walls - Fram	9/23/1999	15200-00	Greenhouses 30	
227377	Rebuild Road in Back - Starlin	9/30/1999	15010-00	Driveway Repairs	
299642	Verson 45Ton Press Brake 2Pays	9/30/1999	15400-00	Other Equip-Small 07	
299643	2 Grundfos 4.0 Inline Pumps	9/30/1999	15400-00	Pumps (5Y)	
299646	2 Propane Tanks	10/21/1999	15400-00	Small Equipment (10Y)	
299648	Ebb + Flo Pump - Fairbanks 7.5	10/29/1999	15400-00	Pumps (5Y)	
299649	Ebb + Flo Pump - Goulds 7.5hp	10/29/1999	15400-00	Pumps (5Y)	
21532	Interior Walls for A,B&C Hs	11/5/1999	15200-00	Greenhouses & Systems	
299650	Table legs f/B1-4 (DeKalb Iron	11/5/1999	15400-00	Growing	
299651	4 - 400K BTU NG Unit Heaters	11/11/1999	15400-00	Other Equip-Small 07	
285264	Mitsubishi Fork Lift FG25-B	11/24/1999	15600-00	Forklift/Tugger/Scissorlift (10Y)	
227378	Overlay of Parking Area - Univ	12/2/1999	15010-00	Driveway Repairs	
299652	Control Box for Echos in E-hs	12/3/1999	15400-00	Ghse Systems-Secnd 15	
299653	Control Box for Echos in E Hs	12/3/1999	15400-00	Ghse Systems-Secnd 15	
285266	BH 2610 10' Cutter Mower	12/9/1999	15600-00	Small Equipment (10Y)	
285269	JD 5510 MPWD Tractor - Rupiper	12/9/1999	15600-00	Small Equipment (10Y)	
299635	Table System for B1-4 - Dbl R	12/9/1999	15400-00	Ghse Equip-Large 15	
299655	546 Table Stands for B 1-4	12/9/1999	15400-00	Growing	
299657	1600 Moving Tables 64"X125	12/9/1999	15400-00	Growing	
299640	Soil Mixing Line - Flier USA	12/22/1999	15400-00	Ghse Equip-Large 15	
299645	72 Echoes & Assembly ChCreek	12/22/1999	15400-00	Ghse Systems-Secnd 15	
299656	336 Table Stands for B 1-4	12/22/1999	15400-00	Growing	
299660	Pump w/ Discharge priming valv	12/30/1999	15400-00	Pumps (5Y)	
299661	Sky Jack 3200 w/Movement Alarm	12/30/1999	15400-00	Lifts	
299662	Hydro-I w/Chir Wall Sys &flowc	12/30/1999	15400-00	Ghse Equip-Small 10	
163000	Roll-up Door - West Soil Room	1/27/2000	15300-00	Doors	

299664	Tops for Pipe Stands B1-4	1/27/2000	15400-00	Other Equip-Small 07	
299668	Gal Pipe, etc for Tables B1-4	2/4/2000	15400-00	Growing	
299667	Belt System for Plantingline 4	2/10/2000	15400-00	Ghse Equip-Large 15	
299669	Pipe for Rails - Tables B1-2	2/10/2000	15400-00	Growing	
299670	368 Air Chambers - Tables B1-4	2/17/2000	15400-00	Growing	

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162299	Trane Condensing Unit SharonOf	2/24/2000	15300-00	HVAC	
299673	5 Booms for C11-12 (Cherry Cr)	3/16/2000	15400-00	Ghse Systems-Secnd 15	
299674	ULV Sprayer - Twin Star	3/23/2000	15400-00	Ghse Equip-Small 10	
130048	Final Pay - Prins/VWE E 1-4	4/20/2000	15200-00	Greenhouses 30	
299675	Vertical Peat Scraper w/elevat	4/20/2000	15400-00	Ghse Equip-Large 15	
299676	Wiring for Echos in E-Hs 1-4	4/20/2000	15400-00	Ghse Systems-Secnd 15	
299677	Pesticide Applicator (TwinStar	5/11/2000	15400-00	Ghse Equip-Small 10	
299679	Bar Code Scanner (300-999 Modl	5/11/2000	15400-00	Computer Hardware	
299680	Extra Ebb & Flood Tank w/valvs	5/11/2000	15400-00	Small Equipment (10Y)	
299681	Xtra Control Panel f/EbFI Pump	5/11/2000	15400-00	Pumps (5Y)	
299682	Computr Hardwr to Automat Echo	5/18/2000	15400-00	Ghse Systems-Secnd 15	
299684	Roll-up Wall Shade for E 1-4	5/25/2000	15400-00	Ghse- Energy Curtains 10	
285272	Tiller (Farm & Fleet - Ottawa)	7/6/2000	15600-00	Landscape/Utility/Farm Equipment	
299690	Controlr Boxs fr Echos A13-14	8/3/2000	15400-00	Ghse Systems-Secnd 15	
299692	Priva Control Systems (E5-E8)	8/17/2000	15400-00	Ghse Equip-Large 15	
130050	E-Hs 5-8 Structure (VWE/Prins)	8/20/2000	15200-00	Greenhouses 30	
130051	Glass Hs E5-8 Equipment Part	8/20/2000	15200-00	Ghse Systems-Primary 30	
130053	Concrete for Footings E5-8	8/20/2000	15200-00	Concrete/Gravel	
130054	Backhoe Rent to Unload Materls	8/20/2000	15200-00	Greenhouses 30	
130055	Labor for Grader (E5-8)	8/20/2000	15200-00	Greenhouses 30	
130056	Soil Borings for New Construct	8/20/2000	15200-00	Greenhouses 30	
130057	Pipe for E 5-8 Construction	8/20/2000	15200-00	Ghse Systems-Primary 30	
130058	Concrete for E 5-8 - Pd May	8/20/2000	15200-00	Concrete	
130059	Concrete for E 5-8 - Pd June	8/20/2000	15200-00	Concrete	
130061	Equipment Rental for Const E5-	8/20/2000	15200-00	Greenhouse & Systems (30 Years)	
130062	Conduit,Etc. (June Invoices)	8/20/2000	15200-00	Ghse Systems-Primary 30	
130063	Bldg Matrls for E 5-8 Constr.	8/20/2000	15200-00	Greenhouses 30	
130065	Bldg Materials - Springfield E	8/20/2000	15200-00	Greenhouses 30	
130066	Framing f/Concrete (2x4x12)	8/20/2000	15200-00	Greenhouses 30	
130067	Pipe f/Irrigation E5-8 to Lake	8/20/2000	15200-00	Ghse Systems-Primary 30	
130069	Conduit, etc f/ E5-8 (Complete	8/20/2000	15200-00	Ghse Systems-Primary 30	
130070	Wiring for Hs E5-8 (Elmore)	8/20/2000	15200-00	Ghse Systems-Primary 30	
130073	Wiring for Hs E5-8 (Elmore)	8/20/2000	15200-00	Ghse Systems-Primary 30	
130074	Materials for E5-8 Electrical	8/31/2000	15200-00	Ghse Systems-Primary 30	
130075	Materials for E5-8 Electrical	9/7/2000	15200-00	Ghse Systems-Primary 30	
299702	Priva Interface Board-1st Rack	9/7/2000	15400-00	Other Equip-Small 07	
299695	SC Sliding Conveyor (Ordr#2024	9/26/2000	15400-00	Ghse Equip-Small 10	
130076	Wiring for Hs E5-8 (Elmore)	9/28/2000	15200-00	Ghse Systems-Primary 30	
299691	Flat & Pot Filling Syst. w/Agi	9/28/2000	15400-00	Ghse Equip-Large 15	
299689	64 - 30" Echos (Cherry Creek)	10/19/2000	15400-00	Ghse Systems-Secnd 15	
299697	10'X10' Roll Seal Door C8/Barn	10/19/2000	15400-00	Doors	
299698	8'X10' Roll Seal Door B8/Barn	10/19/2000	15400-00	Doors	
299699	8'X10' NonContin.Rol Dor D6/E6	10/19/2000	15400-00	Other Equip-Small 07	

299700	420 Moving Tables #044-A	10/19/2000	15400-00	Ghse Equip-Large 15	
299701	Almax Conveyor Belt Vulcanizer	10/19/2000	15400-00	Other Equip-Small 07	
189655	Wiring Upgrade to North Produc	11/2/2000	15300-00	Misc Bldg Impv 15	
299704	2 Dock Plates for E9&E10 (levl)	11/2/2000	15400-00	Other Equip-Small 07	
299705	Dock Plate for Peat Moss Unldg	11/2/2000	15400-00	Other Equip-Small 07	
299706	Conveyors Syst. for Seed Room	11/2/2000	15400-00	Ghse Equip-Large 15	

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299707	Control Box for Echos & Booms	11/2/2000	15400-00	Booms	
299708	Parts f/ Control Box D9-10E5-8	11/3/2000	15400-00	Ghse Equip-Small 10	
299709	Drip Irrigation f/Dbf Hung Bsk	11/10/2000	15400-00	Ghse Equip-Small 10	
299688	Priva Upgrade System	11/11/2000	15400-00	Ghse Equip-Large 15	
299693	Soil Mixing System (Flier USA)	11/16/2000	15400-00	Ghse Equip-Large 15	
299694	Incline Conveyor,Troughg Rollr	11/16/2000	15400-00	Ghse Equip-Small 10	
299710	Parts f/Control Box f/Ech&Boom	11/22/2000	15400-00	Booms	
299711	Materials for Antenna f/radios	11/30/2000	15400-00	Other Equip-Small 07	
130078	Pipe Insulation in E5-8	12/6/2000	15200-00	Ghse Systems-Primary 30	
299712	Zebra Printer w/rewinder	12/6/2000	15400-00	Computer Hardware	
189654	Mat'ls betwn North Soil &E9-10	12/14/2000	15300-00	Misc Bldg Impv 15	
299713	Display Screen f/Control Box	12/19/2000	15400-00	Computer Hardware	
130079	Pipe Insulation f/ E5-8	12/22/2000	15200-00	Ghse Systems-Primary 30	
179067	11 Dock Levelers-7#1066,4#1076	12/29/2000	15300-00	Small Equipment (10Y)	
163005	Lighting Fixtures for Sales Of	2/1/2001	15300-00	Misc Bldg Impv 15	
189656	Electric Upgrad North Prod Are	2/1/2001	15300-00	Misc Bldg Impv 15	
299726	Conveyors for South Production	2/1/2001	15400-00	Production	
299727	2 Gould Pumps - E House	2/8/2001	15400-00	Pumps (5Y)	
299728	Drum Cylinder Head for Seeder	2/15/2001	15400-00	Production	
299729	IMAJE Print Module for UPC Lbl	2/15/2001	15400-00	Other Equip-Small 07	
130101	Glass Hs E9-10 Structure	2/22/2001	15200-00	Greenhouses 30	
130102	Greenhouse E9-E10 Equip Port.	2/22/2001	15200-00	Greenhouses & Systems	
130103	Priva (Climate Control) Prins	2/22/2001	15200-00	Ghse Systems-Primary 30	
130105	Reinforcing Bar f/ E5-8	2/22/2001	15200-00	Greenhouses 30	
130106	Concrete Work-Rampway,Drainpit	2/22/2001	15200-00	Concrete/Gravel	
130107	Concrete for E9-10	2/22/2001	15200-00	Concrete/Gravel	
130108	Concrete for E9-10 (Mertel)	2/22/2001	15200-00	Concrete/Gravel	
130109	Construction Equip Rental	2/22/2001	15200-00	Greenhouses 30	
130110	Concrete Labor - Footings,etc.	2/22/2001	15200-00	Concrete/Gravel	
130111	Concrete for E9-10 (Mertel)	2/22/2001	15200-00	Concrete/Gravel	
130112	Concrete for E9-10	2/22/2001	15200-00	Concrete/Gravel	
130113	Concrete for E9-10	2/22/2001	15200-00	Concrete/Gravel	
130114	PVC Pipe for Irrigation E9-10	2/22/2001	15200-00	Ghse Systems-Primary 30	
130117	Concrete E9-10 (Mertel)	2/22/2001	15200-00	Concrete	
130118	Concrete f/E9-10 (Mertel)	2/22/2001	15200-00	Concrete	
130119	Concrete E9-10 (Mertel)	2/22/2001	15200-00	Computer Hardware	
130120	Construction Equip Rental	2/22/2001	15200-00	Greenhouses 30	
130123	Concrete Labor E9-10 (Davis)	2/22/2001	15200-00	Concrete/Gravel	
130130	Pumping Station for E9-E10	2/22/2001	15200-00	Ghse Systems-Primary 30	
299730	Control Panel f/Conveyor-S Pro	2/22/2001	15400-00	Other Equip-Small 07	
299732	Conveyor Belts for So. Product	2/22/2001	15400-00	Other Equip-Small 07	
130132	Electrical Matls - Springfield	3/1/2001	15200-00	Ghse Systems-Primary 30	

243289	Office Lunchroom Furn. (OakT&C	3/1/2001	15700-00	Office Equipment	
274673	Rebuild Engine - 1997 E150 Van	3/8/2001	15500-00	Automobiles (5 Years)	
299733	Eurodrive - Conveyor in SoProd	3/8/2001	15400-00	Other Equip-Small 07	
130137	Wiring Priva E5-E10 (Elmore)	3/15/2001	15200-00	Ghse Systems-Primary 30	
130138	Wiring Priva E5-E10 (Elmore)	3/22/2001	15200-00	Ghse Systems-Primary 30	
163002	Remodeling Sales Offices - Lbr	3/22/2001	15300-00	Misc Bldg Impv 15	
163003	Remodeling Sales Offices Mtrls	3/22/2001	15300-00	Misc Bldg Impv 15	

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243294	Dispatch Off. Cabinets Builtin	3/22/2001	15700-00	Office Equipment	
274676	1991 Homemade Trailer #TD99696	3/22/2001	15500-00	Trailer (5Y)	
299734	PRIVA Parts - Ethernet Rep-box	3/28/2001	15400-00	Ghse Equip-Small 10	
299735	Priva for E-House 5-10	3/28/2001	15400-00	Ghse Equip-Large 15	
130139	Electrical Materials E5-E10	3/29/2001	15200-00	Ghse Systems-Primary 30	
299731	Vulcanizer for Conveyor Belts	3/29/2001	15400-00	Other Equip-Small 07	
130133	Electrical Materials - Springf	4/6/2001	15200-00	Ghse Systems-Primary 30	
130134	Wiring Priva E5-E10 (Elmore)	4/6/2001	15200-00	Ghse Systems-Primary 30	
299742	3 Phase Monitors w/install -Nv	4/6/2001	15400-00	Other Equip-Small 07	
189657	Elevated Office in North Prod.	4/12/2001	15300-00	Misc Bldg Impv 15	
189658	Tile Flooring - North Prod. Of	4/12/2001	15300-00	Misc Bldg Impv 15	
299744	Planting Machine Revisions	4/12/2001	15400-00	Ghse Equip-Small 10	
130135	Concrete E9-E10 (2 pays Merti)	4/26/2001	15200-00	Concrete	
130136	Wiring Priva E5-E10 (Elmore)	4/30/2001	15200-00	Ghse Systems-Primary 30	
243291	North Product. Lunchrm Booths	5/3/2001	15700-00	Office Equipment	
299747	Wiring for E9-E10 (Springfield)	5/3/2001	15400-00	Other Equip-Small 07	
299748	6 Motorola CT250 Radios (4 ch)	5/3/2001	15400-00	Small Equipment (10Y)	
163004	Materials - Remodel Sales Offs	5/10/2001	15300-00	Misc Bldg Impv 15	
299749	Planting Mach. Parts - STS Trn	5/10/2001	15400-00	Ghse Equip-Small 10	
299751	Wiring for Priva - E9-E10	5/10/2001	15400-00	Other Equip-Small 07	
299752	Amplifier for Radio System	5/17/2001	15400-00	Other Equip-Small 07	
130141	Wiring Priva, etc. E5-E10 (EI)	5/31/2001	15200-00	Ghse Systems-Primary 30	
299759	Priva Hookup E9-E10 (Elmore E)	5/31/2001	15400-00	Other Equip-Small 07	
299754	Labor for Wiring Priva E9-E10	6/7/2001	15400-00	Other Equip-Small 07	
299755	Controls System for Irrigation	6/14/2001	15400-00	Other Equip-Small 07	
299756	Controler for Booms	6/14/2001	15400-00	Booms	
299740	Autom Table Loader Sys flat&bk	6/28/2001	15400-00	Ghse Equip-Large 15	
22005	Building Permit - PC Collector	7/2/2001	15200-00	Greenhouses	
163006	New Lights in all Office Areas	7/5/2001	15300-00	Misc Bldg Impv 15	
189659	Elevated Off Freight (N.Prod.)	7/5/2001	15300-00	Misc Bldg Impv 15	
299725	22 Booms - D 1-10 Cherry Creek	7/5/2001	15400-00	Booms	
299760	Belt Drive f/Cooling Fans NProd	7/5/2001	15400-00	Other Equip-Small 07	
299767	Mat'ls -Centralized Irr/Bm Dhs	7/5/2001	15400-00	Other Equip-Small 07	
299768	Mat'ls -Centralized Irr/Bms Dhs	7/5/2001	15400-00	Other Equip-Small 07	
299770	Contrl Dr. f/Centraliz Bm Dhs	7/5/2001	15400-00	Other Equip-Small 07	
299765	188 Dual Drives f/Booms A&B Hs	7/26/2001	15400-00	Booms	
227379	Move Gas line f/Addit A-Annex	8/1/2001	15010-00	Greenhouses & Systems	
299696	3 Fixed Unstackers fr Robot Ln	8/1/2001	15400-00	Ghse Equip-Large 15	
299764	Bench Wheels f/Table Systems	8/1/2001	15400-00	Growing	
299766	2Palm Pilots&Softw f/Bar Cod V	8/1/2001	15400-00	Other Equip-Small 07	
189661	Air Cond.- N. Prod. Elev Offic	8/9/2001	15300-00	HVAC	

189662	Bathroom Plmbg -N. Prod EI Off	8/9/2001	15300-00	Misc Bldg Impv 15	
243297	Cabinets,Sink - North Prod Off	8/13/2001	15700-00	Office Equipment	
163007	Upgrade returns Furnac/AC upst	8/16/2001	15300-00	HVAC	
22006	Drainage Pipe for A-Annex	8/16/2001	15200-00	Greenhouses	
189663	Furnace - East Lunch Rm	8/20/2001	15300-00	HVAC	
130142	2 Ebb & Flood High Vol Filters	9/20/2001	15200-00	Ghse Systems-Primary 30	
285273	New Engine for Cat GP18	9/20/2001	15600-00	Forklift/Tugger/Scissorlift (10Y)	
22007	Concrete Labor for A-Annex	9/27/2001	15200-00	Concrete	

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22010	Reinforcing Bar for Concr.A-An	10/1/2001	15200-00	Greenhouses 30	
190105	Reinforcing Bar f/Concret-Barn	10/4/2001	15600-00	Other Buildings 30	
299769	Mat'ls - Centr. Irr/Booms D Hs	10/4/2001	15400-00	Booms	
22013	Earthwork for A-Annex (Starin)	10/11/2001	15200-00	Land	
22008	Concrete Labor for A-Annex	10/18/2001	15200-00	Concrete	
299771	Wiring f/Booms - D House 1-10	10/18/2001	15400-00	Ghse Systems-Secnd 15	
299773	Galv. Bar f/Booms - D House	10/18/2001	15400-00	Booms	
22014	Concrete for A-Annex (Mertel)	10/25/2001	15200-00	Concrete	
22009	Concrete Labor for A-Annex	11/7/2001	15200-00	Computer Hardware	
299779	Box Sealer/Tape Machine	11/14/2001	15400-00	Other Equip-Small 07	
299777	Composite Wire-Centrzd Cntr D	11/21/2001	15400-00	Other Equip-Small 07	
190106	Concrete Labor f/ Storage Barn	11/23/2001	15600-00	Concrete	
190107	Rebar, etc f/ Concrete - Barn	11/29/2001	15600-00	Other Buildings 30	
22011	Concrete for A-Annex (Mertel)	11/29/2001	15200-00	Concrete	
190108	Concrete Labor f/Bulk Stor Bm	12/18/2001	15600-00	Concrete	
22015	Glass Greenhouse (incl Constr)	12/19/2001	15200-00	Greenhouses & Systems	
299786	Horz Bandsaw Jet (9X16)	12/20/2001	15400-00	Other Equip-Small 07	
190109	Concrete f/ Bulk Storage Barn	12/27/2001	15600-00	Concrete	
299774	Centrlzd Contrl Irr/Booms C1-8	12/27/2001	15400-00	Booms	
299776	Panels f/Irr/Bm Upgrad C1-8	12/27/2001	15400-00	Other Equip-Small 07	
299780	10 Station Cuttings Line	12/27/2001	15400-00	Ghse Equip-Large 15	
190110	Steel Building (incl Const.)	12/28/2001	15600-00	Other Buildings 30	
243298	Cannon Copier IR2200 -MPG01736	12/28/2001	15700-00	Computer Hardware	
190111	Dock Leveler (Raynor Door Co.)	12/31/2001	15600-00	Small Equipment (10Y)	
299784	Update f/Series S4 Ink Jet Pr.	12/31/2001	15400-00	Other Equip-Small 07	
299790	(galvanized metal) Cat-walk Over Tanks in E House	1/10/2002	15400-00	Other Equip-Small 07	
190112	(Mertel) Concrete for Bulk Storage Barn	1/17/2002	15600-00	Concrete	
190113	Storage Barn Gravel & Machine Rental for Bulk	1/23/2002	15600-00	Other Buildings 30	
190114	Storage Barn Machine Rent for Construction of Bulk	2/7/2002	15600-00	Greenhouse & Systems (30 Years)	
299794	Houses Water Filter Upgrade for D & E	2/7/2002	15400-00	Other Equip-Small 07	
243299	Office Computer Workstation - Seeding	2/14/2002	15700-00	Office Equipment	
299795	Control) C - House Irrigation System (All	2/14/2002	15400-00	Other Equip-Small 07	
299796	45 KW Generator w/ Transfer Switch	2/22/2002	15400-00	Generator	
299797	C - House Irrigation System Controls	3/1/2002	15400-00	Other Equip-Small 07	

258247	Office) HP Laserjet 4100 Printer (Sharon's	3/7/2002	15700-00	Computer Hardware	
274680	Rebuild Transmission on Ford Van	3/7/2002	15500-00	Automobiles (5 Years)	
299741	Urbanati Complete Seeding Line	3/7/2002	15400-00	Ghse Equip-Large 15	
299799	Conveyors for the Sticking Line	3/14/2002	15400-00	Other Equip-Small 07	

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299800	Tank & Pump 280 Gallon Portable Refueler w/Steel	3/25/2002	15400-00	Small Equipment (10Y)	
299801	Sticking Line Stainless Steel Water Tunnel for	3/28/2002	15400-00	Other Equip-Small 07	
22017	01 (4-inv Electrical wiring for Vents & Priva in A-	4/4/2002	15200-00	Building Improvements	
22018	A-0 Electrical Wiring for Vents & Priva in	4/4/2002	15200-00	Building Improvements	
258249	4MB (LVW) HP Laserjet 5000 Printer, 16PPM,	4/4/2002	15700-00	Computer Hardware	
299802	System (Ship Hs) Motors for new Shipping Conveyor	4/4/2002	15400-00	Other Equip-Small 07	
299804	Matic Boiler Cleaning Machine - Soot-A-	4/4/2002	15400-00	Other Equip-Small	
299803	Conveyor Bed, etc) Shipping Belts for B-12 (Tables,	4/11/2002	15400-00	Ghse Equip-Large 15	
299805	B12 Air Chambers for New Roller Bond -	4/11/2002	15400-00	Other Equip-Small 07	
299806	Conveyor Belts for B & C House	4/18/2002	15400-00	Other Equip-Small 07	
299807	Sowing Line Installation	4/18/2002	15400-00	Other Equip-Small 07	
22019	PVC for Water for Irrigation in A-0	4/25/2002	15200-00	Greenhouses & Systems	
299808	Automatic Basket Hooker	4/25/2002	15400-00	Ghse Equip-Large 15	
285276	Auction Co.) Grove Man-Lift AMZ40 (Hilpiipre	4/27/2002	15600-00	Lifts	
22020	A-0 Electrical Wiring for Vents & Priva for	5/2/2002	15200-00	Building Improvements	
22021	Vents & Priva 400 AMP Electrical Service to A-0 for	5/2/2002	15200-00	Greenhouses	
22022	Priva Electrical Breaker for A-0 for Vents &	5/2/2002	15200-00	Greenhouses & Systems	
285277	Equipment Co. Tow Cart (Puller) - Rupiper	5/2/2002	15600-00	Forklift/Tugger/Scissorlift (10Y)	
299809	in Shipping Hs Cable Pulls for new Conveyor System	5/2/2002	15400-00	Other Equip-Small 07	
299810	Program Fiber Optic Hub for Cart Tracking	5/9/2002	15400-00	Other Equip-Small 07	
299811	Program Print Server for Cart Tracking	5/9/2002	15400-00	Other Equip-Small 07	
299812	Wheels for Roller Bond in B12	5/9/2002	15400-00	Other Equip-Small 07	
299813	C1-8 Composite Wire for Irrigation Upgrade	5/9/2002	15400-00	Other Equip-Small 07	
299814	12 Booms for A11-12	5/9/2002	15400-00	Booms	

285278	#9273) (Rupiper John Day 77" Disc 18" Blades (Tag	5/16/2002	15600-00	Other Equip-Small 07	
299815	- C House Material for Irrigation System Upgrade	5/16/2002	15400-00	Other Equip-Small 07	
299816	D6) 2 Rapid-Roll Doors - (C1-D1) & (C6-	5/23/2002	15400-00	Doors	
299817	Water Pumps Power Upgrade	6/6/2002	15400-00	Pumps (5Y)	

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285279	1999 CAT Forklift (Bradley's Auction)	6/9/2002	15600-00	Forklift/Tugger/Scissorlift (10Y)	
130143	Shading for E-House 1-10	6/15/2002	15200-00	Ghse- Energy Curtains	
22023	# 22013) Starl Balance of Earthwork A-Annex (Asset	6/30/2002	15200-00	Land Improvements	
299818	Project Conduit, etc for C-Hs Booms/Echos	7/3/2002	15400-00	Booms	
299792	Cart Tracking System (A.I.S. System)	8/1/2002	15400-00	Ghse Equip-Large 15	
299819	(FW Sys) Underneath Transport f/ Containers	8/1/2002	15400-00	Ghse Equip-Large 15	
299824	Tuning Brds, Cont Cart Tracking System - Antennas,	8/1/2002	15400-00	Ghse Equip-Large 15	
299825	System Controllers for C-Hs 1-10 Irrigation	8/1/2002	15400-00	Other Equip-Small 07	
285285	Concrete Vibra Screed	8/20/2002	15600-00	Concrete/Gravel	
285290	Electric ScissorLift 15x1136	8/22/2002	15600-00	Lifts	
299826	Controllers for C-Hs Irrigation System	8/22/2002	15400-00	Other Equip-Small 07	
163008	Office Remodeling - LVW & Hou	9/5/2002	15300-00	Misc Bldg Impv 15	
285287	Taylor Dunn Electric Cart SC 1-59	9/5/2002	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
299828	(Future Com) Security Camera Monitoring System	9/19/2002	15400-00	Ghse Equip-Large 15	
299829	(Prins) E-Hs Extension of Shading System	10/3/2002	15400-00	Ghse- Energy Curtains 10	
227381	Move & Upgrade Road at West End	10/10/2002	15010-00	Driveway Repairs	
299830	etc. Cart Tracking System - Antenna's,	10/10/2002	15400-00	Other Equip-Small 07	
299831	Magix R2 Upgrade Phone System to Merlin	10/24/2002	15400-00	Small Equipment (10Y)	
299832	Wiring for New Pump Hs - North Lake	10/31/2002	15400-00	Other Equip-Small 07	
299833	Cart Tracking System - Antenna Work	10/31/2002	15400-00	Other Equip-Small 07	
299837	Foundation (Cattani) Pump House - North Lake -	10/31/2002	15400-00	Other Equip-Small 07	
189665	Chamber Concrete Labor for New Germ	11/7/2002	15300-00	Concrete	
299834	PVC Pipe for Pump Hs - North Lake	11/7/2002	15400-00	Other Equip-Small 07	
299835	Concrete - Pump House - North Lake	11/7/2002	15400-00	Concrete	
299836	Lake PVC Pipe for Pump House - North	11/14/2002	15400-00	Other Equip-Small 07	
299838	(Aluma Shield) Addition to Germination Chamber	11/14/2002	15400-00	Ghse Equip-Large 15	
189666	Chamber Concrete for New Port. Germ	11/21/2002	15300-00	Concrete	
130145	E-0 Concrete for E Hs Extension	11/29/2002	15200-00	Concrete/Gravel	

	130146	Extension E-0 Labor for Concrete for Greenh	11/29/2002	15200-00	Concrete/Gravel	
	189667	of Germ Chamb Extend Roof & Supports f/ Relocation	11/29/2002	15300-00	Ghse Structural Improvement	
	243301	(IVBE) Paper Shredder - Destroyit 4002	11/29/2002	15700-00	Office Equipment	
	299839	Model 230 2 - 9'x10' Rapid-Roll Greenhs Doors	11/29/2002	15400-00	Doors	
	299845	Machined & Galvanizd 12 Uprights f/ Germ Chamber -	12/5/2002	15400-00	Ghse Equip-Small 10	
	130147	Extension E-0 Labor for Concrete for Greenh	12/12/2002	15200-00	Concrete/Gravel	
	130148	(Mertel) E-0 Concrete for Greenh Extension	12/12/2002	15200-00	Concrete/Gravel	
	130149	Concrete for E-0 Extension	12/12/2002	15200-00	Concrete/Gravel	
	227382	Paved West & North End Road	12/12/2002	15010-00	Driveway Repairs	
	299846	Extension to Phone System	12/12/2002	15400-00	Small Equipment (10Y)	
	110090	Roof Greenh D-0 Expansion with a Cravo Retract-A-	12/15/2002	15200-00	Concrete	
	110091	D-0 Concrete for Expansion (Mertel)	12/15/2002	15200-00	Concrete	
	110092	Expansion D-0 Labor for Concrete for Cravo	12/15/2002	15200-00	Concrete	
	110093	Expansion D-0 Labor for Concrete for Cravo	12/15/2002	15200-00	Concrete	
	110094	(Mertel) D-0 Concrete for Cravo Expansion	12/15/2002	15200-00	Concrete	
	299820	Sys) Fixed Unstacker f/ 3 Robot lines (FW	12/15/2002	15400-00	Ghse Equip-Large 15	
	299821	Fixed Unstacker (FW Sys)	12/15/2002	15400-00	Ghse Equip-Large 15	
	299822	Rail for Overhead Stacker (FW Sys)	12/15/2002	15400-00	Other Equip-Small 07	
	299823	w/plug sheets (FW Overhead Unstacker f/ Containers	12/15/2002	15400-00	Ghse Equip-Large 15	
	299840	Pump for North Lake	12/27/2002	15400-00	Other Equip-Small 07	
	299841	Door(by GermCham) 12x12 Raynor Rolling Steel Fire	12/30/2002	15400-00	Doors	
	299842	PRIVA NutriJet System (Prins)	12/30/2002	15400-00	Ghse Equip-Large 15	
	299843	(Snook) Auger Bucket 2210 w/ 36" Chute	12/30/2002	15400-00	Other Equip-Small 07	
	227384	North End Road Moving, Grading & Upgrading West &	12/31/2002	15010-00	Driveway Repairs	
	299844	(9@10x9&1@12x9) 10 Rapid-Roll Doors Model 230	12/31/2002	15400-00	Doors	

299851	System Controllers for C1-C8 Irrigation	1/16/2003	15400-00	Ghse Equip-Large 15	
299848	Urbanati Plug Tray Dispenser System	1/23/2003	15400-00	Ghse Equip-Small 10	
299849	Water Bar Attachmt DBB Bale Shaver 230v 3 phase w/	1/23/2003	15400-00	Ghse Equip-Large 15	

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299850	after Sowing Drum Gamma Sowing Line 2 meter Insert	1/23/2003	15400-00	Other Equip-Small 07	
299852	Asset#299819-299823 Add'l Installation Expense of	1/29/2003	15400-00	Ghse Equip-Large 15	
299853	Tanks in E-1 Water Treatment Ozonizer System for	2/20/2003	15400-00	Ghse Equip-Large 15	
299854	Dillen 72 3 Interchangeable Plug Dislodgers f/	2/27/2003	15400-00	Other Equip-Small 07	
299855	21 40"Echo System for A-0	2/27/2003	15400-00	Ghse Systems-Secnd 15	
130155	Glass Greenhouse - E-0	3/6/2003	15200-00	Greenhouses 30	
299856	8 Holland Heaters f/ A-0 (440,000 btu)	3/6/2003	15400-00	Ghse Equip-Large 15	
299857	E9-10 Controllers f/ Irrigation System in A-0,	3/20/2003	15400-00	Ghse Equip-Small 10	
299858	340 Gro-Light System (Prins)	4/10/2003	15400-00	Ghse Equip-Large 15	
299859	Tracking Sys Antenna Transformers, Tuners, f/ Cart	4/17/2003	15400-00	Ghse Equip-Large 15	
299860	South Soil Room Raynor Series S-24 Steel Door -	4/24/2003	15400-00	Doors	
299861	33" Automatic Floor Scrubber	4/29/2003	15400-00	Small Equipment (10Y)	
110095	Drainage System Mat'ls for D11-12	5/1/2003	15200-00	Greenhouses 30	
130152	Drainage System E 11-12	5/1/2003	15200-00	Greenhouses 30	
258256	Irrigation Sys Grnhs Softwr - f/ Remote Control of	5/1/2003	15700-00	Computer Software & Hardware (5 Years)	
110096	Machine Rent f/ Ground Fill D 11-12	5/22/2003	15200-00	Greenhouses 30	
130150	Equipment Rental f/ Constr of E 11-12	5/22/2003	15200-00	Greenhouse & Systems (30 Years)	
130151	Drainage System f/ E 11-12	5/22/2003	15200-00	Greenhouses 30	
299862	36 - 30" Echo Systems f/ E9-10	6/2/2003	15400-00	Ghse Systems-Secnd 15	
130153	Ground Fill f/ Constr E 11-12	6/19/2003	15200-00	Greenhouses 30	
130154	Equipment Rental f/ Constr. E 11-12	6/19/2003	15200-00	Greenhouse & Systems (30 Years)	
299863	STS(Bot 2/25/99) Bal. on Asset #9591 Transplanter	6/30/2003	15400-00	Ghse Equip-Large 15	
299864	500 Karsten Carts- ML Series	7/3/2003	15600-00	Carts (3Y)	
22024	Shade System for A-0 House	7/17/2003	15200-00	Ghse- Energy Curtains	
258258	Technologies Computer for Security Camera's - Pro	7/24/2003	15700-00	Computer Hardware	
285298	#SJ3219 Scissor Lift -17-19' DC , SKYJACK	7/24/2003	15600-00	Lifts	
190120	Construct.) Concrete Igloo for Storage (Monolithic	7/31/2003	15600-00	Concrete	
299868	299780 Shipping for Cutting Line - Asset #	8/8/2003	15400-00	Ghse Equip-Small 10	

299869	Network Matls for C1-12 Irrigation System -	8/28/2003	15400-00	Other Equip-Small 07	
299871	(C1, C8) Control Cable for Irrigation System	9/11/2003	15400-00	Other Equip-Small 07	
285300	LZ27LKA Golf Cart (Smith)	10/16/2003	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	

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110106	prepare f/foun Earthwork - D11-12 - fill in pond &	10/23/2003	15200-00	Greenhouses 30	
227386	pond filled. New Road around E11-12 where	10/23/2003	15010-00	Land Improvements 30	
299873	Controls for New Irrigation System	10/28/2003	15400-00	Other Equip-Small 07	
110119	Concrete) (R&J) Floor D 11-12 (Plastic to cover	11/4/2003	15200-00	Concrete	
110107	Concrete) Concrete Labor - D 11-12 (Davis	11/6/2003	15200-00	Concrete	
130169	Concrete) Concrete Labor - E 11-12 (Davis	11/6/2003	15200-00	Concrete/Gravel	
299874	11-12, E 11-12 New Irrigation Control System for D	11/6/2003	15400-00	Ghse Equip-Large 15	
110108	(Mertel) Concrete for Footings & Wall D11-12	11/13/2003	15200-00	Concrete	
130170	(Mertel) Concrete for Footings & Wall E11-12	11/13/2003	15200-00	Concrete/Gravel	
299876	(Nov, Dec) New Irrigation System - Springfield	11/13/2003	15400-00	Other Equip-Small 07	
285301	80"Bucket BOBCAT T-300 w/Tracks cab,	11/19/2003	15600-00	Small Equipment (10Y)	
110109	Construction Equipment Rental for D11-12	11/20/2003	15200-00	Greenhouse & Systems (30 Years)	
299875	12,E11-12 (Aut Mtl's for New Irrigation System D11-	11/20/2003	15400-00	Other Equip-Small 07	
285302	Bucket 2003 New Holland Backhoe w/ 24"	11/21/2003	15600-00	Heavy Equipment (15 Years)	
285303	6036 2003 Skytrak Telescoping Forklift #	11/21/2003	15600-00	Forklift/Tugger/Scissorlift (10Y)	
110110	Concrete for Floor - D11-12 (Mertel)	11/26/2003	15200-00	Concrete	
110111	Earthwork for D11-12 (Starline)	11/26/2003	15200-00	Greenhouses 30	
130171	Earthwork for E11-12 (Starline)	11/26/2003	15200-00	Land Improvements	
299877	(Kettman) Compressors for Boiler Room	11/26/2003	15400-00	Small Equipment (10Y)	
110112	(Midwest LTD.) Concrete Pumper for D11-12 Floor	12/4/2003	15200-00	Concrete	
110113	(Springfield) Electrical Hookup for D9-10	12/4/2003	15200-00	Ghse Systems-Primary 30	
110114	Concrete for Floor in D11-12 (Mertel)	12/11/2003	15200-00	Concrete	
299878	66 Roller Tables - Dbl R	12/11/2003	15400-00	Ghse Equip-Large 15	
299880	Greenhs) 525 Moving Tables for D11-12 (VW	12/11/2003	15400-00	Ghse Equip-Large 15	

110115	(Elmore) Electrical Hookup Labor - D9-10	12/18/2003	15200-00	Ghse Systems-Primary 30	
110116	Concrete for Floor in D11-12 (Mertel)	12/18/2003	15200-00	Concrete	
110117	Earthwork for D11-12 (Starline)	12/18/2003	15200-00	Greenhouses 30	
130173	Earthwork for E11-12 (Starline)	12/18/2003	15200-00	Land Improvements	

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258274	12, E11-12 Interface f/ Programing Irrig Sys D11-	12/18/2003	15700-00	Computer Software & Hardware (5 Years)	
299881	Bond D9-12 1500 Small Wheels for new Roller	12/18/2003	15400-00	Ghse Equip-Small	
110097	Construction Earth Work for D 11-12 - Starline	12/20/2003	15200-00	Greenhouses 30	
110098	Construction Earthwork (Fill in lake) for D11-12	12/20/2003	15200-00	Greenhouses 30	
110099	Construction Earthwork (fill in lake) D11-12	12/20/2003	15200-00	Greenhouses 30	
110100	(Repl Cravo 9-10) Greenhs Structure - D 9-12 Glass	12/20/2003	15200-00	Greenhouses 30	
110101	Blackout Curtain System for D9-12	12/20/2003	15200-00	Ghse- Energy Curtains	
110102	Heating Hose for Floor in D9-12	12/20/2003	15200-00	Ghse Systems-Secnd 15	
110103	Heating System for D9-12	12/20/2003	15200-00	Ghse Systems-Primary 30	
110104	Roll-up Walls/Doors for D9-12	12/20/2003	15200-00	Doors	
110105	Concrete for D11-12 (Mertel)	12/20/2003	15200-00	Concrete	
130158	Construction Earthworks (fill in lake) for E11-12	12/20/2003	15200-00	Land Improvements	
130160	(Prins) Greenhouse Structure - E11-12	12/20/2003	15200-00	Greenhouses 30	
130161	Heating System for E11-12	12/20/2003	15200-00	Ghse Systems-Primary 30	
130162	Roll-up Walls/Doors in E11-12 (Prins)	12/20/2003	15200-00	Doors	
130164	Contruccion Earthwork (fill in lake) E11-12	12/20/2003	15200-00	Land Improvements	
130166	Starline Con) Earthwork for E11-12 Construction (12/20/2003	15200-00	Land Improvements	
130167	(Mertel) Concrete for Construction of E11-12	12/20/2003	15200-00	Concrete	
130168	Earthwork for Construction of E11-12	12/20/2003	15200-00	Land Improvements	
299879	Priva System for D9-12 & E 11-12	12/22/2003	15400-00	Ghse Equip-Large 15	
299882	Syst D11-12 Wheel Assembly for Building Table	12/22/2003	15400-00	Ghse Equip-Large 15	
110118	(Elect. Sup) Electrical Materials for D9-10 Hookup	12/29/2003	15200-00	Ghse Systems-Primary 30	
299883	Mizer Scroll S New Cooling System in Cooler - Bohn	12/29/2003	15400-00	Ghse Equip-Large 15	
243304	Canon IR2200 Copier, Fax, Printer	12/30/2003	15700-00	Computer Hardware	
285304	2004 Yamaha 6-Passenger Golf Cart	12/30/2003	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285306	90" Dozer Blade w/ Conversion	12/30/2003	15600-00	Landscape/Utility/Farm Equipment	
285307	72" Bobcat Sweeper w/ Gutter Brush	12/30/2003	15600-00	Landscape/Utility/Farm Equipment	

285308	Yellow Cart - Wies	12/30/2003	15600-00	Small Equipment (10Y)	
285309	Yellow Cart - Hou	12/30/2003	15600-00	Small Equipment (10Y)	
285310	Yellow Cart - Steil	12/30/2003	15600-00	Small Equipment (10Y)	
285311	Yellow Cart - Brandon	12/30/2003	15600-00	Small Equipment (10Y)	

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285312	Yellow Cart - Hoster	12/30/2003	15600-00	Small Equipment (10Y)	
299884	Motorola Radio System - Radio One	12/30/2003	15400-00	Small Equipment (10Y)	
299886	Syst. Drip Line System (Aisles, etc.) - Zwart	12/30/2003	15400-00	Ghse Equip-Small 10	
285313	Mitsubishi Forklift - FG18K-LP	12/31/2003	15600-00	Forklift/Tugger/Scissorlift (10Y)	
285314	Mitsubishi Forklift - FG18K-LP	12/31/2003	15600-00	Forklift/Tugger/Scissorlift (10Y)	
299887	Room (Prins) 600 HP Boiler & Stack for East Boiler	12/31/2003	15400-00	Heavy Equipment (15 Years)	
299888	Room (Prins) 600 HP Boiler & Stack for West Boiler	12/31/2003	15400-00	Heavy Equipment (15 Years)	
110120	(Preferred Concret) Concrete Work for D11-12 Floor	1/9/2004	15200-00	Concrete	
110121	Syst D11-12 Transport lines f/ Under-Floor Heating	1/22/2004	15200-00	Ghse Systems-Primary 30	
130174	Syst D11-12 Transport lines f/ Under-Floor Heating	1/22/2004	15200-00	Greenhouses 30	
299890	Magnum Pipe Mat'l for Tables/Roller Bond -	1/22/2004	15400-00	Greenhouses & Systems	
110122	Earthwork f/ D11-12 (Starline)	1/29/2004	15200-00	Greenhouses 30	
130175	Earthwork f/ E11-12 (Starline)	1/29/2004	15200-00	Land Improvements	
299891	Fairbanks Morse Pump	2/5/2004	15400-00	Pumps (5Y)	
299892	Electric New Lights for Cooler - Springfield	2/5/2004	15400-00	Other Equip-Small 07	
299893	- (Peru Tool) Pipe Stand for Table Sytem in D11-12	2/12/2004	15400-00	Growing	
227388	Locust Trees - 3 - 8' Spruce, 4 - 5' Haika	2/19/2004	15010-00	Land Improvements	
299894	Roller Bond for A13-13 & D9-D12	2/19/2004	15400-00	Other Equip-Small 07	
299895	d/w No Controll Bal. on Asset # 299855 - 40" Echos	2/19/2004	15400-00	Ghse Systems-Secnd 15	
299896	System - No Contr Bal. on Asset #299862 - 30" Echo	2/19/2004	15400-00	Ghse Systems-Secnd 15	
130176	12 (3pay) Electrical f/ Irrigatn & Heatg Sys.- E11-	2/26/2004	15200-00	Ghse Systems-Primary 30	
299897	System TouchScreens for New Irrigation	2/26/2004	15400-00	Computer Hardware	
110123	12 (Feb&M) Electrical f/ Irrigation & Heating D11-	3/4/2004	15200-00	Ghse Systems-Primary 30	
110124	Mat'l for D 11-12 Wiring (Springfield)	3/4/2004	15200-00	Ghse Systems-Primary 30	
299898	Ebb & Flood Pump (Color Pt)	3/4/2004	15400-00	Pumps (5Y)	
299899	Tubing for C-Hs Irrigation System	3/4/2004	15400-00	Other Equip-Small 07	

299900	(Prins) Gatorshield for Booms in D9-D12	3/11/2004	15400-00	Booms	
299901	D9-12, C10-11 Line Brackets f/ Hotwatr Transport -	3/18/2004	15400-00	Other Equip-Small 07	
110125	Pipe for D9-12 (Columbia)	3/25/2004	15200-00	Ghse Systems-Primary 30	
110126	C12 Galvanized Beams for Corridor D12 to	3/25/2004	15200-00	Greenhouses 30	
299903	Crane Rental to Install New Boiler	3/25/2004	15400-00	Heavy Equipment (15 Years)	

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299904	Gas LIne for New Boiler	3/25/2004	15400-00	Heavy Equipment (15 Years)	
299905	Creek) Booms for D9-12, E 11-12 (Cherry	3/25/2004	15400-00	Booms	
299906	Table System Bal. on Asset #299882. - D11-12	3/25/2004	15400-00	Growing	
299907	Series RAM, Verti Bridgeport 1HP Milling Machine -	3/25/2004	15400-00	Other Equip-Small 07	
299908	Series RAM, Verti Bridgeport 1HP Milling Machine -	3/25/2004	15400-00	Other Equip-Small 07	
110127	House Concrete Work for Pathway - D	4/1/2004	15200-00	Concrete	
130177	Springfield) Elect. Mat'l for E11-12 (2pays -	4/1/2004	15200-00	Ghse Systems-Primary 30	
299909	Concrete Work for West Boiler Room	4/1/2004	15400-00	Heavy Equipment (15 Years)	
130178	PVC Sewer Pipe for E 11-12	4/8/2004	15200-00	Ghse Systems-Primary 30	
130179	Gravel/Rock for E11-12	4/8/2004	15200-00	Concrete/Gravel	
130180	(Springfield) Electrical Mat'l for E11-12	4/8/2004	15200-00	Ghse Systems-Primary 30	
299910	Room Mat'l for New Boiler in East Boiler	4/8/2004	15400-00	Heavy Equipment (15 Years)	
299911	E11-12 Cable for Booms - Irrigation D11-12,	4/8/2004	15400-00	Booms	
130181	Black Pipe for Heating Syst. E10-12	4/15/2004	15200-00	Ghse Systems-Primary 30	
130182	E11-12 (3pay) Electrical Wk f/ Irrigat & Heatg Sys	4/15/2004	15200-00	Ghse Systems-Primary 30	
299912	Install Gas line for West Boiler Room	4/15/2004	15400-00	Heavy Equipment (15 Years)	
110129	Concrete for D11-12 (Mertel)	4/22/2004	15200-00	Concrete	
130183	Concrete for E11-12 (4 pays) (Mertel)	4/29/2004	15200-00	Concrete/Gravel	
130184	Gravel/Rock E11-12 (Starline)	4/29/2004	15200-00	Concrete/Gravel	
130185	Sys E11-12 Electrical Mat'l f/ Irrigation & Heatg	4/29/2004	15200-00	Ghse Systems-Primary 30	
227389	- Machine Hire Work on Lake & road North of E11-12	4/29/2004	15010-00	Driveway Repairs	
299913	6 Motorola Radios	4/29/2004	15400-00	Small Equipment (10Y)	
299914	Irrigation System Mat'l for C house	4/29/2004	15400-00	Other Equip-Small 07	
130186	12 Galvanized Pipe for Irrigation Sys E11-	5/6/2004	15200-00	Ghse Systems-Primary 30	
299915	4 Motorola P1225 Radios	5/13/2004	15400-00	Small Equipment (10Y)	
299916	Controllers for Irrigation System	5/14/2004	15400-00	Other Equip-Small 07	
110128	D11-12 Electrical for Irrigation & Heating Sys	5/27/2004	15200-00	Ghse Systems-Primary 30	

130187	E11-12 Addn'l Paymt Black-Out Curtains -	5/27/2004	15200-00	Ghse- Energy Curtains	
130188	Ebb & Flood System E11-12 - Prins	5/27/2004	15200-00	Ghse Systems-Primary 30	
21533	Echos C 1-8 Electrical Work for Controllers for	6/10/2004	15200-00	Building Improvements	

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299917	Chamber 2 Carrier Air Conditioning Units Germ.	6/10/2004	15400-00	HVAC	
299918	Mat'l for Irrigation System Controls	6/17/2004	15400-00	Other Equip-Small 07	
299919	2 Motorola Radios	6/30/2004	15400-00	Small Equipment (10Y)	
227390	Work on the Dam (Starline)	7/22/2004	15010-00	Land Improvements 30	
299921	Pressure Washer, 3000PSI	7/22/2004	15400-00	Landscape/Utility/Farm Equipment	
227391	Work on Dam (Starline)	8/5/2004	15010-00	Land Improvements 30	
227392	(Starline) Gravel for Road Behind Greenhouse	8/12/2004	15010-00	Land Improvements 30	
227393	for Mums (Dav) Concrete Pathway in Back of Greenhs	8/12/2004	15010-00	Concrete	
227394	Greenhouse (Mertel) Concrete Pathway in Back of	8/26/2004	15010-00	Concrete	
299922	Plus TT) Zebra UPC Printer w/ Rewind (140xill	8/26/2004	15400-00	Computer Hardware	
227395	(Tonica Nursery) Landscaping in Front of Facility	9/1/2004	15010-00	Land Improvements	
299923	East Boiler Rm Electrical Hookup for New Boiler -	9/1/2004	15400-00	Heavy Equipment (15 Years)	
227396	Landscaping (Starl) Tree & Undergrowth Removal f/	9/9/2004	15010-00	Land Improvements	
227397	Peat - North End Outdoor Storage Area Expansion f/	9/9/2004	15010-00	Land Improvements	
299952	Pumps,Parts Heat Expansion System - Boiler Rm -	9/16/2004	15400-00	Heavy Equipment (15 Years)	
299924	& Echos Irrigation System Interface for Booms	10/21/2004	15400-00	Booms	
299925	Bobcat 225 - 20 hp Gas Powered Welder/Generator -	10/21/2004	15400-00	Generator	
299926	Moving Panels New Transfer Switches f/ Generator &	10/28/2004	15400-00	Generator	
110130	into Barn (RJ) Construction to Bridge Access D-8	11/3/2004	15200-00	Concrete	
299953	D11-12,E11-12 Pipe Insul. for Heat Expansn Sys -	11/4/2004	15400-00	Ghse Equip-Large 15	
227398	Greenhouse (Advanced) Resurface of Road's around	11/11/2004	15010-00	Driveway Repairs	
285324	PC-300-8SB Personnel Carrier, 2 Person, Yellow	11/19/2004	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285325	PC-300-8SB(2) Personnel Carrier, 2 Person, Yellow	11/19/2004	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	

299927	Creek) 72 EZ Beam ECHO System (Cherry	11/19/2004	15400-00	Ghse Systems-Secnd 15	
110131	into Barn (Davis Concrete Work f/Bridge Access D-8	11/26/2004	15200-00	Concrete	
274706	2005 FORD F250 Truck 4X4 White	11/26/2004	15500-00	Automobiles (5 Years)	
285326	Model TD 217) Stockchaser Cart (Green) (Allied	12/2/2004	15600-00	Forklift/Tugger/Scissorlift (10Y)	

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285327	Model TD 217) Stockchaser Cart (Green) (Allied	12/2/2004	15600-00	Forklift/Tugger/Scissorlift (10Y)	
285328	Model TD 217) Stockchaser Cart (Green) (Allied	12/2/2004	15600-00	Forklift/Tugger/Scissorlift (10Y)	
285329	Model TD 217) Stockchaser Cart (Green) (Allied	12/2/2004	15600-00	Forklift/Tugger/Scissorlift (10Y)	
285330	Model TD 217) Stockchaser Cart (Green) (Allied	12/2/2004	15600-00	Forklift/Tugger/Scissorlift (10Y)	
285332	Golf Cart - Tourmaster - Model B-100	12/2/2004	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
299928	House	12/2/2004	15400-00	Booms	
299929	Gator Pipe for Rails for Booms in E- & Locky Caster	12/2/2004	15400-00	Other Equip-Small 07	
299930	Belcor 150X Taper w/ 3" Tape Heads	12/3/2004	15400-00	Ghse Equip-Large 15	
299931	Conveyr-North Prod Flat & Pot Filling Sys w/Dibble	12/3/2004	15400-00	Ghse Equip-Large 15	
299931	South Prod. Flat & Pot Filling Sys w/Dibble Convyr-	12/3/2004	15400-00	Ghse Equip-Large 15	
227400	(JFORCE) New Sign at Rt. 89 Entrance	12/5/2004	15010-00	Land Improvements	
110132	Barn (Mertel Concrete f/ Bridge Access of D-8 into	12/9/2004	15200-00	Concrete	
299932	Printer w/Rewin Onsyte Xtra 5 Horticultural Thermo	12/9/2004	15400-00	Computer Hardware	
227399	North of Facilt Paving Between Mulch Pad & Pavemt	12/16/2004	15010-00	Building Improvements	
299933	Pressure Washer - 3000PSI (RSC)	12/16/2004	15400-00	Landscape/Utility/Farm Equipment	
299934	Pressure Washer - 3000PSI (RSC)	12/16/2004	15400-00	Landscape/Utility/Farm Equipment	
299935	Pressure Washer - 3000PSI (RSC)	12/16/2004	15400-00	Landscape/Utility/Farm Equipment	
299937	Printers f/ Produc 4 - Model S8 Master 2.2G Inkjet	12/17/2004	15400-00	Ghse Equip-Large 15	
163010	New Fixtures for Main Bathroom	12/22/2004	15300-00	Misc Bldg Impv 15	
285333	3219 Scissor Lift 17-19 DC Skyjack SJIII-	12/28/2004	15600-00	Lifts	
285334	LP Mitsubishi Pneumatic Forklift - FG25N-	12/28/2004	15600-00	Forklift/Tugger/Scissorlift (10Y)	
285335	American Lincoln MPV-60 Mid-Size Sweeper -	12/28/2004	15600-00	Small Equipment (10Y)	
299938	Benches & Rail Overhead Stacker f/ Handling Empty	12/28/2004	15400-00	Ghse Equip-Large 15	
299939	size pots 4 Flat/Pot Robots incl. Forks f/ Dif.	12/28/2004	15400-00	Ghse Equip-Large 15	

299940	Fertilizer Injector - Priva NutriJet 100	12/28/2004	15400-00	Ghse Equip-Large 15	
299941	E-House Electrical Mat'l's for Booms & Echos in	12/28/2004	15400-00	Booms	
285336	PC-300-8SB Personnel Carrier, 2 Person, Yellow	12/29/2004	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285337	PC-300-8SB Personnel Carrier, 2 Person, Yellow	12/29/2004	15600-00	Driveway Repairs	

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299942	34 Booms for Irrigation in E-Hs 1-8	12/29/2004	15400-00	Booms	
299943	North Fields Pipe, etc. for Irrigation System for	12/29/2004	15400-00	Ghse Equip-Large 15	
163011	Main Bathroom Replaced compartments, screens for	12/31/2004	15300-00	Misc Bldg Impv 15	
299944	1.3M Conveyor Single Stack Plug Tray Dispenser w/	12/31/2004	15400-00	Other Equip-Small 07	
299945	600 Trays/Hr. Stainless Steel Plug Tray Washer -	12/31/2004	15400-00	Ghse Equip-Large 15	
299946	Endless Belts Painted Steel Chemical Hopper w/	12/31/2004	15400-00	Other Equip-Small 07	
299947	Endless Belts Painted Steel Chemical Hopper w/	12/31/2004	15400-00	Other Equip-Small 07	
299948	Hopper, Agit Rebuild Plug Tray Filler w/ Vibrator,	12/31/2004	15400-00	Ghse Equip-Large 15	
299949	Urbinati Plug Tray Dispenser System	12/31/2004	15400-00	Small Equipment (10Y)	
299950	Handling Equip. Conveyor - Model 190RB - Allied	12/31/2004	15400-00	Other Equip-Small 07	
299951	Car Lift (Truck & Auto Supply)	12/31/2004	15400-00	Lifts	
299956	(Columbia) Hose for New Booms - E 1-8	1/20/2005	15400-00	Booms	
299957	Shipping for Echos - Asset #299927	1/27/2005	15400-00	Ghse Systems-Secnd 15	
299958	Echos 1" EMT Tubing for E- Hs 1-8 Booms &	2/10/2005	15400-00	Booms	
299959	R) Materials for Booms - E-Hs 1-8 (Dbl	2/24/2005	15400-00	Booms	
299960	Electrical Labor for Echos - E-Hs 1-8	2/24/2005	15400-00	Ghse Systems-Secnd 15	
299961	Controls E - Hs 11-12 Irrigation System	3/3/2005	15400-00	Other Equip-Small 07	
299962	House Booms & Echos Plumbing for E-	3/3/2005	15400-00	Booms	
299963	Hangars for Echos in E-House (Prins)	3/10/2005	15400-00	Ghse Systems-Secnd 15	
299964	Boilers-1east,1wes Original Start-Up Burnham Steam	3/17/2005	15400-00	Heavy Equipment (15 Years)	
258287	for Home Depot) HP LJ 4250TN Printer (f/ Cart Tags	3/31/2005	15700-00	Computer Hardware	
299966	House Yellow Control Cable for Booms - E-	3/31/2005	15400-00	Booms	
299968	12, D-Hs 11-12 Electrical Hook-up f/ Booms, E-Hs 1-	4/14/2005	15400-00	Booms	

299967	HydBak sn:1498 Jack Hammer for BobCat - Kent K4	4/15/2005	15400-00	Landscape/Utility/Farm Equipment	
227402	New Road Out Back	5/12/2005	15010-00	Land Improvements 30	
299969	8,11-12 & D11-12 Electrical Hookup-Booms&Echos E 1-	5/12/2005	15400-00	Booms	

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299971	etc.) (Fernand Labor for Controllers (Echos&Booms,	6/2/2005	15400-00	Booms	
299972	(RSC) Mortar Mixer - 8-9 CU FT Meter Out	6/17/2005	15400-00	Other Equip-Small 07	
227404	Mum Fields Outside - Concrete Work	7/14/2005	15010-00	Ghse Systems-Secnd 15	
227405	Mum Fields Outside - Gravel	7/14/2005	15010-00	Ghse Systems-Secnd 15	
227406	Mum Fields - Outside - Concrete	7/21/2005	15010-00	Ghse Systems-Secnd 15	
227407	Con Mum Fields - Outside - Gravel - Tri-	7/21/2005	15010-00	Ghse Systems-Secnd 15	
227408	Matr'ls (2 Inv.) Mum Fields - Outside - Concrete &	7/21/2005	15010-00	Ghse Systems-Secnd 15	
227409	Rod f/Concrete Mum Fields - Outside - Reinforcing	7/21/2005	15010-00	Ghse Systems-Secnd 15	
227410	(Starline) Mum Fields - Outside - Gravel	7/28/2005	15010-00	Ghse Systems-Secnd 15	
227411	Reinforcing Rod Mum Fields - Outside - 3/8"	7/28/2005	15010-00	Ghse Systems-Secnd 15	
227412	(Mertel) Mum Fields - Outside - Concrete	7/28/2005	15010-00	Ghse Systems-Secnd 15	
140012	(Ameren) Electrical Line Extension to L-House	8/29/2005	15200-00	Ghse Systems-Primary 30	
299980	(on Trailer) 2004 Portable Generator for Mumfield	9/2/2005	15400-00	Generator	
299981	KartKeeper Portable Unit - AIS	9/6/2005	15400-00	Ghse Equip-Small 10	
163012	Remodeling 2 Upstairs Bathrooms	9/8/2005	15300-00	Misc Bldg Impv 15	
285343	Skidsteer (RSC) Auger Attachment & Bit for Bobcat	9/15/2005	15600-00	Landscape/Utility/Farm Equipment	
227413	Drainage (Starlin Mum Fields - Outside - Gravel f/	9/29/2005	15010-00	Ghse Systems-Secnd 15	
299983	Irrigation Sys ControlLink Modules to Network E-Hs	10/6/2005	15400-00	Other Equip-Small 07	
190121	f/Electricity New Building Gear 240V System	10/28/2005	15600-00	Other Buildings 30	
190122	f/Blr Rm& L-Hs Materials f/ Electrical System 240V	11/25/2005	15600-00	Other Buildings 30	
190123	L-Hs level Electrical Hookup f/ New Boiler Rm. -	11/25/2005	15600-00	Other Buildings 30	
299984	Option, & Conveyor Cutting Machine w/Gardena Knife	11/30/2005	15400-00	Ghse Equip-Large 15	

190126	Hs level) Concrete f/ Footings f/ Boiler Rm (L-level)	12/1/2005	15600-00	Concrete	
190127	Concrete Labor f/ Boiler Rm Floor (L-level)	12/8/2005	15600-00	Concrete	
285344	No. 33 Roller - Like property for Exchange BOBCAT T-300 w/ 80" Bucket, 72"	12/9/2005	15600-00	Small Equipment (10Y)	
258291	f/Tags Zebra 140 XIII PlusThermal Printer	12/15/2005	15700-00	Computer Hardware	

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285345	JD 4X2 TX Gator w/ HDAP Tires	12/15/2005	15600-00	Small Equipment (10Y)	
140001	L-House - Structure	12/20/2005	15200-00	Greenhouses 30	
140002	Ebb & Flood System (Prins)(Contract)	12/20/2005	15200-00	Ghse Systems-Primary 30	
140003	(Contract) Ventilation System Roof f/ L-House	12/20/2005	15200-00	Greenhouses 30	
140004	(Contract) Roof Curtains f/ L-House (Part.)	12/20/2005	15200-00	Ghse- Energy Curtains	
140006	Circuit Clerk) L-Hs Building Permit (Putnam County	12/20/2005	15200-00	Greenhouses 30	
140010	Hs Fittings f/ Underground Drainage f/L-	12/20/2005	15200-00	Ghse Systems-Primary 30	
140011	Concrete Labor f/ L-House (Davis)	12/20/2005	15200-00	Greenhouses 30	
140013	Gravel f/ L-House	12/20/2005	15200-00	Greenhouses 30	
140014	Concrete f/ L-House	12/20/2005	15200-00	Concrete/Gravel	
140015	Syst. - L-Hous Polyethylene Tubing, 3/4" f/Heating	12/20/2005	15200-00	Ghse Systems-Primary 30	
140016	Gravel f/ L-House	12/20/2005	15200-00	Greenhouses 30	
140017	Concrete f/ L-House (Mertel)	12/20/2005	15200-00	Concrete/Gravel	
140018	Materials for L-House Construction	12/20/2005	15200-00	Greenhouses 30	
140019	Rock for L-House	12/20/2005	15200-00	Greenhouses 30	
140020	Haul Gravel f/ L-House	12/20/2005	15200-00	Greenhouses 30	
140021	(SpenceDavis) Concrete Labor f/ L-House	12/20/2005	15200-00	Greenhouses 30	
140022	Labor f/ L-House Construction	12/20/2005	15200-00	Greenhouses 30	
140023	Haul Gravel f/ L-House (Gensini)	12/20/2005	15200-00	Greenhouses 30	
140024	Haul Gravel f/ L-House (Dbi M)	12/20/2005	15200-00	Greenhouses 30	
140025	Gravel f/ L-House (Tri-Con)	12/20/2005	15200-00	Greenhouses 30	
140026	(SpenceDavis) Concrete Labor f/L-House	12/20/2005	15200-00	Greenhouses 30	
140027	Electrical Syst. PVC (Var.) f/ L-House Underground	12/20/2005	15200-00	Ghse Systems-Primary 30	
140029	Concrete f/ L-House	12/20/2005	15200-00	Concrete/Gravel	
140030	Concrete f/ L-House (mertel)	12/20/2005	15200-00	Concrete/Gravel	
140031	Concrete f/ L-House (Mertel)	12/20/2005	15200-00	Concrete/Gravel	
140032	(SpenceDavis) Concrete Labor f/ L-House	12/20/2005	15200-00	Greenhouses 30	
140033	Concrete Labor f/ L-House (Davis)	12/20/2005	15200-00	Greenhouses 30	
140034	System PVC Flex f/ L-House Drainage	12/20/2005	15200-00	Ghse Systems-Primary 30	

140035	Sys PVC 6x20 Pipe f/L-House Drainage	12/20/2005	15200-00	Ghse Systems-Primary 30	
140036	Concrete f/ L-House (Mertel)	12/20/2005	15200-00	Concrete/Gravel	
140038	Concrete f/ L-House (Mertel)	12/20/2005	15200-00	Concrete/Gravel	
140039	Gravel & Equipment Rental (Starline)	12/20/2005	15200-00	Greenhouses 30	
140040	Service to L-House Conduit & PVC f/ Underground	12/20/2005	15200-00	Ghse Systems-Primary 30	

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140041	(L-Hs) Dura Flex Application to Water Tank	12/20/2005	15200-00	Ghse Systems-Primary 30	
140043	(Starline) Gravel & Machine Rental - L-Hs	12/20/2005	15200-00	Greenhouses 30	
190125	(SpenceDavis) Concrete & Gen. Labor f/ Boiler Rm	12/20/2005	15600-00	Concrete	
140042	Electrical f/L-Hs(2inv) PVC Conduit f/ Underground	12/21/2005	15200-00	Ghse Systems-Primary 30	
140044	f/L-Hs(2inv) Panelboard & Conduit f/Electrical Serv	12/21/2005	15200-00	Ghse Systems-Primary 30	
190128	level) Concrete f/ Floor in Boiler Rm (L	12/21/2005	15600-00	Concrete	
299985	(Hector) Controller for New Irrigation Boom	12/21/2005	15400-00	Booms	
140045	Construction Stainless Steel Staples f/ L-Hs	12/22/2005	15200-00	Greenhouses 30	
190129	Level (DavisC.) Labor & Mat's f/ Boiler Rm - L-Hs	12/22/2005	15600-00	Other Buildings 30	
299987	CrateWashr(Asset#299945 Disinfecting Unit f/T1500E	12/22/2005	15400-00	Other Equip-Small 07	
140046	Floor f/L-Hs Black Ground Cover f/over Gravel	12/28/2005	15200-00	Ghse- Ground Cover Fabric 05	
140047	Invoices) Mat's f/ Electrical Service f/ L-Hs (2	12/28/2005	15200-00	Ghse- Ground Cover Fabric 05	
299988	plastic chain S/S Sub Irrigator- 8' long w/16"wide	12/28/2005	15400-00	Other Equip-Small 07	
299989	plastic chain S/S Sub Irrigator- 8' long w/16"wide	12/28/2005	15400-00	Other Equip-Small 07	
140048	Construction Pinions w/Gear Racks f/ L-Hs	12/30/2005	15200-00	Ghse- Ground Cover Fabric 05	
190124	(L level) Steel Building 50' W x 100' L x 20' Tall	12/30/2005	15600-00	Other Buildings 30	
227414	(4"Plastic)(Amren) Gas Line Service to L-Hs Range	12/30/2005	15010-00	Ghse Systems-Secnd 15	
258293	(LVW) HP DESIGNJET 500 42" Printer	1/10/2006	15700-00	Computer Hardware	
140050	Spencer Davis L- House Construction Labor -	1/19/2006	15200-00	Greenhouses 30	
299993	Outdoor Wi-Fi Point & Bridge (35) System -	1/31/2006	15400-00	Doors	

140051	Glass- L-Hs Skyjack Scissor Lift Rental f/ Glazing	2/2/2006	15200-00	Greenhouses 30	
140052	Apr) Labor f/Construction - L-House (Feb-	2/2/2006	15200-00	Greenhouses 30	
258295	Software - Autocad Lt Upg - (for LVW)	2/9/2006	15700-00	Computer Software & Hardware (5 Years)	
140053	Mertel) Concrete for L-Hs Aisles, etc. (4 Inv.-	2/16/2006	15200-00	Concrete/Gravel	

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140054	(Jack Davis Con) Labor f/Concrete & other) 2-Inv.	2/23/2006	15200-00	Greenhouses 30	
299994	North Prod. 2 - Line Scanner Syst w/Software for	2/23/2006	15400-00	Computer Hardware	
299995	Decks Steel Pallet Racking w/Wire Mesh	2/27/2006	15400-00	Ghse Equip-Large 15	
140056	House Electrical Materials for New Pump f/ L-	3/2/2006	15200-00	Greenhouse & Systems	
140060	Downspouts f/ L-House (Columbia)	3/2/2006	15200-00	Greenhouses 30	
140061	Mat'l's f/ L-House Construction	3/2/2006	15200-00	Greenhouses 30	
190130	Electrical f/ New North Boiler Room	3/2/2006	15600-00	Ghse Systems-Primary 30	
299997	Coated Gutters Boom & Gutter Project - Powder	3/2/2006	15400-00	Booms	
140055	(Bert Blok) Labor f/ Glazing Glass on L-House	3/6/2006	15200-00	Greenhouses 30	
140062	Labor f/ L-House Construction (Prins)	3/9/2006	15200-00	Greenhouses 30	
140057	PO6LC-13B) Water Pump f/L-House (Crown Mdl	3/16/2006	15200-00	Pumps (5Y)	
140059	House Mat'l f/ Water & Irrigation System in L-	3/16/2006	15200-00	Ghse Systems-Primary 30	
299998	Emergency Lmt Swch Priva Integro Extension w/Motor	3/16/2006	15400-00	Ghse Equip-Large 15	
299999	Door 14x14 Raynor Series White Steel	3/16/2006	15400-00	Doors	
140064	Construction Lodging f/Labor f/ L-House	3/27/2006	15200-00	Greenhouses 30	
140063	Labor f/ L-House Construction (Prins)	3/30/2006	15200-00	Greenhouses 30	
140067	Gravel for L-House (Starline)	3/30/2006	15200-00	Greenhouses 30	
300001	House120x60mm, 10 ga. Boom Rails (18,588 FT.) f/ L-	3/30/2006	15400-00	Booms	
300002	Water Softener (Culligan) SM - 61-1	3/30/2006	15400-00	Other Equip-Small 07	
300003	MVP (F/Water) Conversion f/Plant	3/30/2006	15400-00	Other Equip-Small 07	
140005	Asst#140004) Roof Curtains f/L-House (Bal. - Part.	3/31/2006	15200-00	Ghse- Energy Curtains	
140007	Standard)(Prins) Blackout Cloth (in place of	3/31/2006	15200-00	Ghse- Energy Curtains	
140068	Brackets(Prins) Gutter Boom Rail Brackets & Rail	3/31/2006	15200-00	Greenhouses 30	
140069	Labor f/ L-House Construction (Prins)	3/31/2006	15200-00	Greenhouses 30	

140070	Support(Prins) T Console f/ L-Hs Gutter Downspout	3/31/2006	15200-00	Greenhouses 30	
140083	Roll-up Walls f/ L-House (Prins)	3/31/2006	15200-00	Greenhouses 30	
140084	(Prins) Labor f/ Roll-up Walls f/ L-House	3/31/2006	15200-00	Greenhouses 30	
140085	Divider Wall 907' f/ L-House (Prins)	3/31/2006	15200-00	Greenhouses 30	

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140086	L-House (Prins) Spring Connections Shade System f/	3/31/2006	15200-00	Greenhouses 30	
300004	E-9 Electrical Installation of 2 Roll Doors -	4/6/2006	15400-00	Doors	
140065	Var.Inv) Mat'l f/Electrical f/L-House (Springfield-	4/13/2006	15200-00	Ghse Systems-Primary 30	
140074	Mat'l f/ L-House (Fastenal)	4/13/2006	15200-00	Greenhouses 30	
140081	Labor f/ L-House Construction (Prins)	4/13/2006	15200-00	Greenhouses 30	
300005	Prod. Room Electrical Materials for Lando Land	4/13/2006	15400-00	Other Equip-Small 07	
300006	Hose & Rollers for Booms in L-House	4/13/2006	15400-00	Booms	
300007	Production Rm Electrical Materials f/ Lando Land	4/13/2006	15400-00	Other Equip-Small 07	
140073	(Sondgeroth) Hauling of Gravel (From Tri-Con) L-Hs	4/20/2006	15200-00	Greenhouses 30	
299992	(Power & Flow Sol.) Pump Station and Control Panel	4/20/2006	15400-00	Ghse Equip-Large 15	
300008	North Product. Add'l 27' of Soil Conveyor Belts f/	4/20/2006	15400-00	Other Equip-Small 07	
300009	Lights (replaced) f/ all Barns (1,2,3)	4/20/2006	15400-00	Ghse Equip-Large 15	
140076	Mat'l's f/ L-House Construction	4/27/2006	15200-00	Greenhouses 30	
258298	F/Wireless Irrig. Systm 3 - HP IPAQ RX1950 Palm P.	4/27/2006	15700-00	Computer Hardware	
300010	10 Booms for L-House	4/27/2006	15400-00	Booms	
300012	(Lando L.)Convey Transplant System f/ North 2 Prod.	4/27/2006	15400-00	Ghse Equip-Large 15	
130190	Prod. Hookup Electrical Materials for Lando Land	5/4/2006	15200-00	Greenhouse & Systems	
140066	Eq. 4-Inv Mat'l's f/ Irrigatn Syst. - L-Hs (Utility	5/4/2006	15200-00	Ghse Systems-Primary 30	
140077	Syst. Hose Clamps f/ L-House Irrigation	5/4/2006	15200-00	Ghse Systems-Primary 30	
300020	Repeater and Radio System	5/4/2006	15400-00	Ghse Equip-Large 15	
300021	(Lando L) Electrical Labor - North2 Production	5/4/2006	15400-00	Other Equip-Small 07	
300022	Booms f/ L-House	5/4/2006	15400-00	Booms	
300023	House Booms Red Rubber Hose, Air/Water - L-	5/4/2006	15400-00	Booms	

140078	Construction Equipment Rental f/ L-House	5/11/2006	15200-00	Greenhouses 30	
300013	Syst. - North2 Pr Urbanati Model RW2100 Transplant	5/11/2006	15400-00	Ghse Equip-Large 15	
300014	North2(Lando HD Tray/Pot Filler w/ Hop,agitr,etc -	5/11/2006	15400-00	Ghse Equip-Large 15	
300015	North2(Lando HD Tray/Pot Filler w/ Hop,agitr,etc -	5/11/2006	15400-00	Ghse Equip-Large 15	
300016	Fork Lift Pot Handler	5/11/2006	15400-00	Forklift/Tugger/Scissorlift (10Y)	

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300017	w/shelves 16 Custom Steel Tracking Trailers	5/11/2006	15400-00	Ghse Equip-Small	
300018	Tracking Trailers 18 Custom Aluminum Top for	5/11/2006	15400-00	Ghse Equip-Small	
300019	(LandoL) Photo Eye & Mat's f/ North2 Prod.	5/11/2006	15400-00	Other Equip-Small 07	
300024	Seal- E-9 Hs 2 -Roll-Up Doors -1 Predator & 1 Fast	5/11/2006	15400-00	Doors	
300025	Production Materials for Electrical in North2	5/11/2006	15400-00	Other Equip-Small 07	
300027	Dimple Plates for Transplanters	5/11/2006	15400-00	Ghse Equip-Large 15	
140071	Electrical Labor f/ L-House (Elmore)	5/17/2006	15200-00	Ghse Systems-Primary 30	
140058	Injection Metering Pump f/ Acid/Chlorine	5/18/2006	15200-00	Pumps (5Y)	
140075	Control) Electrical Mat's f/ L-House (All	5/18/2006	15200-00	Ghse Systems-Primary 30	
140079	System 2 Mixer/Injectors f/ L-Hs Irrigation	5/18/2006	15200-00	Pumps (5Y)	
140082	Construction(Prins) Labor Expense f/ L-House	5/18/2006	15200-00	Greenhouses 30	
140072	Spots) (Tri-Con) Gravel f/ L-Houses (Filling in low	5/25/2006	15200-00	Greenhouses 30	
300028	RW 2100 Transplanter Labor	6/1/2006	15400-00	Other Equip-Small 07	
140080	System Pump System f/ L-Hs Irrigation	6/8/2006	15200-00	Pumps (5Y)	
300029	(Toughsonic Ultrasonic) New Pump Station Controls	6/15/2006	15400-00	Other Equip-Small 07	
300030	Item Scanners for Lines	6/21/2006	15400-00	Computer Hardware	
300044	3.0PSI,9 PRESSURE WASHER, 3000PSI,	7/6/2006	15400-00	Landscape/Utility/Farm Equipment	
300045	3.0PSI,9 PRESSURE WASHER, 3000PSI,	7/6/2006	15400-00	Landscape/Utility/Farm Equipment	
140087	House Materials for Electrical Hookup - L-	7/13/2006	15200-00	Ghse Systems-Primary 30	
140088	Elmore Electrical Labor for L-House hookup -	7/13/2006	15200-00	Ghse Systems-Primary 30	

285359	Exchange No. 5 EXCAVATOR - Like property for 2003 TEREX HR16 MINI-	7/19/2006	15600-00	Heavy Equipment (15 Years)	
285360	DT81X14E702) 2006 TRAILER (B-B MODEL	7/19/2006	15600-00	Trailer (5Y)	
140089	Springfield Electric HP Softstart for L-House Electrical -	7/20/2006	15200-00	Greenhouses & Systems	
258299	Standard Software - AirMagnet Surveyor	8/10/2006	15700-00	Computer Software & Hardware (5 Years)	
300046	Industrial Door - Interior Drs 8 - RapidRoll 230 High Performance	8/10/2006	15400-00	Doors	

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300047	Package (from Priva) Sky Sentry Storm Alert Radar	8/10/2006	15400-00	Other Equip-Small 07	
140090	Labor on L-House Contract - Prins	9/1/2006	15200-00	Greenhouses 30	
227416	Fields - G&J Fertilizer Gravel for Storage Lot out by Mum	9/21/2006	15010-00	Ghse Systems-Secnd 15	
300048	Starter) 40 HP 480V Encl Soft Start (Pump	9/21/2006	15400-00	Pumps (5Y)	
300049	by Fernando) Controllers for Echos & Booms (built	9/30/2006	15400-00	Booms	
227417	Fields - Starline Gravel for Storage Lot out by Mum	10/12/2006	15010-00	Ghse Systems-Secnd 15	
285361	Personnel Carrier, 48 Volt, Pack Mule	10/19/2006	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285362	Personnel Carrier, 48 Volt, Pack Mule	10/19/2006	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285363	Personnel Carrier, 48 Volt, Pack Mule	10/19/2006	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285364	Personnel Carrier, 48 Volt, Pack Mule	10/19/2006	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
300050	Refractory) Superior 80" Rear Door (#4 Boiler	10/19/2006	15400-00	Doors	
300051	WIFI for L-House (HyperAmp, etc.)	10/26/2006	15400-00	Other Equip-Small 07	
300052	HEATERS (BIOTECH RESEARCH)	10/26/2006	15400-00	Other Equip-Small 07	
300055	18" W.belt w/ 1 HP motor. Conveyor - Hytrol model RB 32' L. x	11/9/2006	15400-00	Other Equip-Small 07	
300056	12 Energy Shade System for A9-12 & C7-	11/9/2006	15400-00	Ghse- Energy Curtains 10	
285365	Wheels w/Cushion Stabilizer & Twin Front Boxer 1.0 Diesel Fork Truck	11/17/2006	15600-00	Forklift/Tugger/Scissorlift (10Y)	
285366	Wheels w/Cushion Stabilizer & Twin Front Boxer 1.0 Diesel Fork Truck	11/17/2006	15600-00	Forklift/Tugger/Scissorlift (10Y)	
300053	IPAQ HX2490B (6 Units) Materials for Irrigation Systems - HP	11/22/2006	15400-00	Other Equip-Small 07	
258302	FERNANDO) DELL COMPUTER (FOR	11/30/2006	15700-00	Computer Hardware	
140091	L-House Pipe & Fittings for Ebb/Flood Floor for	12/14/2006	15200-00	Ghse Systems-Primary 30	

300057	System (Includ. pusher, pot forks, etc. 2 Custom Upgrade to Trailer Loader	12/15/2006	15400-00	Ghse Equip-Large 15	
300058	mechanism Buffer Conveyors, Trailer transport Loading Robot System. (Inc. Robot,	12/15/2006	15400-00	Ghse Equip-Large 15	
179070	(JLRC-C00412) Albany Door System in Shipping Barn	12/22/2006	15300-00	Doors	
179071	#179070) Labor to Install Albany Door (Asset	12/22/2006	15300-00	Doors	

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300060	Soil Room) 90 YD SOIL MIXING SYSTEM (for	12/22/2006	15400-00	Ghse Equip-Large 15	
300061	Soil Sys Flier Soil System(to speed up f/ New Cusom Motor Drive Unit Replac. for	12/22/2006	15400-00	Other Equip-Small 07	
300062	Performance f/ Storage Barn, etc. Lights - T8, 4' Compact Modular High	12/22/2006	15400-00	Ghse Equip-Large 15	
300063	Materials (Omron Electronics) Controllers for Irrigation System -	12/22/2006	15400-00	Ghse Equip-Large 15	
350001	Faganland(Receiving Docks) Rebar & mat'ls for	12/22/2006	15300-00	Other Buildings 30	
350002	Docks(Faganland) Building Permit for Barn/Reciving	12/22/2006	15300-00	Other Buildings 30	
350003	Concrete Labor for Faganland	12/22/2006	15300-00	Concrete	
350004	8" Wall Ties for Faganland	12/22/2006	15300-00	Other Buildings 30	
350005	Hauling Gravel for Faganland	12/22/2006	15300-00	Other Buildings 30	
350006	Hauling Gravel for Faganland	12/22/2006	15300-00	Other Buildings 30	
350007	Docks/Barn) Concrete for Faganland (Receiving	12/22/2006	15300-00	Concrete	
350008	Concrete Labor for Faganland	12/22/2006	15300-00	Concrete	
350009	Floor Grinder with Operator for Faganland	12/22/2006	15300-00	Other Buildings 30	
350010	Steel Buildings Steel Building 100' X 475' - Castner	12/22/2006	15300-00	Other Buildings 30	
350011	Steel Doors, 1 14 x 14 Door 10 - 9 x 9 Raynor Series ThermaSeal	12/22/2006	15300-00	Doors	
300064	(Champion Container) 2 Little David Tape Machines	12/27/2006	15400-00	Ghse Equip-Large 15	
300065	New House? Hanger Brackets for Heating Units -	12/28/2006	15400-00	Ghse Equip-Large 15	
300066	Controllers for Irrigation System - A&B	12/28/2006	15400-00	Ghse Equip-Large 15	
285368	Roller - Boot for Exchange No. 33 BOBCAT T-300 w/ 80" Bucket, 72"	1/22/2007	15600-00	Small Equipment (10Y)	
179072	# 179070) Freight Bal Due on Albany Door(Asset	2/1/2007	15300-00	Doors	

190139	Sys. - Gerdau Ameristeel Rebar for Tank Pad for Alternate Heat	2/1/2007	15600-00	Other Buildings 30	
190140	J Davis Concrete Concrete Labor for Water Tank Pad -	2/1/2007	15600-00	Concrete	
190141	Alternate Heat. Sys. - SD Concrete Concrete Labor for Tank Pad f/	2/1/2007	15600-00	Concrete	
190142	Roller - Tank Pad Equipment Rental - Smooth Drum	2/1/2007	15600-00	Other Buildings 30	
190143	Peat Gravel for Pipes & Tank Pad	2/1/2007	15600-00	Other Buildings 30	
190144	Pad Conveyor for Concrete for Water Tank	2/1/2007	15600-00	Concrete	

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190145	Gravel Concrete for Water Tank Pad - Mertel	2/1/2007	15600-00	Concrete	
190147	Choice) Materials for Water Tank (Builder's	2/1/2007	15600-00	Other Buildings 30	
190151	(Thermo Energy) Hot Water Storage Tank (1,000,000)	2/1/2007	15600-00	Ghse Systems-Primary 30	
190153	(Thermo Energy) Tank Ring & Labor Expenses	2/1/2007	15600-00	Ghse Systems-Primary 30	
190155	8"x12") Black Pipe - ferro therm Di (10"x14" &	2/1/2007	15600-00	Ghse Systems-Primary 30	
300069	Echo/Boom System Materials for Control Panels for	2/1/2007	15400-00	Booms	
350019	30,000lb., 72" wide incl Labor Model EM Edge of Dock Levelers,	2/1/2007	15300-00	Heavy Equipment (15Y)	
300070	Echo/Boom Sys assembling Controllers for Labor for Programming and	2/2/2007	15400-00	Booms	
300072	remote software Camera System - 16 chanel w/	2/15/2007	15400-00	Other Equip-Small 07	
300073	Wireless Access for Control Panels	2/22/2007	15400-00	Other Equip-Small 07	
140093	1-4(13.5 acres) Pipe for Ebb & Flood System for L-Hs	2/23/2007	15200-00	Ghse Systems-Primary 30	
350012	Docks (Coble) Labor on Lunchroom Faganland	3/1/2007	15300-00	Other Buildings 30	
350013	Faganland Docks(Grassers) Sub-Plumbing for Bathrooms in	3/1/2007	15300-00	Other Buildings 30	
140094	Flood System Concrete Labor for L-Hs 3-4, Ebb &	3/2/2007	15200-00	Greenhouses 30	
350014	Faganland Docks(north docks) Electrical Power & Hookup in	3/2/2007	15300-00	Other Buildings 30	
350015	Concrete for Faganland (North) Docks	3/2/2007	15300-00	Concrete	
130191	Area (in E-Hs) Power hookup to North 2 Production	3/8/2007	15200-00	Greenhouse & Systems	
140095	System Concrete Labor for L-Hs Ebb & Flood	3/8/2007	15200-00	Greenhouses 30	

140096	System Concrete Labor for L-Hs Ebb & Flood	3/8/2007	15200-00	Greenhouses 30	
140098	Hs Floor Rebar & Plastic (under concrete) f/ L-	3/8/2007	15200-00	Greenhouses 30	
190172	800,000 gal. Tank 208 Volt Level Control Panel for	3/8/2007	15600-00	Ghse Systems-Primary 30	
350017	(North) Docks Lunchroom (Materials) in Faganland	3/8/2007	15300-00	Other Buildings 30	
130192	Area (E-Hs) Power hook-up to North 2 Production	3/15/2007	15200-00	Greenhouse & Systems	
227418	Spruce) Trees (5 - Austrian Pine & 4 Colorado	3/15/2007	15010-00	Land Improvements	

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300076	Irrigation System Materials for Control Panels for	3/16/2007	15400-00	Other Equip-Small 07	
130193	Production Area (E-Hs) Electrical Hookup to North 2	3/23/2007	15200-00	Greenhouse & Systems	
130194	Production Area (E-Hs) Materials for Electrical to North 2	3/23/2007	15200-00	Greenhouse & Systems	
140099	Concrete for L-Hs 3-4 (Mertel)	3/23/2007	15200-00	Concrete/Gravel	
140100	House 3-4 (Elmore) Labor for Up&Down Heating Syst. in L-	3/23/2007	15200-00	Ghse Systems-Primary 30	
300075	System Materials for Controllers for Irrigation	3/23/2007	15400-00	Ghse Equip-Large 15	
300077	House Balder Brakes for New Booms for L-	3/23/2007	15400-00	Booms	
350016	Electrical Labor for Faganland	3/23/2007	15300-00	Other Buildings 30	
350020	Faganland Docks Architect Design for Bathroom in	3/23/2007	15300-00	Other Buildings 30	
300068	Echo/Boom System Materials for Control Panels for	3/30/2007	15400-00	Booms	
140097	System Concrete Labor for L-Hs Ebb & Flood	4/6/2007	15200-00	Greenhouses 30	
350018	etc. for Lunchroom in Faganland Goodman ARPF30301A Air Handler,	4/6/2007	15300-00	HVAC	
140101	Trencher Equipment Rental - Case 460	4/12/2007	15200-00	Greenhouses 30	
140102	Trowel - 46 Equipment Rental - Allen Riding	4/12/2007	15200-00	Greenhouses 30	
300078	Engine 36"NOL Rider Trowel w/ Kawaaki	4/12/2007	15400-00	Other Equip-Small 07	
190180	Process) Piping & Fittings (VWE/Thermacor	4/13/2007	15600-00	Ghse Systems-Primary 30	
140106	Concrete Forms for L-House	4/20/2007	15200-00	Concrete	
300079	and Perforated Steps 15 Steel Platform Ladders w/ Handrail	4/26/2007	15400-00	Other Equip-Small 07	
140103	Hs CPVC Pipe for underconcrete Heat L-	5/4/2007	15200-00	Ghse Systems-Primary 30	

140104	Fields Materials for Power Supply to Mum	5/4/2007	15200-00	Ghse Systems-Primary 30	
140105	Field Pump PVC Pipe for Power Supply /Mum	5/4/2007	15200-00	Ghse Systems-Primary 30	
227419	Rock) (Starline) Parking Lot for New Docks (Gravel &	5/4/2007	15010-00	Driveway Repairs	
300082	Genie Scissor Lift - Model GS1530	5/11/2007	15400-00	Lifts	
300083	Genie Scissor Lift - Model GS1530	5/11/2007	15400-00	Lifts	
300084	Genie Scissor Lift - Model GS1530	5/11/2007	15400-00	Lifts	
227420	(Eureka) Tree Movers Labor & Equipment	5/17/2007	15010-00	Land Improvements	
300081	Kits) for Grnhs Cleanup 6 Poly (White) Wagons(Built from	5/17/2007	15400-00	Other Equip-Small 07	

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227421	& 8 Concolor Fir) Trees (1 Red Pine, Colorado Spruce,	5/31/2007	15010-00	Land Improvements	
190174	Installation Insulate L-Hs Manifold - Materials &	6/21/2007	15600-00	Ghse Systems-Primary 30	
190175	Cladding c/w labor to install 8", 10" Insulation and Aluminum	6/28/2007	15600-00	Ghse Systems-Primary 30	
179073	Building Permit for New Shop	6/30/2007	15300-00	Other Buildings 30	
190176	Alternative Heat Sys. Priva Materials to accomodate	6/30/2007	15600-00	Ghse Systems-Primary 30	
190186	Pipe & Supply Mat'ls for Alt. Heat Sys. - Columbia	7/6/2007	15600-00	Ghse Systems-Primary 30	
190187	Concrete for Alt. Heat. Sys - Mertel	7/6/2007	15600-00	Concrete	
190188	Invoices) Labor - Jack Davis Concrete (Multiple	7/6/2007	15600-00	Other Buildings 30	
300085	2 Pressure Washers - 3000psi	7/6/2007	15400-00	Landscape/Utility/Farm Equipment	
243307	Cannon Copier, Printer	7/13/2007	15700-00	Computer Hardware	
350022	Restrooms, & Office Tiling in Faganland Break Room,	7/13/2007	15300-00	Misc Bldg Impv 15	
350021	Lunchroom in Faganland	7/19/2007	15300-00	Other Buildings 30	
300086	40 HPPressure Pump for Greenhs	7/27/2007	15400-00	Pumps (5Y)	
190194	Invoices) Starline Construction (Multiple Gravel underlay for Chip Storage-	8/9/2007	15600-00	Other Buildings 30	
300087	Caterpillar 745/800 KW Generator Set	8/27/2007	15400-00	Generator	
350023	Shipping Office Water Line to Faganland from	9/14/2007	15300-00	Other Buildings 30	
110133	Materials forHeating Syst. in D 1-8	9/20/2007	15200-00	Greenhouse & Systems	
110134	Heating System Mat'ls for Heat Pipes under Tables &	10/4/2007	15200-00	Greenhouse & Systems	
285377	MODEL EXMARK MOWER - LXS35BV725	10/4/2007	15600-00	Small Equipment (10Y)	
300089	PRIVA Panels (Quote P-27498)	10/4/2007	15400-00	Ghse Equip-Large 15	
300091	System) Echo System (Used Cherry Creek	10/31/2007	15400-00	Ghse Systems-Secnd 15	
300092	Field Cart Hauler (Used)	10/31/2007	15400-00	Forklift/Tugger/Scissorlift (10Y)	

300090	Analyzer (incl Install) AutoFlame System w/ Exhaust Gas	11/21/2007	15400-00	Ghse Equip-Large 15	
110135	System Pump House for D 1-8 Heating	11/26/2007	15200-00	Ghse Systems-Secnd 15	
300093	Assy, Controller, etc. 30" EZ Beam Ship D/C Motor D/W	11/28/2007	15400-00	Other Equip-Small 07	
300094	(Used) Scissor Lift - Model JLG2646E2	11/30/2007	15400-00	Lifts	
300095	(Used) Scissor Lift - Model JLG2646E2	11/30/2007	15400-00	Lifts	
300096	(Used) Scissor Lift - Model 2000 JLG2032E2	11/30/2007	15400-00	Lifts	

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300097	(Used) Scissor Lift - Model 2000 JLG2032E2	11/30/2007	15400-00	Lifts	
300100	Western Salt Spreader	11/30/2007	15400-00	Other Equip-Small 07	
258316	Houses - Memory Cards for Screens Wireless Access Points for A&B	12/3/2007	15700-00	Computer Hardware	
300101	Steel Doors Raynor Series ThermaSeal Finish	12/6/2007	15400-00	Doors	
258315	(Hector) Google SketchUp Pro 6, 3-D Software	12/10/2007	15700-00	Computer Software & Hardware (5 Years)	
110136	Rapid Roll Door Between D2/E2	12/13/2007	15200-00	Doors	
285376	golf carts Additional Seats, racks, etc. for 11	12/17/2007	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
300103	capacity Bluff Steel Yardramp, 20,000 lb	12/19/2007	15400-00	Ghse Equip-Large 15	
300104	Heat Faciltiy Boiler Room Lights for Chiphouse & Alternative	12/19/2007	15400-00	Heavy Equipment (15 Years)	
140133	between L-Hs & E-Hs Ties, etc. for Concrete Corridor	12/20/2007	15200-00	Concrete	
190135	Application Coal Boiler Heating System - EPA	12/20/2007	15600-00	Ghse Systems-Primary 30	
190136	Energy) 2 - Alternate Source Boilers (Thermo-	12/20/2007	15600-00	Ghse Systems-Primary 30	
190137	FESOP Development, Wood Boiler Devel., Permit Application, Coal Boiler	12/20/2007	15600-00	Ghse Systems-Primary 30	
190138	Geotechnical Report Subsurface Investigation &	12/20/2007	15600-00	Ghse Systems-Primary 30	
190146	(VWE/Thermacor) Piping & Fittings for Alt. Heat Facility	12/20/2007	15600-00	Ghse Systems-Primary 30	
190148	& Remodel of Existing Bulk Buildg) Wood Chip Storage Building (Addition	12/20/2007	15600-00	Other Buildings 30	
190149	Storage Building Rebar, Ties, etc. for Wood Chip	12/20/2007	15600-00	Other Buildings 30	
190150	Storage Building Concrete for Footings for Wood Chip	12/20/2007	15600-00	Concrete	

190152	Energy Sys.) Hot Water Heating System (Thermo	12/20/2007	15600-00	Ghse Systems-Primary 30	
190154	incl Conveyor f/2 Vyncke Boilers Walking Floor, Fuel System, Ladders	12/20/2007	15600-00	Ghse Systems-Primary 30	
190160	System - Engineering Development of Wood/Coal Heating	12/20/2007	15600-00	Ghse Systems-Primary 30	
190161	Rebar for Alternate Heat. Facility	12/20/2007	15600-00	Other Buildings 30	
190162	Concrete Labor (Davis)	12/20/2007	15600-00	Concrete	
190163	Fac/Wood Chip Bldg. Earth Moving for Alternate Heating	12/20/2007	15600-00	Other Buildings 30	

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190164	(Jan-June, 2007) Concrete for Chip Hs/Alt. Heat. Fac.	12/20/2007	15600-00	Concrete	
190165	Power for Alt. Heat. Facility	12/20/2007	15600-00	Other Buildings 30	
190167	Bldg. Concrete Conveyor for Woodchip	12/20/2007	15600-00	Concrete	
190168	Lifts Equipment Rental - Skyjack Scissor	12/20/2007	15600-00	Greenhouse & Systems (30 Years)	
190169	Sys. Materials for Incinerators/Alt. Heat	12/20/2007	15600-00	Ghse Systems-Primary 30	
190170	Sys 8,312 ft. 2X2 sq. Gator for Alt. Heat	12/20/2007	15600-00	Ghse Systems-Primary 30	
190171	to new tank location Mat'ls to Connect Water Storage Tank	12/20/2007	15600-00	Ghse Systems-Primary 30	
190173	Alternative System Conversion of Existing Heating Sys to	12/20/2007	15600-00	Ghse Systems-Primary 30	
190181	Bldg/Woodchip Bldg Concrete Cutting Service for Alt Heat	12/20/2007	15600-00	Concrete	
190182	Materials for Chiphouse (Maze)	12/20/2007	15600-00	Other Buildings 30	
190183	Heat/Chiphouse Bldg Concrete Labor for Alt	12/20/2007	15600-00	Concrete	
190184	Heat/Chiphouse Bldg. Electrical Labor for Alt.	12/20/2007	15600-00	Other Buildings 30	
190185	Fee IL EPA - Air Pollution Control Permit	12/20/2007	15600-00	License/Fees/Admin	
190189	Davis) Labor - S.D. Concrete (Spencer	12/20/2007	15600-00	Concrete	
190190	Conveyor for Concrete Pouring	12/20/2007	15600-00	Concrete	
190191	Trenches in Wood Boiler Room Bar Grating Mat'l & Labor to cover	12/20/2007	15600-00	Ghse Systems-Primary 30	
190192	Engineering Alternative Heating System - Thermal	12/20/2007	15600-00	Ghse Systems-Primary 30	
190193	(Vyncke) Shipping Cost of Biomass Incinerators	12/20/2007	15600-00	Ghse Systems-Primary 30	
190195	Fired Boilers Construction Permit Fee for Wood-	12/20/2007	15600-00	Ghse Systems-Primary 30	

190196	& Block B Hot Water Heating System in Block d	12/20/2007	15600-00	Ghse Systems-Primary 30	
190197	Grant Program Application - Retainer	12/20/2007	15600-00	Ghse Systems-Primary 30	
190198	Boiler Installation Rental of Crane & Rollerskates for	12/20/2007	15600-00	Ghse Systems-Primary 30	
190199	Heating System Electrical Materials for Alternative	12/20/2007	15600-00	Ghse Systems-Primary 30	
190200	Storage Concrete Labor for Wood Chip	12/20/2007	15600-00	Concrete	
190201	Materials for Chip House Construction	12/20/2007	15600-00	Other Buildings 30	
190202	mono-rail tube Upgrade L-1&2 Hs Heating Syst.	12/20/2007	15600-00	Ghse Systems-Primary 30	

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190203	Concrete for Wood Chip Storage	12/20/2007	15600-00	Concrete	
190204	Elmore Electric Electrical Labor for Boiler Room -	12/20/2007	15600-00	Ghse Systems-Primary 30	
190205	for Chip House Rapid Roll/Recoil Doors (incl. Install.)	12/20/2007	15600-00	Doors	
190206	Siding on Boiler Building - Castner	12/20/2007	15600-00	Other Buildings 30	
227422	Asphalt Company) Mumfield - Asphalted (Advanced	12/20/2007	15010-00	Ghse Systems-Secnd 15	
300106	Polypipe, drippers, fittings Greenhouse Irrigation Mat's -	12/20/2007	15400-00	Other Equip-Small 07	
300107	36 - 30" Echo Basket Systems	12/20/2007	15400-00	Ghse Systems-Secnd 15	
300108	Loading Conveyors & Pot Dispenser Orchid Planter for 5" Pots, w/ Pot	12/21/2007	15400-00	Ghse Equip-Large 15	
300109	PVC for Irrigation System in A & B Hs	12/21/2007	15400-00	Other Equip-Small 07	
300110	3000 PSI, Hot Pressure Washer	12/21/2007	15400-00	Landscape/Utility/Farm Equipment	
300111	Belden Cable for New Priva	12/21/2007	15400-00	Other Equip-Small 07	
300112	System f/ L1&2 25 Enclosures for Irrigation Boom	12/21/2007	15400-00	Booms	
227423	Service Electrical Service Extension - Second	12/27/2007	15010-00	Ghse Systems-Secnd 15	
140111	L-House 1-2 Construction (Prins)	12/28/2007	15200-00	Greenhouses 30	
140112	Roll Up Walls for L-Hs 1-2	12/28/2007	15200-00	Greenhouses 30	
140113	Roof Curtains - Blackout for L-Hs 1-2	12/28/2007	15200-00	Ghse- Energy Curtains	
140114	Labor for Construction of L-Hs 1-2	12/28/2007	15200-00	Greenhouses 30	
140115	in L 1-2 (Multiple Invoices) PVC, pipe, Hose, etc. for Ebb & Flood	12/28/2007	15200-00	Ghse Systems-Primary 30	
140116	PVC for L 1-2 Ebb & Flood System	12/28/2007	15200-00	Ghse Systems-Primary 30	
140117	Multiple Inv.) Concrete Labor (Jack Davis Concrete -	12/28/2007	15200-00	Concrete/Gravel	
140118	Rebar, Poly for Concrete in L-Hs 1-2	12/28/2007	15200-00	Greenhouses 30	
140119	Invoices) Concrete - for L-Hs 1-2 (Multiple	12/28/2007	15200-00	Concrete/Gravel	
140120	Concrete Labor - L-Hs 1-2	12/28/2007	15200-00	Greenhouses 30	
140121	Concrete Labor (Multiple Invoices)	12/28/2007	15200-00	Concrete/Gravel	

140122	Concrete Labor (Multiple Invoices)	12/28/2007	15200-00	Concrete/Gravel	
140123	Invoices) Concrete Labor (Keith Miller)(Multiple	12/28/2007	15200-00	Concrete/Gravel	
140124	Rental of Allen 36" Riding Trowel	12/28/2007	15200-00	Greenhouses 30	
140125	Gravel for L 1-2 (Advanced Asphalt)	12/28/2007	15200-00	Greenhouses 30	
140126	Gravel for L 1-2 (Starline)	12/28/2007	15200-00	Greenhouses 30	
140127	(Multiple Inv.) Conveyor for Concrete (WCFC)	12/28/2007	15200-00	Greenhouses 30	
140128	Concrete (Ossola) L-Hs 1-2	12/28/2007	15200-00	Concrete/Gravel	
140129	Concrete Work L-Hs 1-2 Rental of Walksaw Slab Saver - for	12/28/2007	15200-00	Greenhouses 30	
140130	of L-Hs 1-2 Rental of Scissor Lifts for construction	12/28/2007	15200-00	Greenhouses 30	

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140131	Materials for L-Hs 1-2 Construction	12/28/2007	15200-00	Greenhouses 30	
140132	E-Hs. Concrete for Corridor between L-Hs &	12/28/2007	15200-00	Concrete/Gravel	
140134	L-Hs & E-Hs Concrete Labor for Corridor between	12/28/2007	15200-00	Greenhouses 30	
140135	E-Hs & L-Hs to Mumfield Concrete Labor for Corridors, L-Hs to	12/28/2007	15200-00	Greenhouses 30	
140136	Hs Concrete Labor for Corridor L-Hs to E-	12/28/2007	15200-00	Greenhouses 30	
140137	Hs Concrete Labor for Corridor L-Hs to E-	12/28/2007	15200-00	Greenhouses 30	
300114	Heaters 20 Modine Steam/Hot Water Unit	12/28/2007	15400-00	Ghse Equip-Large 15	
300115	System of Echos - A1-4 & B1-4 Materials f/ Automation of Irrigation	12/28/2007	15400-00	Ghse Systems-Secnd 15	
300116	Irrigation System	12/28/2007	15400-00	Other Equip-Small 07	
140110	Construction Building Permit for L-House 1-2	12/31/2007	15200-00	Greenhouses 30	
300117	B 5 - 8 Controllers for Irrigation System in A &	12/31/2007	15400-00	Ghse Equip-Large 15	
300118	Boards, etc. Priva Materials - I/O Cards, PC	12/31/2007	15400-00	Other Equip-Small 07	
300119	Gal. Receiver Air Compressor - Rotary Screw, 80	12/31/2007	15400-00	Other Equip-Small 07	
300120	8 Materials f/ Irrigation System - A & B 5-	12/31/2007	15400-00	Other Equip-Small 07	
300121	Mat'l f/ Irrigation System A & B 5-8	12/31/2007	15400-00	Ghse Equip-Large 15	
300123	8 Panels f/ Irrigation System in A & B 5-	12/31/2007	15400-00	Other Equip-Small 07	
140140	thru June Concrete Labor - Brian Davis - Jan	1/17/2008	15200-00	Concrete/Gravel	
140141	thru June Concrete Labor - Jack Davis - Jan	1/17/2008	15200-00	Concrete/Gravel	
140156	Contract) Divider Wall 907' for L1-2 (Prins	1/17/2008	15200-00	Greenhouses 30	

140157	Additional Cost of Corridors (Prins)	1/17/2008	15200-00	Greenhouses 30	
350025	Davis Construction Concrete Labor - Brian Davis, dba	1/17/2008	15300-00	Concrete	
190223	incl Conveyor f/2 Vynkce Boilers Walking Floor, Fuel System, Ladders	1/18/2008	15600-00	Ghse Systems-Primary 30	
350026	Concrete Labor - Spencer Davis	1/18/2008	15300-00	Concrete	
350027	Concrete Labor - Jack Davis Concrete	1/18/2008	15300-00	Concrete	
140147	Corridor L to E-Hs Haul Gravel & Equip. Rental for L1-2	1/31/2008	15200-00	Greenhouses 30	
140149	work(Storm Shelter) Rebar & Twist Ties, etc. for Concrete	1/31/2008	15200-00	Greenhouses 30	

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190222	Wood Boilers Priva Integro Extension to Control	1/31/2008	15600-00	Ghse Systems-Primary 30	
350029	Mat'ls for Faganland, Keeno Office	1/31/2008	15300-00	Other Buildings 30	
350037	Docks Beams for Office in Faganland - North	1/31/2008	15300-00	Other Buildings 30	
140158	(Prins) Labor for Construction L-Hs 3-4	2/1/2008	15200-00	Greenhouses 30	
190219	Energy Audit - On Site	2/15/2008	15600-00	License/Fees/Admin	
140146	Storm Shelter) Concrete Conveyor - (for Greenhs &	2/21/2008	15200-00	Concrete/Gravel	
258319	sua1500rm2u) Smart UPS 1500VA (mdl:	2/21/2008	15700-00	Computer Hardware	
140150	work for L1-2 Skyjack Scissor Lift Rental for Glass	2/22/2008	15200-00	Greenhouses 30	
190209	Htg Fac. Electrical Materials for Electrical in Alt.	2/22/2008	15600-00	Ghse Systems-Primary 30	
190210	Alt. Heating PVC & Mat'ls for Water Lines, etc. in	2/22/2008	15600-00	Ghse Systems-Primary 30	
190217	Project Boom Lift Rental for Wood Chip Boiler	2/22/2008	15600-00	Ghse Systems-Primary 30	
300125	Irrigation Sys. B5-8 & A5-8 Special Hinged Enclosure f/ New	2/22/2008	15400-00	Other Equip-Small 07	
190208	Room - Elmore Elec. Electrical Labor for Alt. Ht. Boiler	2/28/2008	15600-00	Ghse Systems-Primary 30	
190211	Materials for Alt. Heating System	2/28/2008	15600-00	Ghse Systems-Primary 30	
140148	& Supply) PVC, etc. for L-Hs 1-2 (Columbia Pipe	2/29/2008	15200-00	Ghse Systems-Primary 30	
140142	Concrete Labor - Keith Miller	3/6/2008	15200-00	Concrete/Gravel	
300126	2 36 ECHOS for Echo System in L-Hs 1-	3/12/2008	15400-00	Ghse Systems-Secnd 15	
300127	Echos WB Center Feed System for L-Hs 1-2	3/12/2008	15400-00	Ghse Systems-Secnd 15	
300128	1-2 Walk Through Boom System for L-Hs	3/12/2008	15400-00	Booms	
140151	Rental of Forklifts for L-Hs 1-2	3/13/2008	15200-00	Greenhouses 30	
140155	Mat'ls for L-Hs 1-2 (Fastenal)	3/14/2008	15200-00	Greenhouses 30	

190212	Room Carpentry Work on Alt. Htg. Boiler	3/14/2008	15600-00	Misc Bldg Impv 15	
190214	Room Concrete Labor in Wood Chip Boiler	3/14/2008	15600-00	Concrete	
190215	Room Concrete Labor for Wood Chip Boiler	3/14/2008	15600-00	Concrete	
190216	Room Beams for Wood Chip Boiler Control	3/20/2008	15600-00	Misc Bldg Impv 15	
258327	Backups for Servers in Shipping 2 - SMART UPS 1500VA - Battery	3/20/2008	15700-00	Computer Hardware	
258328	Shipping Office Enclosures for new servers in	3/20/2008	15700-00	Office Equipment	
140144	Concrete Labor - Spencer Davis	3/28/2008	15200-00	Greenhouses 30	

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140143	Concrete Labor - Brian A. Miller	4/4/2008	15200-00	Concrete/Gravel	
227424	Contracting) Guardrail for Road out back (Northern	4/4/2008	15010-00	Land Improvements	
300129	4 Hs. Controllers for Irrigation Sys. A & B 3-	4/4/2008	15400-00	Other Equip-Small 07	
140152	Glazing of Glass in L-Hs 1-2	4/17/2008	15200-00	Greenhouses 30	
190213	Boilers Emissions Testing on Wood Chip	4/17/2008	15600-00	License/Fees/Admin	
350031	Vinyl Tile in Keeno Shipping Office	4/17/2008	15300-00	Misc Bldg Impv 15	
350028	Faganland Lunch Rm, Bathrooms, Offices in	4/18/2008	15300-00	Other Buildings 30	
140153	Shelter Precast Roof Erection for Storm	4/24/2008	15200-00	Building Improvements	
140154	Electical) Electrical Hookups L-Hs 1-2 (Elmore	4/24/2008	15200-00	Ghse Systems-Primary 30	
140161	Gutter and Spacers for L-Hs (Dbl R)	4/24/2008	15200-00	Greenhouses 30	
190221	Boilers & Air Emmissions Reporting Engineering - Production Facility	4/24/2008	15600-00	License/Fees/Admin	
140145	& Pathway) Concrete (Incl. Grnhs, Storm Shelter	4/25/2008	15200-00	Concrete/Gravel	
190224	3 Sets Steps in Wood Room	4/25/2008	15600-00	Other Equip-Small 07	
190225	Safety Railings in Wood Room	4/25/2008	15600-00	Misc Bldg Impv 15	
190226	Ringling Pump in Wood Boiler Room	4/25/2008	15600-00	Pumps (5Y)	
190227	Add Heating in Wood Boiler Room	4/25/2008	15600-00	Misc Bldg Impv 15	
190228	and D Hs Expansion Tank Platforms for B Hs	4/25/2008	15600-00	Ghse Systems-Primary 30	
190229	2 Rotary Air Lock Valves on FLS bins	4/25/2008	15600-00	Ghse Systems-Primary 30	
190230	Wood Conveyor for Wood Screener	4/25/2008	15600-00	Ghse Systems-Primary 30	
190231	& D 1-8 Priva Interface Panels in Block B 1-12	4/25/2008	15600-00	Ghse Systems-Primary 30	
190232	pump Control for East Boiler Hs Ringline Priva Additional Transport Line	4/25/2008	15600-00	Ghse Systems-Primary 30	
190233	Conveyors Unloading Pit,Screener, Floor Vyncke Interface Control Panel for	4/25/2008	15600-00	Ghse Systems-Primary 30	

190234	Vyncke Boiler Wiring Honey Electric Electrician -Assist	4/25/2008	15600-00	Ghse Systems-Primary 30	
190235	Additional B-House Heating	4/25/2008	15600-00	Greenhouse & Systems	
190218	Conservation Measure Analyze a Specific Energy	5/1/2008	15600-00	Greenhouses & Systems	
350030	Invoices) Concrete - Mertel Gravel (Multiple	5/2/2008	15300-00	Concrete	
140159	Cable Tray 10" Hangers for Gutter Downspouts &	5/22/2008	15200-00	Greenhouses 30	
350033	Docks Bathroom Toilet Partitions for North	5/22/2008	15300-00	Other Buildings 30	

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140163	(Springfield Elec.) Electrical Materials for L-Hs 1-2	5/23/2008	15200-00	Greenhouses 30	
300130	House Controllers for New Irrig. Sys. in L-	5/23/2008	15400-00	Other Equip-Small 07	
300131	6 Radios - F2104 DTC w/BP210	5/29/2008	15400-00	Other Equip-Small 07	
227425	Dock Area & Corridor Gravel & Equipment Rental for North	6/5/2008	15010-00	Greenhouse & Systems (30 Years)	
227426	Bathrooms/Lunchroom Septic System for North Shipping	6/5/2008	15010-00	Building Improvements	
350035	Mat'ls for North Docks Lunchroom	6/5/2008	15300-00	Other Buildings 30	
190239	30,000 Gallon Hamler Storage Tank	6/6/2008	15600-00	Small Equipment (10Y)	
190240	30,000 Gallon Hamler Storage Tank	6/6/2008	15600-00	Small Equipment (10Y)	
190241	Grant Program Application - Bal. Paid	6/19/2008	15600-00	License/Fees/Admin	
350034	North Docks Fixtures & hookup for Bathrooms in	6/19/2008	15300-00	Other Buildings 30	
190236	Lodging etc. Vyncke Personel (Jason)	6/20/2008	15600-00	Ghse Systems-Primary 30	
190237	Hose for Boom Rail Carrier for L1-2	6/20/2008	15600-00	Greenhouse & Systems	
190238	Boiler Rms Boiler Room, L Range, East, West Controls for Priva Sys. for Wood	6/20/2008	15600-00	Greenhouse & Systems	
140162	Glass Roof Tools for and Laying of Rubber on	6/27/2008	15200-00	Greenhouses 30	
350036	Docks Downspouts for Faganland Loading	6/27/2008	15300-00	Other Buildings 30	
258332	HP LJ P4015N Printer for Cart Tags	6/30/2008	15700-00	Computer Hardware	
258335	Wireless Access Point D-Link DWL-2100AP 802.11G	6/30/2008	15700-00	Computer Hardware	
300132	90WA0 For Irrigation System - Prosonic Flow	6/30/2008	15400-00	Other Equip-Small 07	
190242	Service to Boilers Electrical Materials to Hookup New	7/3/2008	15600-00	Ghse Systems-Primary 30	
140165	Rubber Greenhouse Roofing	7/11/2008	15200-00	Ghse Structural Improvement	
300138	Columbia Pipe Pipe for Irrigation System - L3 & L4	7/11/2008	15400-00	Other Equip-Small 07	
179078	Ribar, Ties, etc. f/ New Shop	7/17/2008	15300-00	Other Buildings 30	

258336	Memory & 2 HP Monitors HP DC5750 Computer w/ 1GB	7/17/2008	15700-00	Computer Hardware	
258337	Memory & 2 HP Monitors HP DC5750 Computer w/ 1GB	7/17/2008	15700-00	Computer Hardware	
258338	Memory & 2 HP Monitors HP DC5750 Computer w/ 1GB	7/17/2008	15700-00	Computer Hardware	
258339	Memory & 2 HP Monitors HP DC5750 Computer w/ 1GB	7/17/2008	15700-00	Computer Hardware	
300137	Touchscreens & Encoders Irrigation System Mat'ls -	7/25/2008	15400-00	Other Equip-Small 07	
179079	Concrete Labor for New Shop	8/1/2008	15300-00	Other Buildings 30	

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179080	South Side of W/H #2) Concrete Labor for New Shop (on	8/1/2008	15300-00	Concrete	
350032	Faganland Lights for Elevated Shipping Office in	8/2/2008	15300-00	Other Buildings 30	
179081	Concrete Labor for New Shop	8/7/2008	15300-00	Concrete	
179082	Concrete Labor for New Shop	8/7/2008	15300-00	Concrete	
190244	Tanks Pull & Set Stacks for Boilers and	8/7/2008	15600-00	Ghse Systems-Primary 30	
190245	Hookup for Thermo E. Scissor Lift Rental for Boiler Pipes	8/8/2008	15600-00	Greenhouse & Systems (30 Years)	
300134	Adjustable Frame Over Ground EZ Cut Trimmer w/	8/8/2008	15400-00	Growing	
190220	burning Wood Chips 2 Filters for Bio-Mass System for	8/14/2008	15600-00	Ghse Systems-Primary 30	
190246	Electrical Work on Boiler System	8/14/2008	15600-00	Ghse Systems-Primary 30	
300135	Steel Media Filters Ultra Cool System w/ 2 Stainless	8/15/2008	15400-00	Ghse Equip-Large 15	
190248	Materials & Changes ED Ringline & A-O Range -Boiler	8/18/2008	15600-00	Ghse Systems-Primary 30	
190247	Circuit Breakers & Load Centre Addit. to Boiler Panels - 480 Volt	8/21/2008	15600-00	Ghse Systems-Primary 30	
179083	Concrete for New Shop	8/22/2008	15300-00	Concrete	
179084	Shop PVC Pipe, Galv. Pipe, etc. for New	8/22/2008	15300-00	Other Buildings 30	
300139	Detroit 400 KW Generator - New	8/22/2008	15400-00	Generator	
179085	Pipe, etc. for New Shop	8/29/2008	15300-00	Other Buildings 30	
190250	Wall in South East Boiler Room	9/5/2008	15600-00	Misc Bldg Impv 15	
41346	A14 (XLS-17) Shading Parts & Installation A13 &	9/5/2008	15200-00	Ghse- Energy Curtains	
300141	Boiler Room, etc. Upgrades for Power System for East	9/11/2008	15400-00	Heavy Equipment (15 Years)	
350038	- North Docks Moduar Dock Bridge (Incl. Installation)	9/11/2008	15300-00	Small Equipment (10Y)	
350039	Docks Concrete Labor for North Loading	9/11/2008	15300-00	Concrete	
190251	Pipe Fittings for E Hs & D Hs Hookup	9/12/2008	15600-00	Ghse Systems-Primary 30	

350040	Docks Concrete Labor for North Loading	9/12/2008	15300-00	Concrete	
179086	Gravel, etc. for New Shop	9/18/2008	15300-00	Other Buildings 30	
227427	Side of Greenhouse Moving Dirt for Trailer Parking on East	9/18/2008	15010-00	Land Improvements 30	
285385	Rider Sweeper - MOdel MS30	9/18/2008	15600-00	Small Equipment (10Y)	
350041	Docks Concrete Labor for North Loading	9/19/2008	15300-00	Concrete	
190252	Controls Computer Cable for Boiler Room	9/25/2008	15600-00	Ghse Systems-Secnd 15	
140166	Additional sq ft. Curtain Installation & Supplies -	9/29/2008	15200-00	Ghse- Energy Curtains	

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140167	Corridor Installation - 13,087 sq. ft x 3	9/29/2008	15200-00	Building Improvements	
227428	Chips & Around H2O Tank Concrete Labor - Road to Wood	10/2/2008	15010-00	Concrete	
140164	House L1,L2 Wire, Conduit Tubing, etc. for L-	10/3/2008	15200-00	Ghse Systems-Primary 30	
227429	Wood Chips, Around Water Tank, Concrete Labor - Access Road to	10/3/2008	15010-00	Concrete	
227430	Wood Chips, Around H2O Tank, Concrete Labor - Access Road to	10/3/2008	15010-00	Concrete	
300136	Room, Inside Boiler For New Power Systems, East Boiler	10/3/2008	15400-00	Heavy Equipment (15 Years)	
300142	Rooms Lights for Shop, Seeding & Boiler	10/9/2008	15400-00	Heavy Equipment (15 Years)	
350042	Area Concrete for North Loading Dock	10/10/2008	15300-00	Concrete	
190253	Boiler to L1-2 Cable to Connect Priva From Wood	10/17/2008	15600-00	Ghse Systems-Secnd 15	
300143	Systems Canada, Inc.) Grow Lights for Delta 9-12 (P.L. Light	10/29/2008	15400-00	Ghse Equip-Large 15	
227431	Chips, North Docks Area, Concrete for Access Road to Wood	10/31/2008	15010-00	Concrete	
190255	Rake Central Ash Discharge Conveyor c/w	11/3/2008	15600-00	Ghse Systems-Primary 30	
190256	Hardware Plug Valves c/w Flanges, Gasket, &	11/3/2008	15600-00	Ghse Systems-Primary 30	
190257	Exhanger Holding Tank & Irrigation Heat Tank Stand to Support Fog System	11/3/2008	15600-00	Ghse Systems-Secnd 15	
190258	#1 and Boiler #2 Mat's for Connection of ESP to Boiler	11/3/2008	15600-00	Ghse Systems-Secnd 15	
190254	Installation Orchid Cooling System - Incl.	11/4/2008	15600-00	Ghse Systems-Primary 30	
300144	(Elmore) Electrical Hookup in Orchid House	11/6/2008	15400-00	Other Equip-Small 07	
300148	Electrical Interfacing PRIVA Integro Control System and	11/7/2008	15400-00	Ghse Equip-Large 15	

300149	Cooling and Heating PRIVA Air Treatment Units for	11/7/2008	15400-00	Ghse Equip-Large 15	
285387	TOYOTA Electric Forklift - 48 Volt	11/13/2008	15600-00	Forklift/Tugger/Scissorlift (10Y)	
350043	Installation) for North Docks 12 Modular Dock Bridges (Incl	11/13/2008	15300-00	Heavy Equipment (15Y)	
227432	Rebar for North Dock Area	11/20/2008	15010-00	Building Improvements	
300146	Concrete Labor for Cooling Towers	11/20/2008	15400-00	Concrete	
300145	L2/L3 Door, A10/A11 Door 3 UltraLite Doors - Corridor Door,	11/21/2008	15400-00	Doors	
300147	Tower & E.TransformerPad Concrete Labor f/ Walls in Cooling	11/21/2008	15400-00	Concrete	

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300133	House Cooling Tower & Chiller for Orchid	11/24/2008	15400-00	Ghse Equip-Large 15	
41345	A14 (XLS-18-F) Shading Parts & Installation A13 &	11/24/2008	15200-00	Ghse- Energy Curtains	
300150	Krohne Flow Meter for New Injector	11/25/2008	15400-00	Other Equip-Small 07	
190262	Installed) 6 Louvers in Boiler Building (Furnish &	11/26/2008	15600-00	Greenhouse & Systems	
300151	W/Alarm Custom Chlorine Sanitation System	11/26/2008	15400-00	Ghse Equip-Large 15	
140160	Shading for L-House - Prins	11/28/2008	15200-00	Ghse- Energy Curtains	
190259	Insulation & Jacketing	11/28/2008	15600-00	Greenhouse & Systems	
41344	(127,312 sq. ft.) Outdoor Shade A9, A10, A11, A12	11/28/2008	15200-00	Ghse- Energy Curtains	
300152	White Steel Door 3 - 9' X 9' Raynor Series ThermaSeal	12/4/2008	15400-00	Doors	
300153	Orchid Range, Various Electrical Hook-ups for Grow Lights,	12/4/2008	15400-00	Ghse Equip-Large 15	
300154	3 Phase Greenhouse Fan, Eco Fan, 220 Volt,	12/5/2008	15400-00	Other Equip-Small 07	
179075	(Castner) New Shop Building 100' by 90'	12/11/2008	15300-00	Other Buildings 30	
179076	(MAT) Freight to Pick up New Shop Building	12/11/2008	15300-00	Other Buildings 30	
179077	Building Trailer Rental to pick up New Shop	12/11/2008	15300-00	Greenhouse & Systems (30 Years)	
190260	Cranes for ESP (Cattani)	12/11/2008	15600-00	Ghse Systems-Primary 30	
300155	Transformer Pad Concrete for Cooling Towers &	12/12/2008	15400-00	Concrete	
179087	Bar Grating for New Shop	12/18/2008	15300-00	Other Buildings 30	
190261	Fly Ash Removal U-Trough Auger Assemblies f/ ESP	12/18/2008	15600-00	Greenhouse & Systems	
300156	Benches Rollable Plant and Cultivation	12/18/2008	15400-00	Ghse Equip-Large 15	
300140	Greehouse Grow Lights in Multiple Areas of the	12/19/2008	15400-00	Ghse Equip-Large 15	

300157	HSB290S-05 2 Modine Hot Water/Steam Unit	12/19/2008	15400-00	Other Equip-Small 07	
227433	Earth Moving in Corridor for L-House	12/26/2008	15010-00	Land Improvements	
300158	Car/Semi-Tractor Lift - for New Shop	12/30/2008	15400-00	Lifts	
350044	Docks (Incl Installation 13 Kelley Bottom Pads for North	12/30/2008	15300-00	Small Equipment (10Y)	
350045	for North Docks (Incl Install) 13 Dock Seals - Serco Model S600 -	12/30/2008	15300-00	Heavy Equipment (15Y)	
258342	Zebra Thermal Printer for UPC Labels	12/31/2008	15700-00	Computer Hardware	
300159	L2 Installation of Boom Carriers in L1 &	12/31/2008	15400-00	Booms	

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300161	15' 5" h 2 - Roll-Up Doors - UltraTough 18'w X	12/31/2008	15400-00	Doors	
190264	# 190239 Final pay on 30,000 Gal. Tank - Asset	1/12/2009	15600-00	Small Equipment (10Y)	
190265	# 190240 Final pay on 30,000 Gal. Tank - Asset	1/12/2009	15600-00	Greenhouse & Systems	
300162	in Faganl Chiller, L-Hs Echos, Heaters & Fans Electrical Hookups for Gro Lights,	1/15/2009	15400-00	Ghse Systems-Secnd 15	
300165	Upgrade of 4 Pot/Flat Robots	1/22/2009	15400-00	Other Equip-Small 07	
190263	Boiler Sys. Gear Box Drives for ESP's for Wood	1/29/2009	15600-00	Greenhouse & Systems	
300166	Steel Door- Installed 16X16 Raynor Series ThermaSeal	1/29/2009	15400-00	Doors	
300167	Finis Steel Door - Installed 16x15-8 Raynor Series ThermaSeal	1/29/2009	15400-00	Doors	
190266	Boilers Electrical Hookup for ESP for Wood	2/6/2009	15600-00	Greenhouse & Systems	
179088	Labor for work in Maintenance Shop	2/20/2009	15300-00	Misc Bldg Impv 15	
190268	Chip Boiler System Materials for ESP Hookup for Wood	2/20/2009	15600-00	Ghse Systems-Primary 30	
300169	Booster Pump for Boilers	2/20/2009	15400-00	Pumps (5Y)	
300164	Electical Wire for GroLights Hookup	3/5/2009	15400-00	Other Equip-Small 07	
140168	Asset # 140160 Shading for L-Hs - Bal on Contract for	3/6/2009	15200-00	Ghse- Energy Curtains	
179089	Matl's for new Office in Shop	3/6/2009	15300-00	Misc Bldg Impv 15	
190267	Work on Boiler Rm Tanks	3/6/2009	15600-00	Small Equipment (10Y)	
300184	in L 1-2 Materials for Electrical Hookup Echos	3/6/2009	15400-00	Ghse Systems-Secnd 15	
300185	Projects Materials for Hookup of Various	3/6/2009	15400-00	Other Equip-Small 07	
274746	1995 Capacity Spotter (Used)	3/18/2009	15500-00	Automobiles (5 Years)	
300170	Echo Controls for L-House	3/20/2009	15400-00	Ghse Systems-Secnd 15	

140169	Storm Shelter Concrete Work on Electric Vault &	3/27/2009	15200-00	Concrete/Gravel	
140170	Concrete Labor on Storm Shelter	3/27/2009	15200-00	Concrete/Gravel	
300163	Service Materials for GrowLights Hookup &	3/27/2009	15400-00	Other Equip-Small 07	
274743	Wood Chip Hauling J & J - 45ft Open Box Trailer for	4/3/2009	15500-00	Trailer (5Y)	
41348	Orchid Range (A1) Mat'l's for new Electrical Service to	4/3/2009	15200-00	Ghse Systems-Primary 30	
140172	House Electrical Hookup of Echos in L -	4/9/2009	15200-00	Ghse Systems-Primary 30	
190269	Const. Permit # 620.7 Engineering Fees for 3rd Wood Boiler	4/9/2009	15600-00	Ghse Systems-Primary 30	
300171	Battery F21 Programmed 10 ICON Portable Radios w/HD	4/9/2009	15400-00	Small Equipment (10Y)	

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41349	Orchid Range (A9) Concrete Labor for Electric Vault for	4/10/2009	15200-00	Concrete	
41350	Orchid Range (A9) Concrete Labor for Electric Vault for	4/10/2009	15200-00	Concrete	
300173	shading Modifications to L-House Panels for	4/17/2009	15400-00	Ghse- Energy Curtains 10	
300175	Units Container Conveyors w/ 2pc Drive	4/23/2009	15400-00	Ghse Equip-Large 15	
41352	Range (A9) Mat'l's for Electric Vault for Orchid	4/23/2009	15200-00	Ghse Systems-Primary 30	
41353	System (Hookup Chiller, etc.) Electrical Labor for Orchid Cooling	4/23/2009	15200-00	Ghse Systems-Primary 30	
140171	Vault Concrete for Storm Shelter & Electric	4/24/2009	15200-00	Concrete/Gravel	
300186	Range Materials to Hookup Cooler for Orchid	4/24/2009	15400-00	Other Equip-Small 07	
300177	Cooling Center Controls - Priva	4/29/2009	15400-00	Ghse Equip-Large 15	
190270	for 3rd Wood Boiler Construction Permit Application Fee	4/30/2009	15600-00	Ghse Systems-Primary 30	
300178	33 Rolling Ladders (Grainger)	4/30/2009	15400-00	Ghse Equip-Large 15	
285399	Tank VOLVO Water Truck (Used) w/ Smith	5/1/2009	15600-00	Automobiles (5 Years)	
41351	Range (A9) Concrete for Electric Vault for Orchid	5/1/2009	15200-00	Concrete	
41354	System (Hookup Chiller, etc.) Electrical Mat'l's for Orchid Cooling	5/1/2009	15200-00	Ghse Systems-Primary 30	
41356	Mat'l's for Orchid Prod. System	5/1/2009	15200-00	Ghse Systems-Primary 30	
179090	Orchids Concrete Labor in Loading Docks by	5/8/2009	15300-00	Concrete	
179091	Orchids Concrete Labor in Loading Docks by	5/8/2009	15300-00	Concrete	
300179	224" long roller sections Orchid Staking Roller System, 7 -	5/8/2009	15400-00	Ghse Equip-Large 15	
300180	Cups Pallet Sys. to hold Plastic Orchid	5/8/2009	15400-00	Ghse Equip-Large 15	

300181	Asset # 300143 Freight for Gow Lights (D 9-13) -	5/21/2009	15400-00	Growing	
300182	Production Upgrade for Robot System in North	5/21/2009	15400-00	Other Equip-Small 07	
41355	Service to Orchid Range (A) Machine Hire for new Electrical	5/21/2009	15200-00	Ghse Systems-Primary 30	
300187	9-12 & C-Hs 11-12 New Braker for Lighting Panels D-Hs	5/22/2009	15400-00	Other Equip-Small 07	
140173	Shading Prins Labor for Roll-Ups, Glass,	5/29/2009	15200-00	Ghse- Energy Curtains	
179092	Orchids Concrete for Loading Docks by	5/29/2009	15300-00	Concrete	
190243	PPC Industries 1 Filter System for Biomass System -	6/11/2009	15600-00	Greenhouses & Systems	

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300183	Equipment Installation of Orchid Range Potting	6/11/2009	15400-00	Ghse Equip-Large 15	
163015	Offices Engineering Costs for Proposed New	6/15/2009	15300-00	Misc Bldg Impv 15	
190271	Boilers with PPC Filters Duct work to connect 3 Vyncke	6/26/2009	15600-00	Ghse Systems-Primary 30	
190272	Room - Priva System East, West, L-Range and Wood Boiler	6/26/2009	15600-00	Greenhouse & Systems	
190273	L-Hs, Greenhs Ringline, etc. Mat'l's for East, West Boilr Rms, D-Hs,	6/26/2009	15600-00	Greenhouse & Systems	
190274	Motor Cooling Fan Mat'l's incl. Valve Housing, Coil, Gear	6/26/2009	15600-00	Greenhouse & Systems	
190275	2 Shafts for Gear Box	6/26/2009	15600-00	Greenhouse & Systems	
190276	isolation valve jackets, Supplies: Pump insulation jacket, 2	6/26/2009	15600-00	Greenhouse & Systems	
190277	buffer tank w/bypass on manifold Mat'l & Labor to connect heating sys	6/26/2009	15600-00	Greenhouse & Systems	
190278	Orchid Range Cooling Plant, etc. Insulation Paint, Insulation cladding,	6/26/2009	15600-00	Greenhouse & Systems	
190279	(Orchids) Labor to place & install air optimizers	6/26/2009	15600-00	Greenhouse & Systems	
190280	Unit Heater for New Shop -Installed	6/26/2009	15600-00	HVAC	
190281	shipped Nov, 2008-May 31, 2009 Shipping, Duty, Customs on Equip	6/26/2009	15600-00	Ghse Systems-Primary 30	
190282	Rconnect Floor Heating in E - House	6/26/2009	15600-00	Greenhouse & Systems	
258346	HP LJ P4015N Printer for A/R Office	7/2/2009	15700-00	Computer Hardware	
258347	Office HP LJ M2727 Printer for Shipping	7/2/2009	15700-00	Computer Hardware	
258348	Office HP LJ P4515N Printer for Steve's	7/2/2009	15700-00	Computer Hardware	
41357	Houses Mat'l's for Rerouting Drains for Orchid	7/17/2009	15200-00	Ghse Systems-Primary 30	
179093	Labor for work in Maintenance Shop	8/7/2009	15300-00	Misc Bldg Impv 15	
300188	Water Treatment System	8/13/2009	15400-00	Ghse Equip-Large 15	
190286	Bldg. Building Permit for Cover-All Hoop	8/21/2009	15600-00	Other Buildings 30	

300172	Hardware for A9 Priva Computers Software &	8/21/2009	15400-00	Ghse Equip-Large 15	
300190	Grow Lights for Orchid Range	8/21/2009	15400-00	Ghse Equip-Large 15	
300189	Chiller Motor (Incl Ductwork) Install Exhaust Fan & Connect to	8/27/2009	15400-00	Other Equip-Small 07	
300196	Cooler Electrical Materials for Priva Install -	9/4/2009	15400-00	Other Equip-Small 07	
190285	w/Cover-All Concrete for Wood Chip Storage Lot	9/11/2009	15600-00	Concrete	
190297	thru 14 Supply & Install top heat in Zones 10	9/14/2009	15600-00	Ghse Systems-Primary 30	

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190298	Jacketing for PVC Cooling Sys piping Supply & Install Insulation and	9/14/2009	15600-00	Ghse Systems-Primary 30	
190299	Heat Corridor Heat, A+C East End Bench Supply & Install heat exchangr, E/D	9/14/2009	15600-00	Ghse Systems-Primary 30	
190300	Vyncke Boiler Supply & Install crane on top of	9/14/2009	15600-00	Ghse Systems-Primary 30	
190301	Vyncke Boiler Supply & Install crane on top of	9/14/2009	15600-00	Ghse Systems-Primary 30	
41358	Heating Sys. for Orchid Range Labor for Insulation of Cooling and	9/14/2009	15200-00	Ghse Systems-Primary 30	
300176	Climate Optimizers - Priva	9/18/2009	15400-00	Ghse Equip-Large 15	
190287	Lot w/Cover-All Concrete Mat'l for Wood Chip Storage	9/24/2009	15600-00	Concrete	
300193	for Climate Control Syst. 3 - One Time Licences for Controllers	9/24/2009	15400-00	Other Equip-Small 07	
300194	System for A9 New Install. Electrical Labor Heatg/Coolg Priva	9/24/2009	15400-00	Other Equip-Small 07	
300191	(All Control Controls for Echo System & Irrigation	9/25/2009	15400-00	Ghse Systems-Secnd 15	
300195	8, B5-8 Electronics for New Irrigation Syst. A5-	9/25/2009	15400-00	Other Equip-Small 07	
300198	Materials for A-9 Fogging System	10/1/2009	15400-00	Ghse Equip-Large 15	
300197	GroLights, Priva - Installations Electrical Materials for Generator,	10/9/2009	15400-00	Ghse Equip-Large 15	
300192	Syst.) 22 - 40" Echo System (Cherry Creek	10/16/2009	15400-00	Ghse Systems-Secnd 15	
258352	5 - HP LE2201W 22" LCD	10/22/2009	15700-00	Computer Hardware	
300199	Sys. Orchid Range 3 Vertical Water Tanks for Fertilizer	10/28/2009	15400-00	Small Equipment (10Y)	
300200	Orchids, etc.) 1325 Gallon Dipping Tank (for Lillies,	10/28/2009	15400-00	Small Equipment (10Y)	
300201	Wood Boiler Electrical Labor to Hook up L Hs and	10/29/2009	15400-00	Heavy Equipment (15 Years)	
190284	Storage(Hoop Building) Cover-All for Wood Chip	11/5/2009	15600-00	Other Buildings 30	

190291	Boiler (Wood Chip Rm) Plumbing for Hydraulic Sys. for 3rd	11/5/2009	15600-00	Ghse Systems-Primary 30	
190292	Expand Walls in Boiler Room (Coble)	11/13/2009	15600-00	Misc Bldg Impv 15	
300203	Injection Sys for Orchids 3 Centrifugal Pumps for Fertilizer	11/13/2009	15400-00	Pumps (5Y)	
300206	GroLights, Priva - Installations Electrical Materials for Generator,	11/18/2009	15400-00	Generator	
300205	Water Pressure System	11/20/2009	15400-00	Other Equip-Small 07	
300202	Lighting & Irrigation Electrical Labor to Hook Orchid	11/26/2009	15400-00	Ghse Equip-Large 15	

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300204	Treatment) Materials for Copper Ionization (Water	11/26/2009	15400-00	Other Equip-Small 07	
190293	Installation Cranes for Wood Chip Boiler	12/3/2009	15600-00	Ghse Systems-Primary 30	
285400	2003 IQ Club Car w/ Rear seat kit	12/3/2009	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285401	2003 IQ Club Car w/ Box Kit	12/3/2009	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285402	2003 IQ Club Car w/ Box kit	12/3/2009	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285403	2003 IQ Club Car w/ Rear seat kit	12/3/2009	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285404	2003 IQ Club Car w/ Box Kit	12/3/2009	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285405	w/Rear Seat & Speed Code 2010 Club Car IQ Professional	12/3/2009	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285406	2003 Club Car IQ w/ Box Kit	12/3/2009	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285407	2003 Club Car IQ w/ Rear seat kit	12/3/2009	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285408	2003 Club Car IQ w/ Rear seat kit	12/3/2009	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285409	2003 Club Car IQ w/ Rear seat kit	12/3/2009	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285410	Code 2003 Club Car IQ w/ Box Kit & Speed	12/3/2009	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
190288	EPA Issues Engineering Fees Project # 620.8 - IL	12/10/2009	15600-00	Ghse Systems-Primary 30	
300208	(Orchid Range) Electrical Labor for Lighting in A13-14	12/10/2009	15400-00	Other Equip-Small 07	
190302	Labor for Insulating Cooling & Heating	12/11/2009	15600-00	Ghse Systems-Primary 30	
190303	reservoir, etc. Pack to 3 zone Pack, 200 gal. Upgrade 2 Zone Hydraulic Power	12/11/2009	15600-00	Ghse Systems-Primary 30	
300215	8 Door Fab UltraLife 8-Ow 9-3h for A/B-	12/17/2009	15400-00	Doors	
300216	11/12 Door Fab UltraLife 10-Ow 10-0h for E	12/17/2009	15400-00	Doors	
190294	Chip Boiler Electrical Materials to Hook-Up Wood	12/18/2009	15600-00	Ghse Systems-Primary 30	
190295	Boiler Installation Skyjack Scissor Lift Rental for Wood	12/18/2009	15600-00	Ghse Systems-Primary 30	
227436	area outside. Concrete Pad by L-House for Growing	12/18/2009	15010-00	Concrete	
190290	3rd Wood Chip Incinerator (Boiler)	12/20/2009	15600-00	Ghse Systems-Primary 30	

300209	Communications) 4 Portable Radios (Starved Rock	12/22/2009	15400-00	Small Equipment (10Y)	
300207	Treatmt Gro.Lights, Priva, Irrigation, Water Electrical Materials for Generator,	12/23/2009	15400-00	Generator	
300210	Bales Bale Shaver for shaving Orchid Bark	12/23/2009	15400-00	Ghse Equip-Large 15	
300211	Range A13-14 Materials for Irrigation Syst. for Orchid	12/23/2009	15400-00	Other Equip-Small 07	
110137	Area Conversion from B9-12 to D9-12 Concrete Labor for Finished Product	12/29/2009	15200-00	Concrete	

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300212	Orchid Range 4 Expansion Tanks for Irrigation in	12/29/2009	15400-00	Small Equipment (10Y)	
140174	for Heating & Echos in L3-4 Supply & Install Gatorshield Tubing	12/31/2009	15200-00	Ghse Systems-Primary 30	
190296	Chip Boiler Electrical Labor to Hook-Up Wood	12/31/2009	15600-00	Ghse Systems-Primary 30	
300214	Orchids Flier Robot and System Adaptions for	12/31/2009	15400-00	Ghse Equip-Large 15	
110140	Finished Product Area (D9-12) Materials for Concrete Work for	1/15/2010	15200-00	Concrete	
300218	Rotofilter - RFM 4872	1/15/2010	15400-00	Ghse Equip-Large 15	
110143	Product Area (D9-12) Rebar for Concrete for Finished	1/21/2010	15200-00	Concrete	
190305	Electrical Hookup for 3rd Wood Boiler	1/28/2010	15600-00	Ghse Systems-Primary 30	
227444	Earth Moving for L5-6 Construction	1/28/2010	15010-00	Land Improvements	
300219	Machine to repair rubber-vulcanizer	1/28/2010	15400-00	Other Equip-Small 07	
227441	Rebar for Storm Tunnel Foundation	1/29/2010	15010-00	Building Improvements	
227442	Earth - Prep for L5-6 Rental of Dump Trucks for Moving	1/29/2010	15010-00	Land Improvements 30	
190310	3rd Boiler Legal Fees for USDA Guar. Loan for	1/31/2010	15600-00	Ghse Systems-Primary 30	
190311	Trucking for 3rd Boiler to MAG	2/4/2010	15600-00	Ghse Systems-Primary 30	
227440	Design and Detail Tornado Tunnel Engineering for	2/4/2010	15010-00	Building Improvements	
300220	Lighting for A-9 (Orchid Range)	2/4/2010	15400-00	Ghse Equip-Large 15	
190308	Firing up of 3rd Wood Boiler	2/5/2010	15600-00	Ghse Systems-Primary 30	
190309	ESP Hookup Electrical Materials for 3rd Boiler &	2/5/2010	15600-00	Ghse Systems-Primary 30	
300221	Lighting for A-9	2/5/2010	15400-00	Other Equip-Small 07	
110142	Area (D9-12) Concrete Labor for Finished Product	2/12/2010	15200-00	Concrete	
179094	New Drain in Newer Shop	2/12/2010	15300-00	Misc Bldg Impv 15	
190306	Carpentry Labor for Boiler Room	2/12/2010	15600-00	Ghse Systems-Primary 30	
110138	Area (D11-12) Concrete Work for Finished Product	2/18/2010	15200-00	Concrete	

140175	Construction) Labor for L-House (Brian Davis	2/18/2010	15200-00	Ghse Systems-Primary 30	
110139	Area (D 9-12) Concrete Labor for Finished Product	2/19/2010	15200-00	Concrete	
140176	Labor in L-House	2/19/2010	15200-00	Ghse Systems-Primary 30	
190307	Skyjack (Scissor Lift) Rental	2/19/2010	15600-00	Ghse Systems-Primary 30	
285414	Charger Toyota Forklift w/2Batteries and	2/25/2010	15600-00	Forklift/Tugger/Scissorlift (10Y)	
110141	(D 9-12) Concrete for Finished Product Area	2/26/2010	15200-00	Concrete	
300222	Controlling 3 Echoes each) 30 Echo Controllers (10 Panels	2/26/2010	15400-00	Ghse Systems-Secnd 15	

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190312	Thermo Energy 3rd Boiler Installation (Labor) -	3/4/2010	15600-00	Ghse Systems-Primary 30	
300223	Station Transducers for Orchid Pumping	3/4/2010	15400-00	Pumps (5Y)	
300233	Pumping Station Mat'ls to Supply Service for Orchid	3/5/2010	15400-00	Other Equip-Small 07	
300234	Orchid Range Braker for New Fertilizer Machine in	3/5/2010	15400-00	Other Equip-Small 07	
300224	Area Conveyor Rebuild for New Shipping	3/11/2010	15400-00	Ghse Equip-Large 15	
300225	Model SJIII3219 2002 Skyjack Electric Scissosrlift -	3/11/2010	15400-00	Lifts	
300226	Model SJIII3219 2002 Skyjack Electric Scissosrlift -	3/11/2010	15400-00	Lifts	
300227	Model SJIII3219 2002 Skyjack Electric Scissosrlift -	3/11/2010	15400-00	Lifts	
300228	2002 Skyjack Electric Scissosrlift	3/11/2010	15400-00	Lifts	
300229	2002 Skyjack Electric Scissosrlift	3/11/2010	15400-00	Lifts	
300230	Model JLG1932E2 2003 Skyjack Electric Scissosrlift -	3/11/2010	15400-00	Lifts	
300231	(Model JLG1932E2) 2002 Skyjack Electric Scissosrlift	3/11/2010	15400-00	Lifts	
190313	Pack Labor to start up new Hydraulic Power	3/12/2010	15600-00	Ghse Systems-Primary 30	
300232	Pump System for Orchid Lake	3/12/2010	15400-00	Ghse Equip-Large 15	
300237	Skyjack Rental for Echos in L-House	3/19/2010	15400-00	Ghse Systems-Secnd 15	
274749	People Hauler - Special Base Vehicle	3/25/2010	15500-00	Electric Cart/Golf Cart/Scooter (7Y)	
274750	People Hauler - Special Base Vehicle	3/25/2010	15500-00	Electric Cart/Golf Cart/Scooter (7Y)	
300235	12) New shipping Belts for D-Range (9-	3/25/2010	15400-00	Other Equip-Small 07	
300236	Installe lamp group software, Tank Measmt. - HID & photoperiodical Controls, HID	3/26/2010	15400-00	Other Equip-Small 07	
190304	each Boiler 3 Flow Meters for Wood Boilers - 1 for	3/29/2010	15600-00	Heavy Equipment (15 Years)	

300238	for New Shipping Area Electrical Panels, Wire, Conduit, etc.	4/1/2010	15400-00	Ghse Equip-Large 15	
300239	Lifts Charging Stations for Electric Fork	4/1/2010	15400-00	Small Equipment (10Y)	
300240	Electrical Mat'ls for Echos in L3 & L4	4/1/2010	15400-00	Ghse Systems-Secnd 15	
300241	3 Hot Water/Steam Unit Heaters	4/2/2010	15400-00	Other Equip-Small 07	
300242	Pumping Station for Orchids	4/2/2010	15400-00	Other Equip-Small 07	
190314	Installation of 5 Unit Heaters	4/8/2010	15600-00	HVAC	
300244	Cleaning Filter) Filtomat Filter for Orchid Range (Self	4/8/2010	15400-00	Other Equip-Small 07	

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300246	Boards etc (Priva) Freight for Priva - Sensors, Panels,	4/9/2010	15400-00	Other Equip-Small 07	
300247	in New Shipping Hs Controllers for Shipping Belt System	4/9/2010	15400-00	Other Equip-Small 07	
227443	East Truck Lot Earth Moving for Fire Truck Ramp &	4/15/2010	15010-00	Land Improvements 30	
300243	Range Additional Water Line for Orchid	4/16/2010	15400-00	Other Equip-Small 07	
300248	12) New Belts for Shipping House (D 9-	4/22/2010	15400-00	Ghse Equip-Large 15	
300251	8 Wd. Boiler Rm, Shipping Equip. in D5- Electical Labor Echos, Flow Meter in	4/22/2010	15400-00	Heavy Equipment (15 Years)	
300245	Orchids Pumps for new Pumping Sys. for	4/23/2010	15400-00	Pumps (5Y)	
300250	Finger w/Star Assembly 4 Urbinati Wireless Fingers - complete	4/30/2010	15400-00	Other Equip-Small 07	
300252	etc. Priva Materials - Sensors, Module,	5/7/2010	15400-00	Other Equip-Small 07	
243311	IP Office 500 Phone System	5/13/2010	15700-00	Small Equipment (10Y)	
258353	in Shipping Area HP P4515TN Laser Printer for BOL's	5/13/2010	15700-00	Computer Hardware	
300253	Siren for Tornado/Fire	5/20/2010	15400-00	Other Equip-Small 07	
300254	96" Basket for Skytrak 6036	5/27/2010	15400-00	Other Equip-Small 07	
300255	Lake Pump for L-House	6/3/2010	15400-00	Pumps (5Y)	
300257	2 Plant Bench Stackers	6/9/2010	15400-00	Ghse Equip-Large 15	
190315	Valves, Pipes in Cooling Plant Insulate & Cover all Exposed Pumps,	6/17/2010	15600-00	Greenhouse & Systems	
300258	Lg. Plant Cart (Wagon) for Production	7/15/2010	15400-00	Other Equip-Small 07	
300259	10 - Walk Boom System (36.5 x 860.)	7/16/2010	15400-00	Booms	
190326	Water Tank Site Geotechnical Borings for Proposed	7/22/2010	15600-00	Misc Bldg Impv 15	
227445	Underground Electric - East Side	7/22/2010	15010-00	Building Improvements	
70019	Houses B 9-12 Demolition of Cravo & Delsem	7/22/2010	15200-00	Greenhouses 30	

190325	Tank Placement Engineering Fees for 2nd Hot Water	7/29/2010	15600-00	Misc Bldg Impv 15	
190316	Concrete Labor for Esp Room	8/5/2010	15600-00	Concrete	
190317	Concrete Labor for Esp Room	8/6/2010	15600-00	Concrete	
300273	Sys. in Orchid Range Ball Valve for new fertilizer injection	8/6/2010	15400-00	Other Equip-Small 07	
227448	Earth Moving for L5-6 Construction	8/12/2010	15010-00	Land Improvements 30	
300261	D from B 9-12 Reroute Main Electrical Supply to C &	8/12/2010	15400-00	Other Equip-Small 07	
140179	Echos for L-Hs 3-4	8/13/2010	15200-00	Ghse Systems-Primary 30	

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70023	(Orchid Range) Concrete Labor for B - Hs 9-12	8/13/2010	15200-00	Computer Hardware	
190318	Concrete for Esp Room	8/20/2010	15600-00	Computer Hardware	
190319	Building over Esp's	8/20/2010	15600-00	Misc Bldg Impv 15	
70020	& Delsem Houses B 9-12 Skytrac Rental for Demolition of Cravo	8/20/2010	15200-00	Greenhouse & Systems (30 Years)	
70021	Range Building Permit for B 9-12 Orchid	8/26/2010	15200-00	Greenhouses 30	
70024	(Orchid Range) Concrete Labor for B - Hs 9-12	8/26/2010	15200-00	Concrete	
70025	(Orchid Range) Concrete Labor for B - Hs 9-12	8/26/2010	15200-00	Concrete	
227434	of existing) Greenhouse Construction (East Side Earth Moving to prepare for new	9/1/2010	15010-00	Land Improvements 30	
227435	Greenhouse Constr Moving in Preparation of New Rental of 2 Dump Trucks for Earth	9/1/2010	15010-00	Land Improvements 30	
227437	Greenhouse Proposed Bridge on East Side of Geotechnical Borings on site of	9/1/2010	15010-00	Land Improvements	
227438	Construction Preparation of New Greenhouse Earthmoving to fill Ravine in	9/1/2010	15010-00	Land Improvements 30	
227439	House) Drainage Pipe for new Lake (out by L	9/1/2010	15010-00	Land Improvements 30	
300272	and Seeding (from B9-12) Rerouting Power for C & D Houses	9/2/2010	15400-00	Production	
300264	Range Priva Computers for B9-B12 Orchid	9/3/2010	15400-00	Ghse Equip-Large 15	
285416	2008 Club Car w/ access. LVW's	9/9/2010	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
300265	12 & C1& 2 Shade Cloth & Components for A9 -	9/23/2010	15400-00	Ghse- Energy Curtains 10	
300266	Boiler Room Retubed Boilers - #1 & #2 in West	9/23/2010	15400-00	Heavy Equipment (15 Years)	

110144	(Yellow) Concrete Labor for Bumper Posts	9/30/2010	15200-00	Concrete	
70022	(Orchid Range) Concrete Labor for B - Hs 9-12	10/1/2010	15200-00	Concrete	
70026	Range) Concrete for B - Hs 9-12 (Orchid	10/1/2010	15200-00	Concrete	
190320	Elec. Mat's for Lights for ESP Room	10/7/2010	15600-00	Misc Bldg Impv 15	
300267	connections w/ 1000 L Solution Tank, Lid & Irrigation - Nutrient Mixing Pump Set	10/7/2010	15400-00	Pumps (5Y)	
110145	Concrete for Bumper Posts (Yellow)	10/8/2010	15200-00	Concrete	
300268	Tank Chlorine Injection System for B-Hs	10/14/2010	15400-00	Other Equip-Small 07	

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190321	EPA Issues Engineering Fees Project # 620.8 - IL	10/21/2010	15600-00	License/Fees/Admin	
190327	Labor for Insulating Cooling & Heating	10/21/2010	15600-00	Greenhouse & Systems	
300269	H2O for Fire Dept Pu Undergroun Fuel Storage Tanks to Soil Assessment to Convert	10/21/2010	15400-00	Small Equipment (10Y)	
300271	Light Panels for Orchid Range	10/21/2010	15400-00	Other Equip-Small 07	
190329	Acre Heating System for L5-6 & B9-12 B 9-12 (Orchid Range) Portion of 11	10/26/2010	15600-00	Greenhouse & Systems	
300270	by Lake Concrete Labor for New Pump House	10/28/2010	15400-00	Ghse Equip-Small 10	
130195	Production Area (E-Hs) Mat's for Heating in North 2	11/4/2010	15200-00	Ghse Systems-Primary 30	
130196	Production Area (E-Hs) Mat's for Heating in North 2	11/4/2010	15200-00	Ghse Systems-Primary 30	
227446	New Shop Concrete Labor for Parking Lot for	11/4/2010	15010-00	Concrete	
300304	Mat's for Chlorine Project	11/4/2010	15400-00	Other Equip-Small 07	
41360	Lighting Mat's for A Hs Orchid Range	11/4/2010	15200-00	Ghse Systems-Secnd 15	
300275	1952 Light Fixtures for Orchid Range	11/9/2010	15400-00	Ghse Equip-Small	
130197	Production Area (E-Hs) Mat's for Heating in North 2	11/12/2010	15200-00	Ghse Systems-Primary 30	
163016	Roofing over Offices	11/12/2010	15300-00	Misc Bldg Impv 15	
190328	reservoir, etc. Pack to 3 zone Pack, 200 gal. Upgrade 2 Zone Hydraulic Power	11/12/2010	15600-00	Greenhouse & Systems	
300308	200 AMP Supply for Orchid Pump Hs	11/12/2010	15400-00	Other Equip-Small 07	
300276	Panels for lighting in B9-11 & A10-12	11/13/2010	15400-00	Other Equip-Small 07	
300277	Fire Hydrant	11/13/2010	15400-00	Other Equip-Small 07	
190323	System Mat's for ESP's Room & L-Hs Heat	11/15/2010	15600-00	Greenhouse & Systems	
300278	30 Lights for South Production	11/18/2010	15400-00	Other Equip-Small 07	
300274	Orchid Range PVC for Water Lines in B9-12 new	11/19/2010	15400-00	Other Equip-Small 07	

300279	that deoes Orchid Vase Cupping Installation(programming)on Robot	11/19/2010	15400-00	Other Equip-Small 07	
300280	Cabinet Saw 52" Fence	11/19/2010	15400-00	Other Equip-Small 07	
350046	Door for North Docks 2 -10 X 10 Raynor ThermaSeal Steel	11/24/2010	15300-00	Doors	
163017	Office Expansion Architectual Work for Proposed New	11/30/2010	15300-00	Misc Bldg Impv 15	
163022	New Conference Room Installation	12/9/2010	15300-00	Misc Bldg Impv 15	

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285418	Forklift w 80" skidsteer bucket 2003 Skytrak 6036C Telehandler	12/9/2010	15600-00	Forklift/Tugger/Scissorlift (10Y)	
300281	B7 Tank Dosing Pump for Ph H2O treatment f/ Hot Water)	12/9/2010	15400-00	Pumps (5Y)	
190324	8 Burnam Boilers (Convert Steam to Concrete for Pump Hs - Orchid Range	12/10/2010	15600-00	Greenhouse & Systems	
300312	Matl's for Pump Hs - Orchid Range	12/10/2010	15400-00	Other Equip-Small 07	
300313	Matl's for Pump Hs - Orchid Range	12/10/2010	15400-00	Other Equip-Small 07	
163018	Cafeteria Matl's for Conference Room over	12/16/2010	15300-00	Misc Bldg Impv 15	
163019	Cafeteria Labor for Conference Room over	12/17/2010	15300-00	Misc Bldg Impv 15	
227447	Shop Concrete for Parking Lot for New	12/17/2010	15010-00	Concrete	
190322	Emissions Test for EPA for Licensing	12/20/2010	15600-00	License/Fees/Admin	
285420	(Used) 2007 New Holland D95 LGP Dozer	12/20/2010	15600-00	Heavy Equipment (15 Years)	
300305	Range Elect. Matl's for Pump Hs for Orchid	12/20/2010	15400-00	Other Equip-Small 07	
70027	(Orchid Range) Greenhouse Structure - B 9-12	12/20/2010	15200-00	Greenhouses 30	
70029	Roll Up Walls - B 9-12 (Orchid Range)	12/20/2010	15200-00	Ghse Systems-Primary 30	
70031	(Orchid Range) Elect. Matl's for Lighting in B 9-12	12/20/2010	15200-00	Ghse Systems-Primary 30	
70032	(Orchid Range) Elect. Labor for Lighting in B 9-12	12/20/2010	15200-00	Ghse Systems-Primary 30	
70033	12 (Orchid Range) Elect. Matl's for Lighting Sys. in B 9-	12/20/2010	15200-00	Ghse Systems-Primary 30	
70034	Matl's for B 9-12 (Orchid Range)	12/20/2010	15200-00	Ghse Systems-Primary 30	
70035	Range) Matl's for Water Lines B 9-12 (Orchid	12/20/2010	15200-00	Ghse Systems-Primary 30	
70036	Range) Matl's for Water Lines B 9-12 (Orchid	12/20/2010	15200-00	Ghse Systems-Primary 30	

163020	Cafeteria Matl's for Conference Room over	12/21/2010	15300-00	Misc Bldg Impv 15	
300294	Pump Overhaul for North Lake Pump	12/21/2010	15400-00	Pumps (5Y)	
163021	over Cafeteria Door handles for Conference Room	12/22/2010	15300-00	Doors	
300283	Fabricate 5 Idle Roller Drivers Modifications on Orchid Planter &	12/22/2010	15400-00	Other Equip-Small 07	
300297	Room Matl's for Compressor in East Boiler	12/22/2010	15400-00	Heavy Equipment (15 Years)	
300301	12 Elect. Matl's for Irrigation Booms B9-	12/22/2010	15400-00	Booms	

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300262	Expansion Ultra Cool System for B9-B12 Orchid	12/29/2010	15400-00	Ghse Equip-Large 15	
300263	Hs) motors on fans in Orchid Range (A- Aqua Drive - to control speed of	12/29/2010	15400-00	Other Equip-Small 07	
300284	36 Rolling Ladders w/ Handrails	12/29/2010	15400-00	Ghse Equip-Large 15	
300285	Range B9-12 Parts for Irrigation System for Orchid	12/29/2010	15400-00	Other Equip-Small 07	
300286	Wireless Controllers for B9-12 & L5-6	12/29/2010	15400-00	Other Equip-Small 07	
285419	Fork Lift Attachment Slip Sheet	12/30/2010	15600-00	Forklift/Tugger/Scissorlift (10Y)	
300260	(120" x 64")w/3 alum. remov shelves 6 Custom Steel Tracking Wagons	12/30/2010	15400-00	Ghse Equip-Large 15	
300289	Orchid Irrigation System Parts	12/30/2010	15400-00	Other Equip-Small 07	
300291	12 Windows & Curtains Potentiometers for Gear Motors for B9-	12/30/2010	15400-00	Other Equip-Small 07	
300292	Heating Controls	12/30/2010	15400-00	Other Equip-Small 07	
300293	System - Local Interface Upgrade for Climate Control	12/30/2010	15400-00	Other Equip-Small 07	
300298	Elect. Matl's for Gro-Lights in A9-12	12/30/2010	15400-00	Ghse Equip-Large 15	
300299	Elect. Matl's for Gro-Lights in B9-12	12/30/2010	15400-00	Ghse Equip-Large 15	
300300	Installations Elect. Matl's for L-Hs & A-Hs	12/30/2010	15400-00	Ghse Equip-Large 15	
300303	Installations Elect. Matl's Orchid Range B9-12	12/30/2010	15400-00	Ghse Equip-Large 15	
41359	power from B Hs) A-Hs Disconnects (for separate	12/30/2010	15200-00	Greenhouses & Systems	
70037	(Orchid Range) Scissor Lift Rentals for B 9-12	12/30/2010	15200-00	Greenhouse & Systems (30 Years)	
300290	Hs Orchid Range & Pumping Station in L- Touchscreens for Irrigation System -	12/31/2010	15400-00	Computer Hardware	
300295	Pump - Self Priming for North Lake	12/31/2010	15400-00	Pumps (5Y)	

300296	450' Reel Air/Wtr Hose for Orchid Range 1",	12/31/2010	15400-00	Other Equip-Small 07	
300302	Lighting Panels for Orchid Range	12/31/2010	15400-00	Growing	
300306	Elect. Mat'l's for L-Hs 5-6	12/31/2010	15400-00	Other Equip-Small 07	
300314	12 & L5-6 Wireless for Irrigation System in B9-	12/31/2010	15400-00	Other Equip-Small 07	
190331	Labor - Brian Davis	1/20/2011	15600-00	Greenhouse & Systems	
300322	Scissor Lift Rental for installing Lights.	1/26/2011	15400-00	Greenhouse & Systems (30 Years)	
227449	Earth Moving for L5-6 Construction	1/27/2011	15010-00	Land Improvements 30	
70038	Labor for B 9-12 (Brian Davis)	1/27/2011	15200-00	Ghse Systems-Primary 30	
300316	Range Mat'l's fro New Pump Hs for Orchid	1/28/2011	15400-00	Pumps (5Y)	
70039	Labor for Construction B 9-12	1/31/2011	15200-00	Greenhouses 30	
70028	Range) Interior Curtains - B 9-12 (Orchid	2/1/2011	15200-00	Ghse- Energy Curtains	

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140203	L 5-6, Mat'l's & Parts	2/10/2011	15200-00	Ghse Systems-Primary 30	
163026	Paint for New Conference Room	2/10/2011	15300-00	Misc Bldg Impv 15	
163028	Remodel Sales Offices	2/11/2011	15300-00	Misc Bldg Impv 15	
300319	PVC for Drip Line System in B 9-11	2/11/2011	15400-00	Other Equip-Small 07	
70040	Orchids (B 9-12) Mat'l for water filter/Irrigation for	2/11/2011	15200-00	Greenhouse & Systems	
300310	Mat'l's for Copper Ionization Machine	2/15/2011	15400-00	Other Equip-Small 07	
163024	Stairway and Landings Carpeting for New Conference Room,	2/17/2011	15300-00	Building Improvements	
163029	Sales Offices Sprayed Foam Insulation in Ceiling of	2/17/2011	15300-00	Misc Bldg Impv 15	
300318	Tower Boom System for L 5&6	2/18/2011	15400-00	Ghse Systems-Secnd 15	
140177	Prep. L-5 Machine Hire for Construction	3/1/2011	15200-00	Greenhouses 30	
140178	Water Tubing for L 5-6 Floor Heating	3/1/2011	15200-00	Ghse Systems-Primary 30	
140180	L5-6 Underground Drainage	3/1/2011	15200-00	Ghse Systems-Primary 30	
140181	L5-6 - Rental of T320 Track Loader	3/1/2011	15200-00	Greenhouses 30	
140182	L5-6 - Drainage Materials	3/1/2011	15200-00	Greenhouses 30	
140183	L5-6 - Service Panels for Electrical	3/1/2011	15200-00	Ghse Systems-Primary 30	
140184	(Gravel & Sand) L5-6 -Heavy Equipment Rental & Fill	3/1/2011	15200-00	Greenhouses 30	
140185	Concrete L5-6 - Rebar, Polyfilm & Supplies for	3/1/2011	15200-00	Greenhouses 30	
140186	L5-6 - Concrete	3/1/2011	15200-00	Greenhouses 30	
140187	L5-6 - Concrete Conveyor Work	3/1/2011	15200-00	Greenhouses 30	
140188	L5-6 - Concrete Labor	3/1/2011	15200-00	Greenhouses 30	
140189	L5-6 - Concrete Labor	3/1/2011	15200-00	Greenhouses 30	
140190	L5-6 - Concrete Labor	3/1/2011	15200-00	Greenhouses 30	
140191	L5-6 - Concrete Labor	3/1/2011	15200-00	Greenhouses 30	
140192	L5-6 - Concrete Labor	3/1/2011	15200-00	Greenhouses 30	
140193	L5-6 - Drainage Materials	3/1/2011	15200-00	Greenhouses 30	

140194	L5-6 - Roof Drainage Materials	3/1/2011	15200-00	Greenhouses 30	
140195	L5-6 - Heating System Materials	3/1/2011	15200-00	Ghse Systems-Primary 30	
140196	L5-6 - Structure (Incl. Glass)	3/1/2011	15200-00	Greenhouses 30	
140197	Greenhouse L5-6 - Labor for Construction of	3/1/2011	15200-00	Greenhouses 30	
140209	L 5-6 Curtains incl. Labor to Install	3/1/2011	15200-00	Ghse- Energy Curtains	
140210	L 5-6 Roll-up Wall Cloth & Motors	3/1/2011	15200-00	Greenhouses 30	
70030	Range) Exterior Curtains - B 9-12 (Orchid	3/1/2011	15200-00	Ghse- Energy Curtains	
163025	Room Furnace & A/C for New Conference	3/3/2011	15300-00	HVAC	
163027	12 Lights for New Conference Room	3/3/2011	15300-00	Misc Bldg Impv 15	
243313	Lumen w/ vukunet cms NP2200 XGA LCD Projector - 4200	3/3/2011	15700-00	Office Equipment	
300309	Copper Ionization Machine	3/3/2011	15400-00	Ghse Equip-Large 15	
300311	Priva Integro for L Range	3/3/2011	15400-00	Ghse Equip-Large 15	
300323	Frght) Air Compressor - Ingersol Rand (Incl	3/3/2011	15400-00	Landscape/Utility/Farm Equipment	

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140202	L 5-6 - Mat'l for Priva Installation	3/4/2011	15200-00	Ghse Systems-Primary 30	
300329	Concrete Forms	3/4/2011	15400-00	Concrete	
22025	Tank (B Hs) Concrete work for Pit for Ionization	3/10/2011	15200-00	Concrete	
285421	Electric W/ Seat 2006 Presidents Club Cars - 48 Volt	3/10/2011	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285422	Electric W/ Seat 2006 Presidents Club Cars - 48 Volt	3/10/2011	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285423	Electric W/ Seat 2006 Presidents Club Cars - 48 Volt	3/10/2011	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285424	Electric W/Box 2006 Presidents Club Cars - 48 Volt	3/10/2011	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285425	Electric W/ Box 2006 Presidents Club Cars - 48 Volt	3/10/2011	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285426	Electric W/ Box 2006 Presidents Club Cars - 48 Volt	3/10/2011	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
350047	Installation 2 Kelley DSH Model Dock Seals plus	3/17/2011	15300-00	Small Equipment (10Y)	
163023	Room over Cafeteria Construction of New Conference	3/18/2011	15300-00	Misc Bldg Impv 15	
300327	Priva Computer Fan	3/18/2011	15400-00	Ghse Equip-Large 15	
300328	17 micron screen Rotofilter RFM 3254, 500gpm design,	3/18/2011	15400-00	Ghse Equip-Large 15	
190330	System for L5-6 & B9-12 L 5-6 Portion of 11 Acre Heating	3/23/2011	15600-00	Greenhouse & Systems	
190332	Frequency Drive	3/23/2011	15600-00	Pumps (5Y)	
190333	ID Fan Motor on Boiler #1	3/23/2011	15600-00	Heavy Equipment (15 Years)	
190334	Plant Mount brackets for Filters in Cooling	3/23/2011	15600-00	Greenhouses & Systems	
190335	Panel Changes for L-Range	3/23/2011	15600-00	Greenhouse & Systems	

190336	Acre Heating System for L5-6 & B9-12 B 9-12 (Orchid Range) Portion of 11	3/23/2011	15600-00	Greenhouse & Systems	
190337	Boiler Manifold, Connect. Hot Watr Tk to L Labor & Mat'l's to install Ringline w/	3/23/2011	15600-00	Greenhouse & Systems	
190338	Cladding new Ringline & Manifold Labor & Mat'l's for Insulation and	3/23/2011	15600-00	Greenhouse & Systems	
300320	Injector for Booms in L 5-6	3/24/2011	15400-00	Pumps (5Y)	
300330	Install Controll on Burnham Boilers	3/24/2011	15400-00	Heavy Equipment (15 Years)	
300332	Orchid Range Electrical Mat'l's for New Lighting in	3/24/2011	15400-00	Ghse Equip-Large 15	
140198	Waterlines L 5-6 - PVC for Roof Drainage and	3/25/2011	15200-00	Ghse Systems-Primary 30	
300317	Destacker, xtra potting Ring, etc. Potting Machine w/Hopper, Pot	3/25/2011	15400-00	Ghse Equip-Large 15	
140199	L 5-6 - Mat'l for Booms	3/31/2011	15200-00	Booms	
140200	L 5-6 - Electrical Labor	3/31/2011	15200-00	Ghse Systems-Primary 30	

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140201	installation L 5-6 - Electrical Mat'l's for Priva, etc.	3/31/2011	15200-00	Ghse Systems-Primary 30	
300321	Station for L-Hs Ph & Chlorine Control for Pumping	3/31/2011	15400-00	Ghse Equip-Large 15	
300331	Brackets, Delta) Lighting in A 10-11 (Reflectors &	3/31/2011	15400-00	Ghse Equip-Large 15	
41361	Mat'l for Irrigation Panel for A 10-14	3/31/2011	15200-00	Ghse Systems-Secnd 15	
41362	System A 10-14 Electrical Mat'l's for New Irrigation	3/31/2011	15200-00	Greenhouses & Systems	
70041	(B 9-12) Mat'l's for Irrigation for Orchid Range	3/31/2011	15200-00	Greenhouse & Systems	
140207	L 5-6 Electrical Labor	4/7/2011	15200-00	Ghse Systems-Primary 30	
243314	Back High Black Split Leather w/ Mesh 54 Chairs for Conference Room -	4/7/2011	15700-00	Office Equipment	
243315	Room 10 Round Tables for Conference	4/7/2011	15700-00	Office Equipment	
300337	Wireless Mat'l's for L 5-6	4/7/2011	15400-00	Other Equip-Small 07	
140206	L 5-6 PVC, etc. for Booms	4/8/2011	15200-00	Booms	
70042	Concrete Knee Wall in B 12	4/8/2011	15200-00	Concrete	
190339	for Boilers Engineering Costs for EPA Permits	4/14/2011	15600-00	Heavy Equipment (15 Years)	
227450	PVC for East Lake Waterline	4/15/2011	15010-00	Ghse Systems-Secnd 15	
227451	Mat'l's for West Pond	4/15/2011	15010-00	Ghse Systems-Secnd 15	
227452	Mat'l's for Center Lake Water Intake	4/15/2011	15010-00	Ghse Systems-Secnd 15	
300342	Orchid Filter Mat'l's	4/15/2011	15400-00	Other Equip-Small 07	
140205	L 5-6 Mat'l for Booms	4/21/2011	15200-00	Booms	
140208	L 5-6 Electrical Mat'l's	4/21/2011	15200-00	Ghse Systems-Primary 30	
300345	Air Cleaner for Table Repair	4/21/2011	15400-00	Growing	

300349	Drippers for Hanging Basket Line	4/21/2011	15400-00	Other Equip-Small 07	
300346	Ducting for New Compressor	4/22/2011	15400-00	Other Equip-Small 07	
70043	Waterlines in B 12	4/22/2011	15200-00	Greenhouse & Systems	
190340	Permits from EPA Emissions Tests for Wood Boiler	4/28/2011	15600-00	Heavy Equipment (15 Years)	
300334	10 Radios for Greenhouse	4/28/2011	15400-00	Small Equipment (10Y)	
300335	Wood Chip Moisture Tester	4/28/2011	15400-00	Other Equip-Small 07	
300336	Wireless Mat'ls for Greenhouse	4/28/2011	15400-00	Other Equip-Small 07	
140204	L 5-6 Mat'ls for Booms	4/29/2011	15200-00	Booms	
300350	A10-12 Electrical Mat'ls for Orchid Lighting in	5/5/2011	15400-00	Growing	
300353	Electrical Panel Mat'ls	5/5/2011	15400-00	Other Equip-Small 07	
190341	Reporting Engineering Fees for Air Emissions	5/12/2011	15600-00	License/Fees/Admin	
227453	Parking Lot Dressing West Pond Overflow Repair &	5/12/2011	15010-00	Land Improvements 30	
300333	Mat'ls for Booms & Echos - L 5-6	5/19/2011	15400-00	Booms	
300339	Hopper for Orchids	5/19/2011	15400-00	Other Equip-Small 07	
300340	Booms for L 5-6	5/20/2011	15400-00	Booms	

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285427	Loader 2006 KOMATSU WA 320-5L Wheel	5/26/2011	15600-00	Heavy Equipment (15 Years)	
300351	Electrical Mat'ls for L-Hs Wireless	5/26/2011	15400-00	Other Equip-Small 07	
300352	East Pond to B-Hs Tank Electrical Mat'ls for Wireless - Pump	5/26/2011	15400-00	Other Equip-Small 07	
300338	Brochures, send to customers, etc. Photo Equipment for Orchids, etc.	6/3/2011	15400-00	Other Equip-Small 07	
300348	Cell Phone Booster System	6/16/2011	15400-00	Computer Hardware	
300354	Electrical Mat'ls for Wireless in A 9-14	6/23/2011	15400-00	Other Equip-Small 07	
41363	Irrigation for A 9-14	6/24/2011	15200-00	Ghse Systems-Secnd 15	
41364	(Orchid Range) Mat'ls for Irrigation System a 9-14	6/30/2011	15200-00	Ghse Systems-Secnd 15	
300355	Sidestep Motor for STS Transplanter	7/8/2011	15400-00	Other Equip-Small 07	
70044	PVC CheckValve for Orchid Range	7/15/2011	15200-00	Greenhouse & Systems	
300347	Gas Manifold for Boiler #5	7/21/2011	15400-00	Heavy Equipment (15 Years)	
300356	Siding Door System for Greenhouse	7/28/2011	15400-00	Doors	
300357	in A9-A14 D-Link Access pt for Wireless Booms	7/28/2011	15400-00	Booms	
140211	Sprinklers for L5-6	8/4/2011	15200-00	Ghse Systems-Primary 30	
300367	Lighting Mat'ls for A11 & A12	8/4/2011	15400-00	Other Equip-Small 07	
285435	Compactor Walk Behind Soil Compactor - Plate	8/12/2011	15600-00	Small Equipment (10Y)	
300366	Lighting Mat'ls for A11 & A12	8/18/2011	15400-00	Growing	
300369	2 Pumps for L-Hs New Water System	8/18/2011	15400-00	Pumps (5Y)	
300360	Echo Automation in A6 & B6	8/19/2011	15400-00	Ghse Systems-Secnd 15	
300365	H2O Distri Touch Screen to control fertilizer & Custom Programming for CJ2 PLC &	8/19/2011	15400-00	Other Equip-Small 07	

70045	Production Area Concrete for kneewalls for Orchid	8/26/2011	15200-00	Concrete	
300361	Fungicide/Pesticide) Tanks for Tom's Brew (Natural	9/1/2011	15400-00	Small Equipment (10Y)	
227454	Main Line 10 Inch Pipe for North Lake to B7,	9/8/2011	15010-00	Greenhouses & Systems	
227455	Excavator Rental) North Lake Water Line to C-7 (Mini-	9/8/2011	15010-00	Greenhouse & Systems	
190342	Tie Out Various Inv. Less Var. Credits -Final Bal. on Undergirt Fuel Conveyor,	9/12/2011	15600-00	Greenhouse & Systems	
190343	Vyncke Boiler (Purch & Installed) 3 Low Water Cut-offs, 1 on each	9/15/2011	15600-00	Greenhouse & Systems	
227456	Inch Pipe North Lake Water Line to B-7 - 10	9/15/2011	15010-00	Ghse System Improvments	
300370	Lighting for Orchid Range Balance due for Asset #300275,	9/15/2011	15400-00	Other Equip-Small 07	

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179095	Orchid Area Fill in S. East Loading Docks for	9/22/2011	15300-00	Misc Bldg Impv 15	
179097	Loading Docks for Orchid Area Concrete Mesh to Fill in S. East	9/22/2011	15300-00	Misc Bldg Impv 15	
179098	East Loading Docks for Orchid Area Concrete Converyor Use to Fill in S.	9/22/2011	15300-00	Concrete	
285437	Toyota Forklift - Battery Operated	9/22/2011	15600-00	Forklift/Tugger/Scissorlift (10Y)	
227457	North Lake Water Line to B-7	9/23/2011	15010-00	Greenhouse & Systems	
227458	North Lake Water Line	9/23/2011	15010-00	Greenhouse & Systems	
179096	Docks for Orchid Area Concrete to Fill in S. East Loading	9/30/2011	15300-00	Misc Bldg Impv 15	
300368	2 Fire Hydrants	9/30/2011	15400-00	Other Equip-Small 07	
179099	Docks for Orchid Area Replace Walls in S. East Loading	10/6/2011	15300-00	Misc Bldg Impv 15	
300359	Automation in A7-8 & B7-8 Electrical switches, etc. for Echo	10/7/2011	15400-00	Ghse Systems-Secnd 15	
274755	Truck Replace Engine in Unit #961 (Straight	10/13/2011	15500-00	Automobiles (5 Years)	
300372	Fogger) Fogger Sprayer (Dramm Trac	10/13/2011	15400-00	Ghse Equip-Large 15	
258361	program, dvr, installation) Security System (Incl. Cameras,	10/20/2011	15700-00	Computer Hardware	
300358	House, etc. Chemical Applicators on Booms - E	10/20/2011	15400-00	Pumps (5Y)	
300363	&B7-8 Echos Automation (Wireless) in A7-8	10/20/2011	15400-00	Ghse Systems-Secnd 15	
300364	&B6-8 Echos Automation (Wireless) in A6-8	10/20/2011	15400-00	Ghse Systems-Secnd 15	

227464	Pipe for Fire Hydrants	10/21/2011	15010-00	Building Improvements	
300373	Boiler #1 in West Boiler Room Retubed & Replac. Refractory in	10/27/2011	15400-00	Heavy Equipment (15 Years)	
300374	Boiler #2 in West Boiler Room Retubed & Replac. Refractory in	10/27/2011	15400-00	Heavy Equipment (15 Years)	
300376	PF8153444 Submersible Pump Pump for Fire Hydrant (Power-Flo	10/28/2011	15400-00	Pumps (5Y)	
300377	PF81532 Submersible Pump Pump for Fire Hydrant (Power-Flo	10/28/2011	15400-00	Pumps (5Y)	
163030	Furnace and A/C System for Offices	11/3/2011	15300-00	HVAC	
163031	for Offices Goodman Furnace and A/C System	11/3/2011	15300-00	HVAC	
300371	for Humidity Control Fog System for Germination Chamber	11/3/2011	15400-00	Other Equip-Small 07	
300375	Room - L-Hs Boiler Retubed in Boiler in N. East Boiler	11/3/2011	15400-00	Heavy Equipment (15 Years)	
300387	New Echos for A8 & B-8	11/3/2011	15400-00	Ghse Systems-Secnd 15	
227460	Driveway Concrete North Loading Docks	11/4/2011	15010-00	Concrete	
227462	North Loading Docks Driveway - Ribar	11/9/2011	15010-00	Driveway Repairs	

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227459	L-Hs & D-Hs Underground Line for Utility Power to	11/23/2011	15010-00	Greenhouse & Systems	
300378	20 Doors - Swing both Ways	11/23/2011	15400-00	Doors	
300388	Chamber LED Lighting for Germination	11/23/2011	15400-00	Other Equip-Small 07	
300389	Lighting for C10	11/23/2011	15400-00	Ghse Equip-Large 15	
285440	Bucket - 72"Sweeper for Driveway	12/1/2011	15600-00	Small Equipment (10Y)	
300383	w 100 gal. tank Mitsubishi Diesel Generator - 3-Phase	12/1/2011	15400-00	Generator	
300384	System - East Zenith Auto Transfer Switch for Water	12/1/2011	15400-00	Other Equip-Small 07	
300385	4 Dosatron Pumps	12/1/2011	15400-00	Pumps (5Y)	
300379	Lighting for C-10	12/14/2011	15400-00	Ghse Equip-Large 15	
227463	Building (North of County Rd.) Repave Parking Lot in Front of	12/15/2011	15010-00	Driveway Repairs	
300380	Iron Working Machine for Echos, etc.	12/15/2011	15400-00	Ghse Systems-Secnd 15	
227461	Equip. Rental North Loading Docks Driveway - Hvy	12/22/2011	15010-00	Driveway Repairs	
300381	B9-B12) Freight for Asset # 300264 (Priva for	12/22/2011	15400-00	Other Equip-Small 07	
300382	Screens Rotofilter - RFM 4872 w/ 11 Micron	12/28/2011	15400-00	Ghse Equip-Large 15	
300406	Mat'l for Chemical Applicators	1/19/2012	15400-00	Other Equip-Small 07	
300407	Welder - Dialarc 250P AC/DC	1/19/2012	15400-00	Small Equipment (10Y)	
100030	Lighting Enclosure for C10	1/26/2012	15200-00	Ghse Systems-Secnd 15	
163032	Roof over All of Office Area in W/H #1	2/2/2012	15300-00	Misc Bldg Impv 15	
163033	into multiple smaller ones Office Remodeling (Made large offices	2/2/2012	15300-00	Misc Bldg Impv 15	

300391	Lighting for A-4	2/2/2012	15400-00	Growing	
300415	Raising Optimizers in Orchid Ranges	2/2/2012	15400-00	Ghse Equip-Large 15	
300416	Tubing for Echos	2/2/2012	15400-00	Ghse Systems-Secnd 15	
179100	(W/H # 2) Build Grower's Office in East Barn	2/3/2012	15300-00	Misc Bldg Impv 15	
300422	Floor Mats for Priva in Orchid Range	2/16/2012	15400-00	Other Equip-Small 07	
300390	Lighting System for C-10	2/24/2012	15400-00	Ghse Equip-Large 15	
300396	Pumps for Booms in L-Hs	2/24/2012	15400-00	Pumps (5Y)	
300397	Ground New Waterline B-7 to L-2 (Above	2/24/2012	15400-00	Other Equip-Small 07	
300408	Systems Mat'l for Controllers for Irrigation	2/24/2012	15400-00	Other Equip-Small 07	
179101	East Barn (W/H # 2) Electric Heat for Grower's Office in	3/2/2012	15300-00	HVAC	
285441	Hydraulic Fork Lifter, Manual, H 92 in.	3/2/2012	15600-00	Carts (3Y)	
300398	System (Amtrol SX-160V) 2 - Expansion Tank for L-Hs Water	3/2/2012	15400-00	Small Equipment (10Y)	

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274760	(Asset #274746) Install Engine on Capacity Spotter	3/9/2012	15500-00	Automobiles (5 Years)	
274759	(#274746) New Engine for Capacity Spotter	3/15/2012	15500-00	Automobiles (5 Years)	
300392	Fan System for L-Hs	3/23/2012	15400-00	Other Equip-Small 07	
300399	System 2 - Electric Actuators for L-Hs Water	3/23/2012	15400-00	Other Equip-Small 07	
300405	Pipe for North Water Line - E 1-8	3/23/2012	15400-00	Other Equip-Small 07	
300410	System in L-Hs Electrical Work to hook up Fan	3/23/2012	15400-00	Ghse Equip-Large 15	
300411	Fan System in L-Hs - 235 ECO Fans	3/23/2012	15400-00	Ghse Equip-Large 15	
300423	Channel UHF 15 Motorola Radios - CP2000 - 4	3/23/2012	15400-00	Small Equipment (10Y)	
285450	285301) 84"Bucket for T-300 Skidster (Asset #	3/29/2012	15600-00	Heavy Equipment (15 Years)	
300393	Orchid Cooling, New	4/5/2012	15400-00	Other Equip-Small 07	
300425	Wireless connections - D-Link	4/5/2012	15400-00	Computer Hardware	
300426	Pumping Station Back Pressure Valve for L-Hs/B-7	4/5/2012	15400-00	Other Equip-Small 07	
300427	FieldScout 15 Direct Soil Meters w/Probe -	4/5/2012	15400-00	Other Equip-Small 07	
300400	Gundfos Pump - L - Hs?	4/6/2012	15400-00	Pumps (5Y)	
300401	Mat'l for Priva Optimizers for Orchids	4/13/2012	15400-00	Other Equip-Small 07	
285449	Pallet Truck - Toyota Model 7HBW23	4/19/2012	15600-00	Forklift/Tugger/Scissorlift (10Y)	
300430	Installation Employee Entrance Door Incl.	4/20/2012	15400-00	Doors	
300431	Installation Shipping Entrance Door Incl.	4/20/2012	15400-00	Doors	

300421	Corridor & South Path Dramm Irrigation Drip Lines for L-Hs	4/27/2012	15400-00	Other Equip-Small 07	
300419	#300379) Lighting for C-10 (Balance of Asset	5/3/2012	15400-00	Other Equip-Small 07	
300402	Mat'l for Tom's Fertilizer Mixing	5/4/2012	15400-00	Production	
300403	Water Treatment Grundfos Dosing Pump for L-Hs	5/4/2012	15400-00	Pumps (5Y)	
300417	Orchid Ranges Covers for A/C Units for Optimizers in	5/24/2012	15400-00	Other Equip-Small 07	
300418	Metal Services) Pallet Racking (15 Units) (David Price	5/24/2012	15400-00	Other Equip-Small 07	
300424	Tom's Fertilizer Mixing System 36 - 330 Gal. Rebottled IBC Totes for	5/24/2012	15400-00	Other Equip-Small 07	
274761	(Hauling Ash) 1979 F-2554 International Truck	5/28/2012	15500-00	Automobiles (5 Years)	
300394	Drive New Pumping Station for L-Hs, incl.	5/31/2012	15400-00	Other Equip-Small 07	
300395	Lights for L-Hs & L-Hs Path	5/31/2012	15400-00	Other Equip-Small 07	

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300404	Station Berkeley Pump for L-Hs Pumping	6/8/2012	15400-00	Pumps (5Y)	
300414	Gardena Knife option, etc. Cutting Machine with w/Canister,	6/29/2012	15400-00	Ghse Equip-Large 15	
300433	2-Way Radio System - 20 Radios	7/5/2012	15400-00	Small Equipment (10Y)	
300434	Optimizers Frame for hanging Orchid Climate	7/5/2012	15400-00	Other Equip-Small 07	
179102	East Barn (W/H # 2) Electric Heat for Grower's Office in	7/6/2012	15300-00	HVAC	
285451	New 84" Skidster Hyd. Angle Broom	7/19/2012	15600-00	Small Equipment (10Y)	
300435	Fans/Circulation Priva Controls for L-Hs	7/20/2012	15400-00	Other Equip-Small 07	
300439	Cooling Installation Mat'l's for Orchid Shipping Area	8/2/2012	15400-00	Other Equip-Small 07	
243318	Color/BlkWhite Cannon 7055 Copier/Printer -	8/9/2012	15700-00	Computer Hardware	
300437	Stakes for New Mum Field	8/9/2012	15400-00	Other Equip-Small 07	
300438	Pipe for New Mum Field	8/9/2012	15400-00	Other Equip-Small 07	
300440	New VFD for Backup Fill Pump	8/9/2012	15400-00	Other Equip-Small 07	
300441	Growing Area (East of L-6) Dramm Irrig. Drippers for Outside	8/16/2012	15400-00	Other Equip-Small 07	
285452	Volt 2007 - Electric Utility Cart w/ Box - 48	8/23/2012	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285453	Volt 2007 - Electric Utility Cart w/ Box - 48	8/23/2012	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285454	Volt 2007 - Electric Utility Cart w/ Box - 48	8/23/2012	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
300442	Steep & Water Hardware for L-Hs	8/31/2012	15400-00	Other Equip-Small 07	
140212	Mat'l's for Irrigation, Lights in L1	9/6/2012	15200-00	Greenhouse & Systems	

227466	New Underground Storm Drain	9/6/2012	15010-00	Building Improvements	
227465	New Underground Storm Drain	9/14/2012	15010-00	Building Improvements	
300443	Fertilizer System PVC for Static Mixers for New	9/14/2012	15400-00	Other Equip-Small 07	
300413	A14 to Operate w/ Priva Upper Units for Orchid Range A10 -	9/28/2012	15400-00	Ghse Equip-Large 15	
300444	C-7 Drainage Pump	9/28/2012	15400-00	Other Equip-Small 07	
163035	(Wiring & Electrical Mat'l's) Downstairs Offices Remodeling	10/4/2012	15300-00	Misc Bldg Impv 15	
285455	Seat - 48 Volt 2007 - Club Car - Electric w/ Rear Flip	10/4/2012	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
163036	(Extending Ductwork to New Offices) Downstairs Offices Remodeling	10/11/2012	15300-00	Misc Bldg Impv 15	
300445	Orchid Range Sureflow Water Treatment System for	10/11/2012	15400-00	Other Equip-Small 07	
300446	#2 North East - L-Hs) Retubed 2 Supeior Boilers (#3 West &	10/11/2012	15400-00	Booms	

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300412	Above, 3 Air Tubes, etc. 3 Optimizers w/ Electrical Panel for	10/19/2012	15400-00	Ghse Equip-Large 15	
190344	Bio-Mass Filter	10/25/2012	15600-00	Greenhouse & Systems	
227467	Concrete for Road Repair	10/26/2012	15010-00	Driveway Repairs	
190345	Wood Boilers 3 Nord Speed Reducers Rebuilt for 3	11/1/2012	15600-00	Greenhouse & Systems	
300449	L-Hs Fans & Ventilation Installation	11/1/2012	15400-00	Other Equip-Small 07	
300450	Fiber for Priva Hook-up to L-Hs	11/1/2012	15400-00	Ghse Equip-Large 15	
300452	Lights Hook-up in L-Hs	11/8/2012	15400-00	Other Equip-Small 07	
163034	(Damian,Fernando, Tom,Anita,etc.) Downstairs Offices Remodeling	11/9/2012	15300-00	Misc Bldg Impv 15	
243319	for Fernando's Office & Damian's Cabinets/Work Station, Countertops	11/15/2012	15700-00	Office Equipment	
300447	Priva Upgrade - Connex & L-Hs	12/7/2012	15400-00	Ghse Equip-Large 15	
179103	(W/H # 2) Paint for Grower's Office in East Barn	12/19/2012	15300-00	Misc Bldg Impv 15	
300457	Vise for Shop Saw	12/19/2012	15400-00	Other Equip-Small 07	
300458	Model PO6LB-11L Spare Pump for Lake - Crown/Barnes	12/20/2012	15400-00	Pumps (5Y)	
190346	Boiler incl. Installation Rotary Airlock for Wood Burning	12/27/2012	15600-00	Misc Bldg Impv 15	
227468	Gravel for Road Repair	12/27/2012	15010-00	Driveway Repairs	
300432	A9-A14 Installation of Climate Optimizers for	12/27/2012	15400-00	Ghse Equip-Large 15	
300448	3 Roll-Up Doors for E-10, E12, & D-12	12/27/2012	15400-00	Doors	
300461	Fabric Wall Material	12/27/2012	15400-00	Other Equip-Small 07	
300462	Pipe for Irrigaton System	12/27/2012	15400-00	Other Equip-Small 07	
300464	#1753) Cooling Work for A9-A14 (Invoice	12/27/2012	15400-00	Ghse Equip-Large 15	

300463	8 Large Roller Tables	12/28/2012	15400-00	Growing	
300456	Control System for L-Hs Lake	12/29/2012	15400-00	Other Equip-Small 07	
300451	Pumping Station Mat'ls for Control Panel for B-7	12/31/2012	15400-00	Other Equip-Small 07	
300453	Cable for Lighting on Booms	12/31/2012	15400-00	Booms	
300454	Tester for Testing Motors & Cables	12/31/2012	15400-00	Other Equip-Small 07	
300455	Pump Drive for L-Hs Lake	12/31/2012	15400-00	Pumps (5Y)	
300459	Walk-in Cooler	1/16/2013	15400-00	Ghse Equip-Large 15	
300467	Pallet Racking for Faganland	1/17/2013	15400-00	Other Equip-Small 07	
300468	Mat'ls for B7 Pumping Station	1/24/2013	15400-00	Other Equip-Small 07	
190347	Room Insulation for Cyclone in Wood Boiler	1/25/2013	15600-00	Misc Bldg Impv 15	
300469	Room 2 Modine Heaters for Wood Boiler	1/25/2013	15400-00	Heavy Equipment (15 Years)	
190348	Expansion Joints for Wood Boiler	1/31/2013	15600-00	Misc Bldg Impv 15	
285457	lb., 90 degree Vestil Self-Dumping Hopper - 4,000	1/31/2013	15600-00	Hopper	
274762	of Carts 1992 Stoughton Trailer - for Storage	2/11/2013	15500-00	Trailer (5Y)	

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274763	of Carts 1992 Stoughton Trailer - for Storage	2/11/2013	15500-00	Trailer (5Y)	
274764	Carts 1997 Pines Trailer - for Storage of	2/11/2013	15500-00	Trailer (5Y)	
274765	Carts 1997 Wabash Trailer - for Storage of	2/11/2013	15500-00	Trailer (5Y)	
274766	Carts 1997 Wabash Trailer - for Storage of	2/11/2013	15500-00	Trailer (5Y)	
274767	of Carts 1995 Trailmobile Trailer - for Storage	2/11/2013	15500-00	Trailer (5Y)	
190350	Wood Boiler #2, FLS #4 Rebuild Nord Speed Reducer for	2/14/2013	15600-00	Heavy Equipment (15 Years)	
190352	Project in Wood Boiler Room Aluminum Sheets for Insulation	2/14/2013	15600-00	Misc Bldg Impv 15	
190349	in Wood Boiler Room Labor to Insulate Cyclone/ Duct Work	2/15/2013	15600-00	Misc Bldg Impv 15	
300472	System Mat'ls for B-7 Water Treatment	2/21/2013	15400-00	Other Equip-Small 07	
300474	System & Pumping Station Mat'ls for B-7 Water Treatment	2/21/2013	15400-00	Other Equip-Small 07	
300481	Lighting System in Mini-Orchid Range	2/21/2013	15400-00	Growing	
300482	Rooms - Both North & South Safety Sensor Installation for Soil	2/21/2013	15400-00	Other Equip-Small 07	
22026	System Concrete for B-7 Water Treatment	2/22/2013	15200-00	Concrete	
300475	Pumping Station Wire for B-7 New Panel Bldg. for	2/22/2013	15400-00	Other Equip-Small 07	
130198	Panels for North-2 Production Area	2/28/2013	15200-00	Greenhouse & Systems	

22027	System Mat'ls for B-7 Water Treatment	2/28/2013	15200-00	Greenhouses & Systems	
285458	lb., 90 degree Vestil Self-Dumping Hopper - 4,000	2/28/2013	15600-00	Hopper	
300476	Water Treatment System 32 Copper Alloy Electrodes for B-7	2/28/2013	15400-00	Other Equip-Small 07	
300478	Station and Water Treatment System Electrical Materials for B-7 Pumping	2/28/2013	15400-00	Other Equip-Small 07	
300473	Treatment System Electrical Work for B-7 Water	3/7/2013	15400-00	Other Equip-Small 07	
163037	Move and remodel upstairs Kitchen	3/15/2013	15300-00	Misc Bldg Impv 15	
163038	Room Cutting Room by Coolerby South Soil	3/15/2013	15300-00	Misc Bldg Impv 15	
300460	Firebreak Cloth for A-Hs & C-Hs	3/15/2013	15400-00	Ghse Equip-Large 15	
300470	Mat'ls for B7 Water Treatment System	3/15/2013	15400-00	Ghse Equip-Large 15	
300483	Shade for Mini-Orchid Range	3/21/2013	15400-00	Ghse- Energy Curtains 10	
22028	System Mat'ls for B-7 Water Treatment	3/22/2013	15200-00	Greenhouses & Systems	

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300484	Table Runners for Mini-Orchid Range	3/28/2013	15400-00	Growing	
300477	Treatment & Irrigation Sys. Honeywell Controls for B-7 Water	4/4/2013	15400-00	Other Equip-Small 07	
300471	Roller Bon for D-5	4/5/2013	15400-00	Other Equip-Small 07	
300490	Irrigation/Heat Johnson Pump for Orchids Zone 11	4/11/2013	15400-00	Pumps (5Y)	
190351	Wood Boiler Rebuild Nord Speed Reducer for	4/25/2013	15600-00	Heavy Equipment (15 Years)	
300485	Drippers for Higher Density Pots	4/25/2013	15400-00	Other Equip-Small 07	
300489	Orchids Zone A/B Heat Modifications for Mini-	4/25/2013	15400-00	Ghse Equip-Large 15	
300487	Pulleys, Clips, etc. for hanging Poly.	5/2/2013	15400-00	Other Equip-Small 07	
300488	85 Swivel Stools (Wooden)	5/9/2013	15400-00	Other Equip-Small 07	
300486	Conveyor Portable Conveyors - 20' Channel	5/17/2013	15400-00	Ghse Equip-Large 15	
300479	Orchid Range and on Booms in C3-8 Electrical Materials for Lights in Mini-	5/30/2013	15400-00	Booms	
300480	Orchid Range Electrical Materials for Lights in Mini-	6/6/2013	15400-00	Other Equip-Small 07	
300466	Bal. due on Rotofilter - Asset #300382	6/21/2013	15400-00	Other Equip-Small 07	
300491	Trailers Retaining Blocks for Cart Storage	6/21/2013	15400-00	Other Equip-Small 07	
300492	Range Cable, etc. for New Mini Orchid	6/21/2013	15400-00	Growing	
70046	Labor for Connecting B-Hs & C-Hs.	6/21/2013	15200-00	Greenhouses	
243325	Room (Small) 70 Inch TV for Downstairs Conference	6/27/2013	15700-00	Office Equipment	
300521	Lighting in Mini-Orchid Range	7/3/2013	15400-00	Growing	

227469	Sidewalk in Front of Offices	7/19/2013	15010-00	Building Improvements	
190353	Airlock for Wood Boiler Balance of Asset # 190346, Rotary	8/1/2013	15600-00	Heavy Equipment (15 Years)	
300493	East Boiler Room Retubed 350 HP Superior Boiler in	8/1/2013	15400-00	Heavy Equipment (15 Years)	
300494	Mixing Group for Zone A (Orchid)	8/1/2013	15400-00	Other Equip-Small 07	
300495	Irrigation Heat Exchanger Installed	8/1/2013	15400-00	Ghse Equip-Large 15	
300496	Zones 9,10,11,13,14 Balance on Cooling work done in	8/1/2013	15400-00	Other Equip-Small 07	
300502	Mini - Orchids Air Handlers - Integro Sys for Priva for	8/2/2013	15400-00	Ghse Equip-Large 15	
227470	Road Behind L-House	8/8/2013	15010-00	Land Improvements 30	
227471	Landscaping in Front of Building	8/8/2013	15010-00	Land Improvements	
300503	2 - UPC Inkjet Printers for Production	8/8/2013	15400-00	Computer Software & Hardware (5 Y)	
227472	Building Fence forLandscaping in Front of	8/15/2013	15010-00	Land Improvements	

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227473	Waterway Between Center Lakes	8/16/2013	15010-00	Greenhouse & Systems	
300504	work with the Air Compressor 500 cfm Compressed Air Dryer - to	8/22/2013	15400-00	Small Equipment (10Y)	
285459	Mow-N-Vac Tow-Behind Lawn Vacuum - Agri-Fab	8/29/2013	15600-00	Small Equipment (10Y)	
190354	System 10 Disc Screener for Wood Boiler	9/12/2013	15600-00	Heavy Equipment (15 Years)	
190355	Incl Installation Incline Conveyor for Wood Boiler Sys.	9/12/2013	15600-00	Heavy Equipment (15 Years)	
300509	Cable for Cravo Roof	9/12/2013	15400-00	Other Equip-Small 07	
190356	# 2 Nord Speed Reducer for Wood Boiler	9/19/2013	15600-00	Heavy Equipment (15 Years)	
227474	other side of Drive) Orchid Lake (East of B/C House -	9/19/2013	15010-00	Greenhouse & Systems	
227475	2 - Pond Airation Buildings	9/19/2013	15010-00	Greenhouse & Systems	
300511	Applications Robuschi Blower for Chemical Mist	9/19/2013	15400-00	Other Equip-Small 07	
190357	out behind Wood Boiler Room Fabric Building Package Structure for	9/20/2013	15600-00	Heavy Equipment (15 Years)	
300513	on new Air Compressor Fabricate & Installl Intake Duct work	9/20/2013	15400-00	Other Equip-Small 07	
300497	Heating & Cooling Honeywell Plug Valves for Mini-Orchid	9/26/2013	15400-00	Other Equip-Small 07	
179104	Concrete for Orchid Loading Docks	9/27/2013	15300-00	Concrete	
227476	Road to Center Lake Pump House	10/3/2013	15010-00	Driveway Repairs	
300506	for Ponds 2 Exhaust Fans for Aeration System	10/3/2013	15400-00	Other Equip-Small 07	

179105	Panels, Installed Orchid Loading Docks - White Steel	10/10/2013	15300-00	Small Equipment (10Y)	
300505	Aeration System for Ponds	10/10/2013	15400-00	Ghse Equip-Large 15	
110146	Concrete for C-D House Waterway	10/11/2013	15200-00	Concrete	
179106	Loading Docks 3 Modular Dock Bridges for Orchid	10/24/2013	15300-00	Heavy Equipment (15Y)	
190358	Sy into Existing Ringline for Wood Boiler Installation of Prefab Expansion Joint	10/24/2013	15600-00	Structual & Systems Improvement (15Y)	
300515	Replacement) Firebreak Cloth for B1-8 (10/24/2013	15400-00	Ghse Equip-Large 15	
190359	For Wood Chip Storage Add-On	10/25/2013	15600-00	Structual & Systems Improvement (15Y)	
300507	System for Ponds Meter System for Monitoring Aeration	10/31/2013	15400-00	Small Equipment (10Y)	
300508	Set W/MVP 115/230V Wire Welder (Milleromatic 211 Auto-	10/31/2013	15400-00	Small Equipment (10Y)	
300522	Ponds Electrical for Irrigation - Airation for	10/31/2013	15400-00	Structual & Systems Improvement (15Y)	
130199	Concrete for Walls in E-9	11/1/2013	15200-00	Structual & Systems Improvement (15Y)	
227477	Shelter) Gravel by L-House Utility (By Storm	11/7/2013	15010-00	Structual & Systems Improvement (15Y)	
300523	Electrical for Booms in L-House	11/21/2013	15400-00	Structual & Systems Improvement (15Y)	

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189668	(Remodel) Concrete for North Soil Room Ramp	11/22/2013	15300-00	Structual & Systems Improvement (15Y)	
300498	South Production Overhead Soil Conveyor System in	11/22/2013	15400-00	Heavy Equipment (15Y)	
300510	6 Ceiling Fans for South Production	11/27/2013	15400-00	Small Equipment (10Y)	
300500	Freight for Asset # 300498	12/5/2013	15400-00	Small Equipment (10Y)	
300501	Freight for Asset # 300499	12/5/2013	15400-00	Small Equipment (10Y)	
300524	Production Electrical for New Conveyors in South	12/5/2013	15400-00	Structual & Systems Improvement (15Y)	
300512	Blackout Curtains for C7-8	12/10/2013	15400-00	Energy Curtains (10Y)	
300499	Peat Processing & Soil Mixing Soil Mixing Upgrade to North Soil Rm -	12/13/2013	15400-00	Heavy Equipment (15Y)	
300518	Production Mat'l for hookup of Heaters in South	12/13/2013	15400-00	Small Equipment (10Y)	
300514	Fabricated and Installed - South Prod. Duct Shoots for Potting Machin -	12/20/2013	15400-00	Small Equipment (10Y)	
300519	& 2 North Production) 4 Modine Heaters (2 South Production	12/20/2013	15400-00	Small Equipment (10Y)	
300517	E 9 Overhead Door with Sensors in Nrth	12/26/2013	15400-00	Doors	
300525	South Production Electrical for New Soil Transport. in	12/26/2013	15400-00	Structual & Systems Improvement (15Y)	
300526	North Production Electrical for New Soil Mixing Line in	12/26/2013	15400-00	Structual & Systems Improvement (15Y)	
300527	Line Instalation Electrical for North Fill Pump Power	12/26/2013	15400-00	Structual & Systems Improvement (15Y)	
300520	Pipe for Pump Intake - North Lake	12/27/2013	15400-00	Pumps (5Y)	

300516	System Belt for new Soil Mixing Conveyor	12/28/2013	15400-00	Small Equipment (10Y)	
140213	Echo Tube Braces for L-House	12/30/2013	15200-00	Greenhouse & Systems (30Y)	
274771	(Incl Installaton) Cargo Heater on Straight Truck #961	12/31/2013	15500-00	Small Equipment (10Y)	
300528	Line Instalation Electrical for North Fill Pump Power	12/31/2013	15400-00	Structual & Systems Improvement (15Y)	
300549	Electrical Labor for Pond Pump House	1/23/2014	15400-00	Structual & Systems Improvement (15Y)	
300545	Tables for Mini-Orchids	1/30/2014	15400-00	Heavy Equipment (15Y)	
300546	Auger for Soil in North Soil Room	1/30/2014	15400-00	Small Equipment (10Y)	
300547	Steamer for E-9	1/30/2014	15400-00	Small Equipment (10Y)	
300556	North Soil Room Mat'l for New Soil Transport System -	1/30/2014	15400-00	Structual & Systems Improvement (15Y)	
300558	Room New Light Fixtures for North Soil	1/30/2014	15400-00	Structual & Systems Improvement (15Y)	
300551	Heat Exchanger	1/31/2014	15400-00	Heavy Equipment (15Y)	
300552	Air Flow Fans for L-5-6	1/31/2014	15400-00	Heavy Equipment (15Y)	
189669	for North Soil Room Floor Plates and Walkway Grating	2/6/2014	15300-00	Structual & Systems Improvement (15Y)	
300548	Steamer for E-9	2/6/2014	15400-00	Small Equipment (10Y)	

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300557	Upgrades - North Soil Room Mat'l for New Soil Scraping Area &	2/6/2014	15400-00	Structual & Systems Improvement (15Y)	
300530	North Boiler room Addition to new Soil Mlser Sys. -	2/7/2014	15400-00	Heavy Equipment (15Y)	
300531	South Production Addition to new Soil Transport Sys. -	2/7/2014	15400-00	Small Equipment (10Y)	
300534	System in North Soil Room Controls for New Soil Transport	2/7/2014	15400-00	Structual & Systems Improvement (15Y)	
285460	Golf Cart w/ Utility Box	2/13/2014	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
300544	#300512) Freight cgs for Shading in C7-8 (Asset	2/13/2014	15400-00	Energy Curtains (10Y)	
300535	North Soil Room Controls for New Scraping area in	2/14/2014	15400-00	Small Equipment (10Y)	
300542	Heat Exchanger for L-BoilerRoom	2/21/2014	15400-00	Structual & Systems Improvement (15Y)	
190360	Magnet for Woodchip Magnet - Tuffman CBS 30 Crossbelt	2/24/2014	15600-00	Small Equipment (10Y)	
274774	2014 Econoline Tilt Flatbed - Black	2/24/2014	15500-00	Trailer (5Y)	
300537	E-Hs Installation of Silos and Pump Staion -	2/27/2014	15400-00	Pumps (5Y)	
163040	Patrick and Jordan Offices Wood Blinds for Julie, Mike, Garet,	2/28/2014	15300-00	Structual & Systems Improvement (15Y)	
190361	New Grates for Wood Boilers # 1 & 2	3/6/2014	15600-00	Structual & Systems Improvement (15Y)	
258364	HP PRODESK 600MT COMPUTER	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	
258365	HP PRODESK 600MT COMPUTER	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	
258366	HP PRODESK 600MT COMPUTER	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	
258367	HP PRODESK 600MT COMPUTER	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	

258368	HP PRODESK 600MT COMPUTER	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	
258369	HP PRODESK 600MT COMPUTER	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	
258370	HP PRODESK 600MT COMPUTER	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	
258371	HP PRODESK 600MT COMPUTER	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	
258372	HP PRODESK 600MT COMPUTER	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	
258373	HP PRODESK 600MT COMPUTER	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	
258374	HP PRODESK 600MT COMPUTER	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	
258375	HP PRODESK 600MT COMPUTER	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	
258376	HP PRODESK 600MT COMPUTER	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	
258377	HP PRODESK 600MT COMPUTER	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	
258378	HP PRODESK 600MT COMPUTER	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	
258379	HP PRODESK 600MT COMPUTER	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	
258380	HP PRODESK 600MT COMPUTER	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	
258381	HP PRODESK 600MT COMPUTER	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	
258382	HP PRODESK 600MT COMPUTER	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	
258383	HP PRODESK 600MT COMPUTER	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	
258384	HP PRODESK 600MT COMPUTER	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	
258385	HP PRODESK 600MT COMPUTER	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	
258386	HP PRODESK 600MT COMPUTER	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	
258387	20 - MS OFFICE STD 2013 LIC.	3/6/2014	15700-00	Computer Software & Hardware (5 Y)	
300553	Boiler Room Unit Heater for Fertilizer Mixr in L-Hs	3/6/2014	15400-00	Structual & Systems Improvement (15Y)	

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300532	w/ 8-piece chute Pit Scraper for North Soil Room - VBT	3/7/2014	15400-00	Heavy Equipment (15Y)	
300543	Table Runners for B-12, Min-Orchids	3/7/2014	15400-00	Heavy Equipment (15Y)	
300529	57 Moving Tables for Mini-Orchids	3/13/2014	15400-00	Heavy Equipment (15Y)	
300539	PVC for North Soil Room	3/20/2014	15400-00	Structual & Systems Improvement (15Y)	
300554	Shade Cloth Replacement - C-7-8	3/20/2014	15400-00	Energy Curtains (10Y)	
300555	Dumpster - 2 yard unit	3/20/2014	15400-00	Small Equipment (10Y)	
300540	Mat'l for South Soil Room	3/27/2014	15400-00	Structual & Systems Improvement (15Y)	
300533	Production Flat Potting Filler Machine for	3/28/2014	15400-00	Heavy Equipment (15Y)	
300559	6 & D 9-12 Install. of HAF Ventilation Fans for L5-	4/3/2014	15400-00	Small Equipment (10Y)	
140214	Concrete for Sorage Area in L-House	4/4/2014	15200-00	Structual & Systems Improvement (15Y)	
163039	Nick's Bathroom and Middle Nick) Remodeling of Offices (Nick, JZ,	4/11/2014	15300-00	Structual & Systems Improvement (15Y)	
163039	Remodeling of Offices - Additional	4/11/2014	15300-00	Structual & Systems Improvement (15Y)	
300536	L-Hs Irrigation Water Controls for New Heat Exchanger for	4/11/2014	15400-00	Structual & Systems Improvement (15Y)	
300541	Controlers New Power Supply for Boom	4/11/2014	15400-00	Structual & Systems Improvement (15Y)	
285465	and Sun Top Club Car _48 Volt Electric w/ Charger	4/17/2014	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	
285466	Sun Top and Rear Seat Kit Club Car _48 Volt Electric w/ Charger,	4/17/2014	15600-00	Electric Cart/Golf Cart/Scooter (7Y)	

300538	and L-Utility Compressor System for A-12, B-7, E Compressors and Mat'ls for Air	4/17/2014	15400-00	Structual & Systems Improvement (15Y)	
300550	Electrical Labor for Horizontal Fans	4/24/2014	15400-00	Structual & Systems Improvement (15Y)	
300570	Materials for Heat Exchanger in L-Hs	5/1/2014	15400-00	Structual & Systems Improvement (15Y)	
300562	Portable 5 PaceSetter Conveyors - 21.5' -	5/2/2014	15400-00	Heavy Equipment (15Y)	
300563	Assembly Wide Legs - Portable 3 PaceSetter Conveyors - 30'	5/2/2014	15400-00	Heavy Equipment (15Y)	
41365	Range) Outside Curtain for A 9-12 (Orchid	5/2/2014	15200-00	Energy Curtains (10Y)	
300571	Fiber Optic Line Installation Materials	5/8/2014	15400-00	Office Equipment (7 Years)	
300564	System Dosing Pump for B-7 Constant Feed	5/16/2014	15400-00	Pumps (5Y)	
300565	Feed System Dosing Pump for L-Utility Constant	5/16/2014	15400-00	Pumps (5Y)	
300566	Installation - L-House Electrical work for Horizontal Fan	5/29/2014	15400-00	Structual & Systems Improvement (15Y)	
300568	#4 in West Boiler Room Retubing and other Repair of Boiler	5/29/2014	15400-00	Structual & Systems Improvement (15Y)	

* Fed - Cost/Basis have been REDACTED

300569	in West Boiler Room Replaced multiple Parts of Boiler #2	5/29/2014	15400-00	Structual & Systems Improvement (15Y)	
300567	Lake Electrical work for Power to North	6/5/2014	15400-00	Structual & Systems Improvement (15Y)	
190363	Wood Boilers #1 & 2. Wood Feeding System Upgrade for	6/26/2014	15600-00	Heavy Equipment (15Y)	
190362	Conveyor Wet Ash Conveyor and Central Ash	7/15/2014	15600-00	Structual & Systems Improvement (15Y)	
179107	Loading Docks - 3 Raynor Overhead Doors for Orchid	12/5/2013	15300-00	Doors	
2014-088	cool pad system A-House improvements-widen aisle,	1/15/2015	15200-00	Structual & Systems Improvement (15Y)	
2014-089	area 2 Third production line in production	1/15/2015	15400-00	Heavy Equipment (15Y)	
2014-089	Previously grouped in 15400-00	1/1/2015	15200-00	Structual & Systems Improvement (15Y)	
2014-093	L-House Booms - 28 additional	3/20/2015	15200-00	Greenhouse & Systems (30Y)	
2014-094	SBI Server	1/2/2015	15700-00	Computer Software & Hardware (5 Y)	
2014-095	Dock Scanning equipment	1/10/2015	15700-00	Computer Software & Hardware (5 Y)	
2014-096	Cart storage lot repair	1/2/2015	15010-00	Structual & Systems Improvement (15Y)	
2014-097	C-D House waterway insulation	1/2/2015	15200-00	Structual & Systems Improvement (15Y)	
2014-098	C-House Dividing Walls (new)	1/2/2015	15200-00	Structual & Systems Improvement (15Y)	
2014-099	E-House floor improvement (raise)	1/2/2015	15200-00	Structual & Systems Improvement (15Y)	
2014-100	E-House water main	1/2/2015	15200-00	Structual & Systems Improvement (15Y)	
2014-101	Orchid pond air diffuser	1/2/2015	15400-00	Small Equipment (10Y)	

2014-102	Visser XL Seeding Drum	1/2/2015	15400-00	Small Equipment (10Y)	
2014-103	Roof poly A-C	1/2/2015	15200-00	Structual & Systems Improvement (15Y)	
2014-104	Range Rollup doors C9,C10,C11,Orchid	1/2/2015	15200-00	Doors (7Y)	
2014-106	East boiler room air compressor (repl)	1/2/2015	15400-00	Structual & Systems Improvement (15Y)	
2014-107	South Soil Mixing improvements	1/2/2015	15400-00	Small Equipment (10Y)	
2014-108	System UV Disinfection Unit for Orchid	1/2/2015	15400-00	Small Equipment (10Y)	
2014-109	Seeding room plug filler	1/2/2015	15400-00	Small Equipment (10Y)	
2014-110	Renovate wagons	3/11/2015	15400-00	Heavy Equipment (15Y)	
2014-111	250 Stands	1/2/2015	15400-00	Small Equipment (10Y)	
2014-112	seeding areas Three table bridges for production and	1/2/2015	15400-00	Small Equipment (10Y)	
2014-113	A/C for Wood Boiler Control Room	1/2/2015	15600-00	Small Equipment (10Y)	
2014-114	Wood Boilers #1 & 2 (190363) Wood Feeding System Upgrade for	1/2/2015	15600-00	Heavy Equipment (15Y)	
2014-115	Loader Snow plow for Case 621 Wheel	1/2/2015	15600-00	Small Equipment (10Y)	
2014-116	Agrinomis RN09 Plug Tray Filler	1/2/2015	15400-00	Small Equipment (10Y)	
2014-007	Previously grouped in 15400-00	1/1/2015	15200-00	Structual & Systems Improvement (15Y)	
2014-118	Priva Connex Upgrade D&E-Range	3/3/2015	15200-00	Structual & Systems Improvement (15Y)	
2014-118	Priva Connex Upgrade C-Range	3/3/2015	15200-00	Structual & Systems Improvement (15Y)	
2014-118	Priva Connex Upgrade AB1-6 Range	3/3/2015	15200-00	Structual & Systems Improvement (15Y)	

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2014-118	Priva Connex Upgrade Orchid Range	3/3/2015	15200-00	Structual & Systems Improvement (15Y)	
2014-118	Boilers Priva Connex Upgrade MIDAM2	3/3/2015	15200-00	Structual & Systems Improvement (15Y)	
2014-119	D-House dividing walls	1/20/2015	15200-00	Structual & Systems Improvement (15Y)	
2014-120	E-House HAF System	1/20/2015	15200-00	Structual & Systems Improvement (15Y)	
2015-001	General Manager Office carpet	1/16/2015	15700-00	Structual & Systems Improvement (15Y)	
2015-002	Evaporative Cool Cell System	3/10/2015	15200-00	Structual & Systems Improvement (15Y)	
2015-003	House Custom boom irrigation controllers- L-	3/20/2015	15200-00	Structual & Systems Improvement (15Y)	
2015-004	Blackout Curtains	3/24/2015	15200-00	Energy Curtains (10Y)	
2015-005	Rytex NXT Predadoor	2/18/2015	15300-00	Doors (7Y)	
2015-006	Offices Apartment/Exec Washroom/3	2/18/2015	15300-00	Structual & Systems Improvement (15Y)	
2015-007	SCR Battery Charger	2/24/2015	15600-00	Small Equipment (10Y)	
2015-008	production TouchScreen display for Orchid	3/12/2015	15200-00	Computer Software & Hardware (5 Y)	
2015-009	Septic pump	3/19/2015	15300-00	Pumps (5Y)	
2015-010	Forklift fork extension assembly	3/13/2015	15600-00	Forklift/Tugger/Scissorlift (10Y)	
2015-011	Toyota Forklift 8FGU15	3/15/2015	15600-00	Forklift/Tugger/Scissorlift (10Y)	
2015-012	Tables for Orchids (10)	4/7/2015	15600-00	Small Equipment (10Y)	
2015-013	Remove Race Track	7/23/2015	15010-00	Structual & Systems Improvement (15Y)	
2015-014	Cart pad paving	10/1/2015	15010-00	Structual & Systems Improvement (15Y)	
2015-015	Chiller	10/1/2015	15200-00	Small Equipment (10Y)	
2015-016	Complete retube of #3 East Boiler	10/1/2015	15200-00	Small Equipment (10Y)	

2015-017	Roof poly	10/1/2015	15200-00	Energy Curtains (10Y)	
2015-012	Toyotal HUP lift	8/5/2015	15600-00	Forklift/Tugger/Scissorlift (10Y)	
2015-018	Toyota 8FGU25 Highlift	8/26/2015	15600-00	Forklift/Tugger/Scissorlift (10Y)	
2015-019	(3) Rytec predadoors w/Sensors	9/25/2015	15200-00	Doors (7Y)	
2015-020	Boiler control room flooring	9/4/2015	15300-00	Heavy Equipment (15Y)	
2015-021	Orchid office	12/21/2015	15300-00	Structual & Systems Improvement (15Y)	
2015-022	Orchid office HVAC	12/21/2015	15300-00	Small Equipment (10Y)	
2015-023	New floor tile for drivers' room	11/1/2015	15300-00	Structual & Systems Improvement (15Y)	
2015-024	New floor tile for cafeteria	11/1/2015	15300-00	Structual & Systems Improvement (15Y)	
2015-025	New vinyl floor tile for 4 offices	11/1/2015	15300-00	Structual & Systems Improvement (15Y)	
2015-026	(2) Ridder RW200-34-1.50KW pumps	12/27/2015	15400-00	Pumps (5Y)	
2015-027	61764 Toyota 8FGU15 lift truck s/n 8FGU15-	10/14/2015	15600-00	Forklift/Tugger/Scissorlift (10Y)	
2015-028	1500gal Septic Tank w/risers	12/4/2015	15300-00	Structual & Systems Improvement (15Y)	
2015-029	John Deere X750 tractor	12/18/2015	15600-00	Bobcat/Tractor/Mower/4 Wheeler (10Y)	
2015-030	John Deere X750 tractor	12/18/2015	15600-00	Bobcat/Tractor/Mower/4 Wheeler (10Y)	
2015-031	John Deere X750 tractor	12/18/2015	15600-00	Bobcat/Tractor/Mower/4 Wheeler (10Y)	
2015-032	John Deere X750 tractor	12/18/2015	15600-00	Bobcat/Tractor/Mower/4 Wheeler (10Y)	
2015-033	John Deere X750 tractor	12/18/2015	15600-00	Bobcat/Tractor/Mower/4 Wheeler (10Y)	
2015-034	John Deere X750 tractor	12/18/2015	15600-00	Bobcat/Tractor/Mower/4 Wheeler (10Y)	
2015-035	John Deere X750 tractor	12/18/2015	15600-00	Bobcat/Tractor/Mower/4 Wheeler (10Y)	
2015-036	John Deere X750 tractor	12/18/2015	15600-00	Bobcat/Tractor/Mower/4 Wheeler (10Y)	
2015-037	Radio repeater system	11/5/2015	15700-00	Small Equipment (10Y)	

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2015-038	docks 75' gutter repair for barn by orchid	12/16/2015	15300-00	Structual & Systems Improvement (15Y)	
2015-043	tank Riser repair for underground diesel	12/30/2015	15600-00	Small Equipment (10Y)	
2015-015	painted whi Raynor Series ThermaSeal finish Illinois Valley Door Company-4 9x9-8	12/15/2015	15200-00	Doors (7Y)	
2015-022	Previously grouped in 15300-00	12/15/2015	15200-00	Structual & Systems Improvement (15Y)	
2014-093	galvanized steel tubing 20' lengths Magnum Pipe, Inc-2"x2"x13 gauge	12/15/2015	15200-00	Structual & Systems Improvement (15Y)	
2016-01	LOT RESURFACE TRAILER PARKING Starline Construction Co -	4/1/2016	15300-00	Land Improvement (30Y)	
2016-02	W/Lip PO # parts for old 1YD Mixer, bottom Bouldin & Lawson, LLC - Twister 1,	2/18/2016	15400-00	Small Equipment (10Y)	
2016-03	3400HD VERTICAL BALERS Balers Inc. - RECONDITIONED PTR	4/18/2016	15400-00	Heavy Equipment (15Y)	
2016-05	SN#08734000371 Infrared Heater diesel fired A.G. Industrial Supply Inc - XL9S	1/7/2016	15600-00	Small Equipment (10Y)	
2016-06	969-001 SWITCH MARCH102-8TP Springfield Electric Supply - HIRS 943-	3/29/2016	15700-00	Structual & Systems Improvement (15Y)	
2016-10	Digital Ignitor PL Light Systems Philips SKDS 480V	6/3/2016	15200-00	Structual & Systems Improvement (15Y)	

2016-12	Update Zone L-5 L-6 Jade Systems Blackout System	7/1/2016	15200-00	Structual & Systems Improvement (15Y)	
2016-13	Jade Systems Skirting Zone L-5 L-6	7/1/2016	15200-00	Structual & Systems Improvement (15Y)	
2016-18	Update Zone L-5 L-6 Jade Systems Blackout System	8/1/2016	15200-00	Energy Curtains (10Y)	
2016-14	Parking lot Ski Sealcoating striping/sealing	8/30/2016	15010-00	Structual & Systems Improvement (15Y)	
2016-15	cooler to freezer Kettman Heating Parts to convert	8/15/2016	15200-00	Structual & Systems Improvement (15Y)	
2016-19	boiler Jarvis Welding Retube of #2 west	8/15/2016	15200-00	Small Equipment (10Y)	
2016-20	system Visiplex Voice PA and weather alert	8/15/2016	15200-00	Computer Software & Hardware (5 Y)	
2016-21	system Visiplex Voice PA and weather alert	8/15/2016	15200-00	Computer Software & Hardware (5 Y)	
2016-22	Global Wheel Lok Restraint Arbon Equipment Rite Hite GWL 2300	8/15/2016	15500-00	Small Equipment (10Y)	
2016-23	SHELF Container Centralen CC BASE CC	8/15/2016	15500-00	Small Equipment (10Y)	
2016-24	KAW084 2015 Kawasaki 80Z7 Loader STK	9/1/2016	15400-00	Heavy Equipment (15Y)	
2016-25	Agrinomis, Inc. KVXL Tray & Pot Filler	9/16/2016	15400-00	Small Equipment (10Y)	

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2016-26	2016 Ford F-250	10/3/2016	15500-00	Automobiles (5 Years)	
2016-27	Jade Systems Tempered Glass	10/1/2016	15200-00	Energy Curtains (10Y)	
2016-28	convert cooler to freezer Kettman Heating Parts and labor to	10/1/2016	15200-00	Structual & Systems Improvement (15Y)	
2016-29	Covering C7- C10 Van Wingerden Greenhouse Roof	11/1/2016	15200-00	Energy Curtains (10Y)	
2016-30	Control Panel and software Hernandez Electronics Water System	11/1/2016	15200-00	Structual & Systems Improvement (15Y)	
2016-31	Hupp Toyotalift- Industrial Battery	11/1/2016	15500-00	Forklift/Tugger/Scissorlift (10Y)	
2016-32	Wiese 2 Forklifts	11/1/2016	15600-00	Forklift/Tugger/Scissorlift (10Y)	
2016-33	room Thermo Energy Repair to wood boiler	11/1/2016	15200-00	Structual & Systems Improvement (15Y)	
2016-34	readers and 3 yr service contract Barcodes Inc 3 readers repair for 3	11/1/2016	15600-00	Computer Software & Hardware (5 Y)	
2016-36	2300HD VERTICAL BALERS Balers Inc. - RECONDITIONED PTR	12/1/2016	15400-00	Heavy Equipment (15Y)	
320502	18.947 acres to Nick & Marjie VW		15000-00	Land	
2014-AAA	Blue & Co adjustment to land value		15000-00	Land	
2014-BBB	FAS Blue & Co adjustment to reconcile to		15400-00	Land	
2014-090	acre LKE trx MidAm/NVW 14ac@\$10K per		15000-00	Land	
2014-091	38.866ac@\$5454.64 per acre LKE trx MidAm/NVW		15000-00	Land	

2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
3834	Wheels 5x2 & 6x2	8/1/2017	15400-00	Small Equipment (10Y)	
3835	Horizontal Ash Conveyor	8/1/2017	15600-00	Small Equipment (10Y)	
3836	Generator	8/1/2017	15600-00	Small Equipment (10Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2017-MAG2	Water Room	1/1/2018	15200-00	Greenhouse & Systems (30Y)	
2017-MAG2	Water Room	1/1/2018	15200-00	Greenhouse & Systems (30Y)	
2017-MAG16	Office Upgrade	5/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	

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2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
3864	LABOR & PARTS	10/1/2017	15400-00	Small Equipment (10Y)	
3865	BOILERS COMBUSTION TESTING ON 12	10/1/2017	15400-00	Structual & Systems Improvement (15Y)	
3866	8VS NOZZLES	10/1/2017	15400-00	Small Equipment (10Y)	
2017-MAG2	Water Room	1/1/2018	15200-00	Greenhouse & Systems (30Y)	
2017-MAG16	Office Upgrade	5/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2017-MAG16	Office Upgrade	5/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	

2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2017-MAG15	Upgrade Water Room	1/1/2018	15200-00	Greenhouse & Systems (30Y)	
2017-MAG15	Upgrade Water Room	1/1/2018	15200-00	Greenhouse & Systems (30Y)	
2017-MAG19	L-House (Replace Old Concete)	1/1/2018	15200-00	Greenhouse & Systems (30Y)	
2017-MAG19	L-House (Replace Old Concete)	1/1/2018	15200-00	Greenhouse & Systems (30Y)	
2017-MAG15	Upgrade Water Room	1/1/2018	15200-00	Structual & Systems Improvement (15Y)	
2017-MAG19	L-House (Replace Old Concete)	1/1/2018	15200-00	Greenhouse & Systems (30Y)	
2017-MAG16	Office Upgrade	5/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2017-MAG16	Office Upgrade	5/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2017-MAG16	Office Upgrade	5/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2017-MAG16	Office Upgrade	5/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2017-MAG16	Office Upgrade	5/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2017-MAG16	Office Upgrade	5/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2017-MAG16	Office Upgrade	5/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2016-505	New Greenhouse Construction	12/31/2017	15200-00	Greenhouse & Systems (30Y)	
2017-MAG16	Office Upgrade	5/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2017-MAG16	Office Upgrade	5/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2017-MAG19	L-House (Replace Old Concete)	3/1/2018	15200-00	Greenhouse & Systems (30Y)	
2017-MAG19	L-House (Replace Old Concete)	3/1/2018	15200-00	Greenhouse & Systems (30Y)	

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2017-MAG19	L-House (Replace Old Concete)	3/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2017-MAG16	Office Upgrade	5/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2017-MAG16	Office Upgrade	5/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2017-MAG16	Office Upgrade	5/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2017-MAG2	Water Room	12/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2017-MAG19	L-House (Replace Old Concete)	3/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
3964	Overhead Crane	2/1/2018	15400-00	Heavy Equipment (15Y)	
3965	Water Control	2/1/2018	15400-00	Small Equipment (10Y)	
3966	Pallet Rack System for tags	2/1/2018	15600-00	Small Equipment (10Y)	
3967	Rotery Screw Air Compressor	2/1/2018	15600-00	Small Equipment (10Y)	
2017-MAG16	Office Upgrade	5/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2017-MAG16	Office Upgrade	5/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	

2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2017-MAG16	Office Upgrade	5/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2017-MAG16	Office Upgrade	5/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2017-MAG15	Upgrade Water Room	5/1/2018	15200-00	Greenhouse & Systems (30Y)	
2017-MAG19	L-House (Replace Old Concete)	12/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2017-MAG16	Office Upgrade	5/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2018-MAG1	Retaining Wall Cart Storage	11/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-MAG1	Retaining Wall Cart Storage	11/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2017-MAG19	L-House (Replace Old Concete)	12/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-MAG4	Boiler Room Suppy Line	11/1/2018	15200-00	Structual & Systems Improvement (15Y)	
4044	Sweeper	7/1/2018	15400-00	Small Equipment (10Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-MAG2	Production Cart Storage	11/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2017-MAG15	Upgrade Water Room	12/1/2018	15200-00	Greenhouse & Systems (30Y)	

* Fed - Cost/Basis have been REDACTED

2018-MAG3	Shade Cloth	1/1/2020	15900-00	Energy Curtains (10Y)	
2018-MAG8	New Water Room	4/1/2019	15200-00	Greenhouse & Systems (30Y)	
2018-MAG9	Underground Pipe Rupture	11/1/2018	15200-00	Structual & Systems Improvement (15Y)	
2018-MAG9	Underground Pipe Rupture	11/1/2018	15200-00	Structual & Systems Improvement (15Y)	
2018-MAG9	Underground Pipe Rupture	11/1/2018	15200-00	Structual & Systems Improvement (15Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-MAG10	Updating Cravo	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2018-MAG10	Updating Cravo	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2018-MAG11	New Cart Deck	11/1/2018	15300-00	Structual & Systems Improvement (15Y)	
4058	Table Loader 50% Deposit	9/1/2018	15400-00	Heavy Equipment (15Y)	
4059	New Machine for production room 2	10/1/2018	15400-00	Greenhouse & Systems (30Y)	
4060	GDSN Single Channel 2501-5000	10/1/2018	15700-00	Computer Software & Hardware (5 Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-MAG10	Updating Cravo	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2018-MAG10	Updating Cravo	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2018-MAG2	Production Cart Storage	11/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2018-MAG3	Shade Cloth	1/1/2020	15900-00	Energy Curtains (10Y)	

2019-MAG1	Seed room/ moving to Orchid	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2019-MAG1	Seed room/ moving to Orchid	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2019-MAG1	Seed room/ moving to Orchid	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2018-505	New Greenhouse Construction 2018	11/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-MAG2	Production Cart Storage	11/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2018-MAG1	Retaining Wall Cart Storage	11/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2018-MAG3	Shade Cloth	1/1/2020	15900-00	Greenhouse & Systems (30Y)	
2018-MAG8	New Water Room	4/1/2019	15200-00	Greenhouse & Systems (30Y)	
2018-505	New Greenhouse Construction 2018	12/1/2018	15200-00	Greenhouse & Systems (30Y)	
2019-MAG1	Seed room/ moving to Orchid	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2018-MAG13	Plastic Shelf	1/1/2020	15900-00	Small Equipment (10Y)	
4079	Lawn Mower	12/1/2018	15600-00	Small Equipment (10Y)	
2018-MAG14	Water System Upgrade (Room 1)	4/1/2019	15200-00	Greenhouse & Systems (30Y)	
2018-MAG14	Water System Upgrade (Room 1)	4/1/2019	15200-00	Greenhouse & Systems (30Y)	
2018-MAG3	Shade Cloth	1/1/2020	15900-00	Building & Sturcture Improvement (15 Years)	
2018-MAG10	Updating Cravo	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2018-MAG8	New Water Room	4/1/2019	15200-00	Greenhouse & Systems (30Y)	
2018-MAG12	Table Loaders	1/1/2020	15900-00	Heavy Equipment (15Y)	
2019-MAG1	Seed room/moving to Orchid	1/1/2020	15900-00	Building & Sturcture Improvement (15 Years)	
4087	New Machine for production room 2	12/1/2018	15200-00	Small Equipment (10Y)	
4088	Loading Dock Area	1/1/2019	15300-00	Structual & Systems Improvement (15Y)	
4089	Fill in Revine	12/1/2018	15300-00	Building & Sturcture Improvement (15 Years)	
4090	Labor	12/1/2018	15200-00	Greenhouse & Systems (30Y)	
2018-MAG2	Production Cart Storage	12/1/2018	15300-00	Structual & Systems Improvement (15Y)	
2019-MAG1	Seed room/ moving to Orchid	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2018-MAG3	Shade Cloth	1/1/2020	15900-00	Energy Curtains (10Y)	
4094	Tile Work (1st Floor Office)	1/1/2019	15300-00	Structual & Systems Improvement (15Y)	
2018-MAG12	Table Loaders	1/1/2020	15900-00	Heavy Equipment (15Y)	
2019-MAG2	Upgrade Sowing Line	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2019-MAG1	Seed room/ moving to Orchid	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	

* Fed - Cost/Basis have been REDACTED

2019-MAG1	Seed room/ moving to Orchid	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2019-MAG4	Flood Floor Repairs	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2019-MAG4	Flood Floor Repairs	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
4101	5 Tuggers	1/1/2019	15600-00	Forklift/Tugger/Scissorlift (10Y)	
2019-MAG4	Flood Floor Repairs	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2018-MAG8	New Water Room	4/1/2019	15200-00	Greenhouse & Systems (30Y)	
2019-MAG4	Flood Floor Repairs	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2019-MAG5	Shipping Barn Floor Repairs	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
4106	PHONE HARDWARE	2/1/2019	15700-00	Computer Software & Hardware (5 Y)	
2018-MAG10	Updating Cravo	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2018-MAG14	Water System Upgrade (Room 1)	4/1/2019	15200-00	Greenhouse & Systems (30Y)	
2018-MAG8	New Water Room	4/1/2019	15200-00	Greenhouse & Systems (30Y)	
2019-MAG1	Seed room/ moving to Orchid	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2019-MAG2	Upgrade Sowing Line	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2019-MAG4	Flood Floor Repairs	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2019-MAG5	Shipping Barn Floor Repairs	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2018-MAG13	Plastic Shelf	3/1/2019	15600-00	Small Equipment (10Y)	
2018-MAG10	Updating Cravo	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	

2018-MAG10	Updating Cravo	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2018-MAG3	Shade Cloth	1/1/2020	15900-00	Energy Curtains (10Y)	
2018-MAG8	New Water Room	4/1/2019	15200-00	Greenhouse & Systems (30Y)	
2019-MAG1	Seed room/ moving to Orchid	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2019-MAG4	Flood Floor Repairs	4/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2019-MAG5	Shipping Barn Floor Repairs	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2019-MAG4	Flood Floor Repairs	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2018-MAG10	Updating Cravo	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
2019-MAG1	Seed room/ moving to Orchid	1/1/2020	15900-00	Structual & Systems Improvement (15Y)	
4125	Land Improvements	5/1/2019	15010-00	Land Improvement (30Y)	
4126	Greenhouse Excavation for Road around	6/1/2019	15010-00	Land Improvement (30Y)	
4127	KVXL Tray & Pot Filler 2015-62	7/1/2019	15400-00	Small Equipment (10Y)	
4128	Seeding Tray Washer 2013-033	7/1/2019	15400-00	Small Equipment (10Y)	
4129	U-RN09-R Plug Tray Filler 2013-044	7/1/2019	15400-00	Small Equipment (10Y)	
4130	XL Drum Seeding Line 2013-022	7/1/2019	15400-00	Small Equipment (10Y)	
RWB	Plastic Tube	1/1/2020	15900-00	Greenhouse & Systems (30Y)	
RWB	Drip Irrigation	1/1/2020	15900-00	Greenhouse & Systems (30Y)	
4133	Ravine Repair	8/1/2019	15010-00	Land Improvement (30Y)	
4134	Boiler Repairs	1/1/2020	15400-00	Small Equipment (10Y)	
RWB	Drip Irrigation	1/1/2020	15900-00	Greenhouse & Systems (30Y)	
				Per Trial Balance	
				GAAP Reporting Adjustment	

* Fed - Cost/Basis have been REDACTED

Taxes

4.9(g)

The Company utilizes the cash method of accounting. There can be no assurance that the Company will be permitted to continue to do so following Closing.

4.9(h)

The Company participates in a shared services arrangement with Color Point, LLC pursuant to which Color Point, LLC administers various payments, including payroll. This arrangement will be discontinued as of Closing without liability to the Company.

Schedule 4.9(j)
Tax Returns

1. Illinois
2. Iowa

Schedule 4.10
Contracts

1. See items 5-8 on Schedule 4.19.
2. See item 4 on Schedule 4.5.

Real Property

(a) Owned Real Property

1. TRACT 1: FOURTEEN (14) ACRES OFF THE SOUTH END OF FORTY-TWO (42) ACRES OFF THE WEST SIDE OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 26, TOWNSHIP 33 NORTH, RANGE 1 WEST OF THE THIRD PRINCIPAL MERIDIAN, PUTNAM COUNTY, ILLINOIS.
2. TRACT 2: THAT PART OF THE NORTHEAST QUARTER OF SECTION 35, TOWNSHIP 33 NORTH, RANGE 1 WEST OF THE THIRD PRINCIPAL MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 35; THENCE SOUTH 89 DEGREES 52 MINUTES 44 SECONDS EAST 660.88 FEET ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 35; THENCE SOUTH 00 DEGREES 37 MINUTES 42 SECONDS EAST 2559.49 FEET; THENCE SOUTH 89 DEGREES 22 MINUTES 18 SECONDS WEST 659.90 FEET TO A POINT ON THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 35; THENCE NORTH 00 DEGREES 38 MINUTES 56 SECONDS WEST 2568.11 FEET ALONG THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 35 TO THE POINT OF BEGINNING, CONTAINING 38.866 ACRES MORE OR LESS AND ALL SITUATED IN GRANVILLE TOWNSHIP, PUTNAM COUNTY, ILLINOIS.
3. TRACT 3:
PARCEL I

THAT PART OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 33 NORTH, RANGE 1 WEST OF THE THIRD PRINCIPAL MERIDIAN MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 35; THENCE NORTH 00 DEGREES 16 MINUTES 17 SECONDS WEST 2157.00 FEET ON THE WEST LINE OF SAID SECTION 35 TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH 00 DEGREES 16 MINUTES 17 SECONDS WEST 330.03 FEET ON SAID WEST LINE; THENCE NORTH 88 DEGREES 45 MINUTES 08 SECONDS EAST 2591.54 FEET; THENCE NORTH 01 DEGREES 14 MINUTES 52 SECONDS WEST 30.20 FEET TO A POINT ON THE CENTERLINE OF A TOWNSHIP ROAD; THENCE SOUTH 83 DEGREES 27 MINUTES 43 SECONDS EAST 44.83 FEET ON SAID CENTERLINE TO A POINT ON THE

EAST LINE OF THE SAID SOUTHWEST QUARTER; THENCE SOUTH 00 DEGREES 34 MINUTES 10 SECONDS EAST 352.88 FEET ON SAID EAST LINE; THENCE SOUTH 88 DEGREES 45 MINUTES 08 SECONDS WEST 2637.40 FEET TO THE POINT OF BEGINNING CONTAINING 20.000 ACRES MORE OR LESS, ALL SITUATED IN THE TOWNSHIP OF GRANVILLE, PUTNAM COUNTY, ILLINOIS. PURSUANT TO SURVEY OF J. WILLIAM SHAFER, ILLINOIS PROFESSIONAL LAND SURVEYOR, NO. 2213, DATED SEPTEMBER 6, 2000,

AND ALSO

PARCEL II

THAT PART OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 33 NORTH, RANGE 1 WEST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 35, THENCE NORTH 00 DEGREES 16' 17" WEST 1450.49 FEET ALONG THE WEST LINE OF THE SAID SOUTHWEST QUARTER TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH 00 DEGREES 16'17" WEST 706.51 FEET ALONG SAID WEST LINE; THENCE NORTH 88 DEGREES 45'08" EAST 2637.40 FEET TO A POINT ON THE EAST LINE OF THE SAID SOUTHWEST QUARTER; THENCE SOUTH 00 DEGREES 34'10" EAST 706.45 FEET ALONG SAID EAST LINE; THENCE SOUTH 88 DEGREES 45'08" WEST 2641.08 FEET TO THE POINT OF BEGINNING, ALL SITUATED IN GRANVILLE TOWNSHIP, PUTNAM COUNTY, ILLINOIS.

EXCEPTING FROM SAID PARCELS I AND II THE FOLLOWING DESCRIBED PARCEL TO-WIT:

THAT PART OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 33 NORTH, RANGE 1 WEST OF THE THIRD PRINCIPAL MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SAID SECTION 35; THENCE NORTH 00 DEGREES 16 MINUTES 17 SECONDS WEST 2487.03 FEET ALONG THE WEST LINE OF SAID SECTION 35; THENCE NORTH 88 DEGREES 45 MINUTES 08 SECONDS EAST 1462.66 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH 88 DEGREES 45 MINUTES 08 SECONDS EAST 1128.88 FEET; THENCE NORTH 01 DEGREES 14 MINUTES 52 SECONDS WEST 30.20 FEET TO A POINT ON THE CENTERLINE OF A TOWNSHIP ROAD; THENCE SOUTH 83 DEGREES 27 MINUTES 43 SECONDS EAST 44.83 FEET ALONG SAID CENTERLINE TO A POINT ON THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 35; THENCE SOUTH 00 DEGREES 34 MINUTES 10 SECONDS EAST 1059.34 FEET ALONG THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 35;

THENCE SOUTH 88 DEGREES 45 MINUTES 08 SECONDS WEST 1178.41 FEET;
THENCE NORTH 00 DEGREES 16 MINUTES 17 SECONDS WEST 1036.54 FEET TO
THE POINT OF BEGINNING, CONTAINING 28.00 ACRES MORE OR LESS ALL
BEING SITUATED IN GRANVILLE TOWNSHIP, PUTNAM COUNTY, ILLINOIS.

4. TRACT 7 A part of the Southwest Quarter of Section 35, Township 33 North, Range 1 West of the of the Third Principal Meridian described as follows:

Commencing at the Southwest Comer of Tract 3 as shown on a plat of VanWingerden Farm Property as prepared by Chamlin and Associates, Inc., signed by James Giordano, Illinois Registered Land Surveyor No. 1850 and recorded in Book 3, Page 215 of the Putnam County Recorder's Office; thence South 01 degrees 33 minutes 47 Seconds West perpendicular to the South line of said Tract 3 for 25.00 feet to the centerline of a Township Road said point being the True Point of Beginning; thence South 88 degrees 26 minutes 13 seconds East 1844.05 feet on the centerline of the Township Road also being 25.00 feet South of the South line of said Tract 3; thence on a curve bearing to the right, tangent to the aforementioned course having an arc length of

295.92 feet and a radius of 604.00 feet on the centerline of the Township Road; thence on a curve bearing to the left tangent with the aforementioned curve having an arc length of 203.47 feet and a radius of 590.31 feet on the centerline of the Township Road; thence South 80 degrees 06 minutes 52 seconds East 245.49 feet on the centerline of the Township Road; thence South 1 degree 33 minutes 47 seconds West 30.20 feet; thence North 88 degrees 26 seconds 13 minutes West 2558.91 feet to the East Right of Way of Illinois Rt. #89; thence North 3 degrees 24 minutes 35 seconds West 66.07 feet on the East Right of Way of Illinois Rt. #89; thence North 6 degrees 20 minutes 35 seconds West 135.47 feet on the East Right of Way of Illinois Rt. # 89 to the centerline of the Township Road; thence South 88 degrees 26 minutes 13 seconds East 19.77 feet to the True Point of Beginning, containing 10.322 acres more or less mid all being situated in the Granville Township, Putnam County, Illinois.

5. TRACT 6 SIGN EASEMENT INTEREST

Sign Easement over the property described below for the benefit of Mid-American Growers, Inc. for construction, repair, replacement and the upkeep of signage and landscaping on the below described property, and for ingress and egress over and across the property described herein to and from public roadways adjoining the same for the purposes and uses described herein as reserved in the Deed recorded September 8, 2014 as Document 14-626 described as follows:

That part of the Northwest Quarter of Section 35 and that part of the East Half of the East Half of the Northeast Quarter of Section 34 both in Township 33 North, Range 1 West of the Third Principal Meridian described as follows:

Commencing at the Northwest corner of the Northwest Quarter of said Section 35; thence North 87 degrees 44 minutes 41 seconds East 532.11 feet along the North line of the Northwest Quarter of said Section 35; thence South 01 degrees 22 minutes 11 seconds East 1152. 14 feet; thence South 89 degrees 30 minutes 14 seconds West 200.00 feet; thence South 01 degrees 36 minutes 06 seconds East 307.45 feet; thence South 64 degrees 12 minutes 04 seconds East 260.54 feet; thence South 23 degrees 24 minutes 04 seconds East 29.83 feet; thence South 14 degrees 34 minutes 43 seconds West 154.59 feet; thence South 02 degrees 13 minutes 29 seconds West 269.53 feet; thence South 03 degrees 15 minutes 13 seconds East 613.12 feet to a point on the Northerly right of way line of an East-West Township Road; thence South 88 degrees 14 minutes 36 seconds West 348.15 feet along said Northerly right of way line to the Point of Beginning; thence continuing South 88 degrees 14 minutes 36 seconds West 155.68 feet along said Northerly right of way line to a point on the Easterly Right of Way line of Illinois Route 89 (S.A. Rt 3A); thence North 17 degrees 58 minutes 56 seconds West 285.00 feet along said Easterly right of way line of Illinois Route 89; thence North 88 degrees 14 minutes 36 seconds East 91.29 feet; thence South 17 degrees 58 minutes 56 seconds East 137.84 feet; thence South 38 degrees 30 minutes 21 seconds East 176.35 feet to the Point of Beginning containing 0.678 acres more or less and all situated in the Township of Granville, Putnam County, Illinois.

(b) Leased Real Property

1. TRACT 4:

The Northwest Quarter of Section 35, Township 33 North, Range 1 West; and all that part of the Southwest Quarter of said Section 35 which lies North of the North edge of the Right of Way of the public highway running Easterly and Westerly over and across said Southwest Quarter, pursuant to Plat of Survey thereof by E. H. Whitaker, Surveyor, dated January 22, 1908, recorded in the Recorder's Office of Putnam County, Illinois, on June 16, 1908, in Book 65, Page 343, But excepting from all of the above described premises that portion conveyed by John Richardson, et al to Joseph Zaetta by Warranty Deed dated April 30, 1947, and recorded in Book 100 at Page 127 on May 3, 1947, in the Recorder's Office of Putnam County, Illinois, and further excepting from the premises hereinabove conveyed, that portion thereof which lies within the boundaries of Tracts 1, 2 and 3 as shown and more fully described on Survey Plat dated May 10, 1973, by James J. Giordano, Illinois Land Surveyor, # 1 850, under the direction of Chamlin and Associates, Inc., and recorded in the Land Records of Putnam County, Illinois in Plat Book 3, Page 215, except the coal and fireclay underlying the surface of said land and all rights and easements in favor of the estate of said coal and fireclay, situated in Putnam County, Illinois.

2. TRACT 5

That part of the Northwest Quarter of Section 35, Township 33 North, Range 1 West of the Third Principal Meridian described as follows:

Commencing at the Northwest corner of the Northwest Quarter of said Section 35; thence North 87 degrees 44 minutes 41 seconds East 532.11 feet along the North line of the Northwest Quarter of said Section 35; thence South 01 degrees 22 minutes 11 seconds East 1152. 14 feet; thence South 89 degrees 30 minutes 14 seconds West

200.00 feet to the Point of Beginning; thence South 01 degrees 36 minutes 06 seconds East 307.45 feet; thence South 64 degrees 12 minutes 04 seconds East 260.54 feet; thence South 23 degrees 24 minutes 04 seconds East 29.83 feet; thence South 23 degrees 24 minutes 04 seconds East 193.77 feet; thence North 88 degrees 26 minutes 46 seconds East 1224.46 feet; thence South 01 degrees 37 minutes 59 seconds East

845.72 feet to a point on the Northerly right of way line of and East-West Township Road; thence South 88 degrees 14 minutes 36 seconds West 1340.28 feet along said Northerly right of way line; thence North 03 degrees 15 minutes 13 seconds West

613.12 feet; thence North 02 degrees 13 minutes 29 seconds East 269.53 feet; thence North 14 degrees 34 minutes 43 seconds East 154.59 feet to the Point of Beginning containing 26.521 acres more or less and all situated in the Township of Granville, Putnam County, Illinois.

Pursuant to an oral lease (the "Oral Farm Lease"), the Company leases, as landlord, the parcel shown on the attached diagram, to Allen Aimone (with a mailing address of County Rd 1240, North Granville, IL 61326), for purposes of growing corn and soybeans. The Oral Farm Lease has historically been renewed on an annual basis and is terminable, without liability to the Company, on or before December 31, 2019. For the avoidance of doubt, all Liabilities relating to or arising out of the Oral Farm Lease shall be Excluded Liabilities, and all amounts collected by the Company pursuant to such Oral Farm Lease shall be considered current assets of the Company for purposes of determining Net Working Capital.

Parcel Information Report (2019/08/29 10:29)

0231065000

**General Information**

Parcel Number 0231065000	Assessed Last 2019-08-16 08:30:15.567000000	Zoning AG-1
Owner Name COLOR POINT LLC ATTN: ACCT PAYABLE	Farm Land 12134.000	Class 0021
Owner Name2	Farm Building .000	
Location Address 14240 GREENHOUSE AVE	Non Farm Land .000	
Mailing Address 10777 CANE RIDGE RD	Non Farm Building .000	
Legal Description S35 T33 R1 34.80 ACRES IN SW1/4	Tax Billed 818.540	
Township Granville	Tax Code 02003	
Total Acreage 34.800	Tax Status T	
Homesite Acreage .000		
Farm Acreage 34.800		
Lot Dimension		
Sale Date		

Litigation

1. The Cerri Matter, which for the avoidance of doubt shall be an Excluded Liability.

Intellectual Property

(a) Intellectual Property

1. The Company has common law trademark rights to the name “Mid-American Growers.”

- (b) The Company utilizes an ERP system pursuant to software licensed by Color Point. Color Point will provide substantially identical services pursuant to the Transitional Services Agreement following the Closing.

(c) Ownership of IP

None

Insurance Policies

Coverage	Carrier	Policy Number	Deductible
International Advantage Commercial	Chubb	(REDACTED)	NA
General Liability	Hortica Florists' Mutual Insurance Co.	(REDACTED)	\$5,000
Property	Hortica Florists' Mutual Insurance Co.	(REDACTED)	\$10,000
Kidnap, Ransom and Extortion	Great American Insurance Group	(REDACTED)	NA
Commercial Excess	Chubb	(REDACTED)	First Tier Umbrella
Commercial Liability	Hortica Florists' Mutual Insurance Co.	(REDACTED)	\$10,000
Workers' Compensation	Great American Alliance Insurance Company	(REDACTED)	NA
Business Automobile	Florists' Mutual Insurance Co.	(REDACTED)	Liability: NA Physical Damage: \$1,000
Cyber Liability	NAS Insurance	(REDACTED)	\$5,000
Executive Liability	Chubb	(REDACTED)	Crime: \$1,000 D&O: \$25,000 EPLI: \$50,000 Fiduciary: NA
Business	Florists' Mutual Insurance Co.	(REDACTED)	Property Damage: \$250

Licenses and Permits

1. The FESOP.
2. State of Illinois permit for 10,000 gallon underground gasoline storage tank and 12,000 gallon underground diesel storage tank (collectively, the "Storage Tanks").
3. Three-Year Licensed Hem Grower License approved by the State of Illinois Department of Agriculture on October 1, 2019.
4. Three-Year Registered Hemp Processor License approved by the State of Illinois Department of Agriculture on October 1, 2019.

Welfare and Benefit Plans

The Company's employees participate in the following Employee Benefit Plans maintained by Color Point:

[REDACTED]

The Company's participation in all listed Employee Benefit Plans will terminate effective as of the Closing Date.

Health, Safety and Environment

Section 4.17(a)

The FESOP Deviation.

Section 4.17(c)

The Storage Tanks.

Employees

1. The Cerri Matter, which for the avoidance of doubt shall be an Excluded Liability.

Affiliate Transactions

1. The Company leases that certain real property commonly known as 14240 Greenhouse Ave, Granville, Illinois, from VWP pursuant to the Commercial Ground Lease with Lessee to Construct Improvements, dated July 29, 2014, between the Company and VWP.
2. The Guarantees.
3. Guaranty and Security Agreement, dated December 13, 2017, between AG Credit, as lender, and Emerald Assets, Inc., Clear Sky Enterprises, Inc. and Double Dutch Logistics, Inc. ("Double Dutch"), as guarantors.
4. Management Agreement, dated April 26, 2014, between the Company and Color Point.
5. Color Point maintains all insurance policies and Employee Benefit Plans in which the Company participates.
6. The Company purchases natural gas pursuant to a Natural Gas Transaction Confirmation between Color Point and Direct Energy Business Marketing LLC.
7. The Company participates in a Demand Response Program with Voltus, Inc. pursuant to a Demand Response Program Agreement, dated March 7, 2018, entered into by Color Point.
8. Double Dutch provides transportation services utilized by the Company pursuant to a Broker/Shipper Agreement, dated February 2017, entered into by Color Point.
9. See item 4 on Schedule 4.5

Broker Fees

1. Representation Letter, dated July 2, 2019, between Color Point and Gene Hudson Partners, Inc.

Compliance with Applicable Laws

None.

Financial Statements

1. See attached.

MichiCann Medical Inc.

Financial Statements

For the Year Ended December 31, 2018 and the period from
December 5, 2017 (incorporation) to December 31, 2017
(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF MICHICANN MEDICAL INC.

Opinion

We have audited the financial statements of MichiCann Medical Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2018 and 2017, and the statements of comprehensive loss, changes in equity, and cash flows for the year ended December 31, 2018 and for the 26-day period ended December 31, 2017, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for year ended December 31, 2018 and for the 26-day period ended December 31, 2017 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises of Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audits of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Kevin Yokichi Nishi.

Chartered Professional Accountants

Smythe LLP

Vancouver, British Columbia
May 22, 2019

Smythe LLP | smythecpa.com

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MichiCann Medical Inc.
Statements of Financial Position
(Expressed in Canadian dollars)

	December 31, 2018 \$	December 31, 2017 \$
Assets		
Current assets		
Cash	24,377,286	326,721
Prepaid expenses	50,000	297,917
Loans receivable (Note 3)	5,700,400	-
Amounts receivable (Notes 3 and 4)	4,810,000	-
Total assets	34,937,686	624,638
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	161,937	27,442
Convertible debentures (Note 8)	-	533,755
	161,937	561,197
Non-current liabilities		
Deferred income tax liability (Note 9)	-	25,176
Total liabilities	161,937	586,373
Shareholders' equity		
Share capital (Note 4)	35,111,680	1
Convertible debentures – equity component (Note 8)	-	70,950
Reserves (Note 4)	1,952,794	-
Subscriptions receivable (Note 4)	(125,000)	-
Deficit	(2,163,725)	(32,686)
Total shareholders' equity	34,775,749	38,265
Total liabilities and shareholders' equity	34,937,686	624,638

Approved and authorized for issuance on behalf of the Board of Directors on May 22, 2019 by:
/s/ Michael Marchese

Michael Marchese, Director

(The accompanying notes are an integral part of these financial statements)

MichiCann Medical Inc.
Statements of Comprehensive Loss
(Expressed in Canadian dollars)

	Year ended December 31, 2018	December 5, 2017 (Incorporation) - December 31, 2017
Expenses		
Consulting fees (Note 6)	\$ 325,000	\$ 27,083
Professional fees	53,522	2,442
Office expenses	7,865	280
Travel	32,921	-
Foreign exchange gain	(25,465)	-
Accretion expense (Note 8)	139,938	2,881
Share-based compensation (Note 4)	1,637,559	-
Loss before income tax	(2,171,340)	(32,686)
Deferred income tax recovery	40,301	-
Net loss and comprehensive loss for the period	\$ (2,131,039)	\$ (32,686)
Net loss per share, basic and diluted	\$ (0.06)	\$ (32,686)
Weighted average shares outstanding	38,474,379	1

(The accompanying notes are an integral part of these financial statements)

MichiCann Medical Inc.
Statements of Changes in Equity
(Expressed in Canadian dollars)

	Share capital		Subscriptions receivable \$	Reserves \$	Convertible debentures – equity component \$	Deficit \$	Total shareholders' equity \$
	Number of shares	Amount \$					
Balance, December 5, 2017 (incorporation)	1	1	-	-	-	-	1
Equity component of convertible debentures	-	-	-	-	96,126	-	96,126
Deferred income tax on equity component of convertible debentures	-	-	-	-	(25,176)	-	(25,176)
Net loss for the period	-	-	-	-	-	(32,686)	(32,686)
Balance, December 31, 2017	1	1	-	-	70,950	(32,686)	38,265
Equity component of convertible debentures	-	-	-	-	56,017	-	56,017
Deferred income tax on equity component of convertible debentures	-	-	-	-	(15,125)	-	(15,125)
Convertible debentures exercised	2,024,000	1,114,518	-	-	(111,842)	-	1,002,676
Shares issued, net	72,198,181	34,312,396	(125,000)	-	-	-	34,187,396
Finders' warrants issued	-	(315,235)	-	315,235	-	-	-
Share-based compensation	-	-	-	1,637,559	-	-	1,637,559
Net loss for the year	-	-	-	-	-	(2,131,039)	(2,131,039)
Balance, December 31, 2018	74,222,182	35,111,680	(125,000)	1,952,794	-	(2,163,725)	34,775,749

(The accompanying notes are an integral part of these financial statements)

MichiCann Medical Inc.
Statements of Cash Flows
(Expressed in Canadian dollars)

	Year ended December 31, 2018 \$	December 5, 2017 (Incorporation) - December 31, 2017 \$
Operating activities		
Net loss for the year	(2,131,039)	(32,686)
Items not affecting cash:		
Accretion expense	139,938	2,881
Share based compensation	1,637,559	-
Unrealized foreign exchange	(25,465)	-
Deferred income tax recovery	(40,301)	-
Changes in non-cash operating working capital:		
Prepaid expenses	247,917	(297,917)
Accounts payable and accrued liabilities	134,495	27,442
Net cash used in operating activities	(36,896)	(300,280)
Investing activity		
Loans receivable	(5,700,400)	-
Net cash used in investing activity	(5,700,400)	-
Financing activities		
Issuance of share capital, net	29,377,396	1
Convertible debentures issued	385,000	627,000
Net cash provided by financing activities	29,762,396	627,001
Effect of exchange rate changes on the balance of cash held in foreign currencies	25,465	-
Increase in cash	24,050,565	326,721
Cash, beginning of period	326,721	-
Cash, end of period	24,377,286	326,721

Supplemental disclosure of cash flow information (Note 10)

(The accompanying notes are an integral part of these financial statements)

Michicann Medical Inc.

Notes to the financial statements

December 31, 2018 and 26-Day Period Ended December 31, 2017

(Expressed in Canadian dollars)

1. Nature of Business and Continuance of Operations

MichiCann Medical Inc. (the "Company" or "MichiCann") was a private cannabis investment company incorporated under the laws of Ontario on December 5, 2017. The Company's head office and registered office is located at 8820 Jane Street, Concord, ON, L4K 2M9 Canada.

As at December 31, 2018, the Company had not yet generated any revenue, has working capital of \$34,775,749 (2017 - \$63,441) and has accumulated losses of \$2,163,725 since inception. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations, to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. These financial statements have been prepared under the assumption of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company estimates that it will have sufficient capital to continue operations for the upcoming year.

If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses and the statements of financial position classifications used. Such adjustments could be material.

2. Significant Accounting Policies

(a) Statement of Compliance and Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The financial statements have been prepared on a historical cost basis except for financial assets classified as fair value through profit or loss, which are measured at fair value. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

These financial statements were authorized for issue by the Board of Directors on May 22, 2019.

(b) Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant assumptions about the future and other sources of estimated uncertainty that management has made as at the balance sheet dates that could result in a material adjustment to the carrying amount of assets and liabilities in the event that actual results differ from assumptions made, related to, but are not limited to, the following:

Michicann Medical Inc.

Notes to the financial statements
December 31, 2018 and 26-Day Period Ended December 31, 2017
(Expressed in Canadian dollars)

2. Significant Accounting Policies - continued**(b) Use of Estimates and Judgments - continued****Share-based Compensation**

The inputs used for share-based compensation calculation. The Company provides compensation benefits to its consultants, directors and officers through a stock option plan. The fair value of each option award is estimated on the date of the grant using the Black-Scholes Option Pricing Model which utilizes subjective assumptions such as expected price volatility and expected life of the option. Share-based compensation expense also utilizes subjective assumption on forfeiture rate. Changes in these input assumptions can significantly affect the fair value estimate.

Convertible Debentures

In accordance with the substance of the contractual arrangement, convertible debentures are compound financial instruments that are accounted for separately by their components: a financial liability and an equity instrument. The identification of convertible debenture components is based on interpretations of the substance of the contractual arrangement and therefore requires judgment from management. The separation of the components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest on the liability component. The determination of the fair value of the liability is also based on a number of assumptions, including contractual future cash flows, discount factors and the presence of any derivative financial instruments.

Deferred Income Taxes

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement. In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the financial statements.

(c) Financial Instruments**Financial Assets**

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Assessment and decision on the business model approach used is an accounting judgement.

Financial assets measured at amortized costs

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

Michicann Medical Inc.

Notes to the financial statements
December 31, 2018 and 26-Day Period Ended December 31, 2017
(Expressed in Canadian dollars)

2. Significant Accounting Policies - continued

(c) Financial Instruments - continued

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

For financial assets that are not measured at amortized cost, the Company can make an irrevocable election at initial recognition to classify the instruments at fair value through other comprehensive income ("FVTOCI"), with all subsequent changes in fair value being recognized in other comprehensive income. This election is available for each separate investment. Under this new FVTOCI category, fair value changes are recognized in OCI while dividends are recognized in profit or loss. On disposal of the investment the cumulative change in fair value is not recycled to profit or loss, rather transferred to deficit. The Company does not have any financial assets designated as FVTOCI.

Financial assets measured at fair value through profit or loss ("FVTPL")

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

Impairment

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model. The expected credit loss model requires the Company to account for expected credit losses ("ECL") and changes in those ECL at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

Financial Liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

As at December 31, 2018, the Company's financial instruments are comprised of cash, accounts receivable, convertible debt, accounts payable and accrued liabilities.

The Company classifies and discloses fair value measurements based on a three-level hierarchy:

- Level 1 – inputs are unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability are not based on observable market data.

Michicann Medical Inc.

Notes to the financial statements

December 31, 2018 and 26-Day Period Ended December 31, 2017

(Expressed in Canadian dollars)

2. Significant Accounting Policies - continued

(c) Financial Instruments - continued

Compound Financial Instruments

Compound financial instruments issued by the Company comprise convertible debt in Canadian dollars that can be converted to common shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have a conversion option. The conversion component is initially recognized at the difference between fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and conversion components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the discounted cash flows. Interest related to the financial liability is recognized in profit or loss. On conversion, the financial liability is reclassified to equity and no gain or loss is recognized.

(d) Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of long-lived assets to determine whether there is an indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment charge (if any). The recoverable amount used for this purpose is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its recorded amount, the recorded amount of the asset is reduced to its recoverable amount. An impairment charge is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to a maximum amount equal to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

(e) Share Capital

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the market trading price of the common shares at the time the units are issued, and any excess is allocated to warrants.

Incremental costs directly attributed to the issuance of common shares are shown in equity as a reduction, net of tax, of the proceeds received on issue. Shares issued for non-monetary consideration are valued based on the fair value of the goods or services received unless the fair value of the shares are a more reliable measure.

Michicann Medical Inc.

Notes to the financial statements
December 31, 2018 and 26-Day Period Ended December 31, 2017
(Expressed in Canadian dollars)

2. Significant Accounting Policies - continued**(f) Income Taxes***Current income tax*

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(g) Earnings (Loss) Per Share

Basic earnings (loss) per share are computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants would be anti-dilutive.

(h) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

Michicann Medical Inc.

Notes to the financial statements
December 31, 2018 and 26-Day Period Ended December 31, 2017
(Expressed in Canadian dollars)

2. Significant Accounting Policies – *continued*

(h) Share-based Payments - *continued*

All equity-settled share-based payments are reflected in contributed surplus, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

(i) Adoption of Accounting Standard

On January 1, 2018, the Company adopted the following accounting pronouncements retrospectively with no restatement of comparative periods:

IFRS 15 Revenue from Contracts with Customers

The Company adopted IFRS 15 with a date of initial application as of January 1, 2018. IFRS 15 specifies how and when revenue should be recognized as well as requiring more informative and relevant disclosures. The standard supersedes International Accounting Standard ("IAS") 18 Revenue, IAS 11 Construction Contracts, and a number of revenue-related interpretations. Application of the standard is mandatory and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. The adoption of IFRS 15 did not have an impact on the Company's financial statements.

Recent Accounting Pronouncements

Standards and interpretations issued but not yet effective up to the date of issuance of the Company's financial statements are listed below and include only those which the Company reasonably expects may be applicable to the Company at a future date. The Company intends to adopt these standards and interpretations when they become effective and does not expect the standards to have a material impact on the financial statements.

IFRS 16 Leases

This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease. The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The new standard supersedes the requirements in IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Michicann Medical Inc.

Notes to the financial statements
December 31, 2018 and 26-Day Period Ended December 31, 2017
(Expressed in Canadian dollars)

2. Significant Accounting Policies – continued*IFRS 16 Leases - continued*

These standards are applicable to the Company's annual period beginning January 1, 2019. The Company does not expect there to be a material impact on adoption.

3. Loans Receivable and Amounts Receivable

During the year ended December 31, 2018, the Company advanced a series of funds, totalling \$5,700,400, to PharmaCo Inc. ("PharmaCo"), an arms-length party, in the form of a debenture. The debenture is non-interest bearing, unsecured and is due on demand.

During the year ended December 31, 2018, the Company issued 4,810,000 common shares valued at \$1.00 per common share for a total value of \$4,810,000 to a third-party company, as consideration to settle amounts owed by PharmaCo to the third-party company. The amounts receivable due from PharmaCo of \$4,810,000 is non-interest bearing, unsecured and have no fixed terms of repayment.

4. Share Capital

Authorized:

Unlimited number of common shares without par value.

Issued:

On January 2, 2018, the Company issued 37,309,999 founder common shares for gross proceeds of \$37.

On November 21, 2018, the Company issued an aggregate of \$1,012,000 principal amount of unsecured convertible debentures (the "Unsecured Debentures") convertible into one common share of the Company at a price of \$0.50 per common share. All Unsecured Debentures were converted into an aggregate of 2,024,000 common shares of the Company on November 21, 2018 (Note 8).

On December 19, 2018, the Company issued 30,078,182 common shares pursuant to a non-brokered financing (first tranche) at a price of \$1.00 for aggregate gross proceeds of \$30,078,182. The Company paid share issuance costs of \$470,340 as finder fees. Subsequent to the year ended December 31, 2018, \$125,000 in subscriptions receivable was received.

On December 19, 2018, the Company completed the issuance of 4,810,000 common shares to settle certain debts at a price of \$1.00 per common share for a total of \$4,810,000. The shares were issued to settle amounts owned by PharmaCo to a third-party company (Note 3).

During the period ended December 31, 2017, the Company issued 1 incorporation share for a nominal value.

Warrants:

During the year ended December 31, 2018, the Company issued 595,340 finders' warrants with an exercise price of \$1.00 per common share of the Company for a period of two years. The finders' warrants have a fair value of \$315,235 estimated using the Black-Scholes options pricing model with the following weighted average assumptions:

Risk-free interest rate	1.89%
Expected term (in years)	2
Estimated dividend yield	0%
Estimated volatility	100.00%

Michicann Medical Inc.

Notes to the financial statements

December 31, 2018 and 26-Day Period Ended December 31, 2017

(Expressed in Canadian dollars)

4. Share Capital - continued

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance at December 31, 2017	-	\$ -
Issued	595,430	1.00
Exercised	-	-
Cancelled	-	-
Balance at December 31, 2018	595,430	\$ 1.00

The following warrants were outstanding at December 31, 2018:

Issue Date	Expiry Date	Exercise Price	Number of Warrants Outstanding	Number of Warrants Exercisable
December 19, 2018	December 19, 2020	\$ 1.00	595,340	595,340
			595,340	595,340

Options:

On October 1, 2018, the Company granted 2,000,000 stock options to a consultant and an officer of the Company. These stock options vest 12.5% on January 1, 2019, 12.5% on April 1, 2019, 12.5% on July 1, 2019, 12.5% on October 1, 2019, 12.5% on January 1, 2020, 12.5% on April 1, 2020, 12.5% on July 1, 2020 and the remaining 12.5% on October 1, 2020. These stock options have an exercise price of \$0.50 per share and expire on October 1, 2023.

On October 1, 2018, the Company granted 2,500,000 stock options to consultants of the Company. These stock options vest 25% on January 1, 2019, 25% on April 1, 2019, 25% on July 1, 2019, 25% on October 1, 2019. These stock options have an exercise price of \$0.50 per share and expire on October 1, 2023.

The options granted during the year ended December 31, 2018 have a fair value of \$3,739,048 estimated using the Black-Scholes options pricing model with the following weighted average assumptions:

Risk-free interest rate	2.42%
Expected term (in years)	5
Estimated dividend yield	0%
Estimated volatility	100.00%

During the year ended December 31, 2018, the Company recognized \$1,637,559 in stock-based compensation under graded vesting.

Michicann Medical Inc.

Notes to the financial statements
December 31, 2018 and 26-Day Period Ended December 31, 2017
(Expressed in Canadian dollars)

4. Share Capital - continued

Options transactions and the number of options outstanding are summarized as follows:

	Number of Stock Options	Weighted Average Exercise Price
Balance at December 31, 2017	-	\$ -
Granted	4,500,000	0.50
Exercised	-	-
Cancelled	-	-
Balance at December 31, 2018	4,500,000	\$ 0.50

The following options were outstanding at December 31, 2018:

Grant Date	Expiry Date	Exercise Price	Number of Options Outstanding	Number of Options Exercisable
October 1, 2018	October 1, 2023	\$ 0.50	4,500,000	-
			4,500,000	-

5. Financial Instruments and Risks**(a) Fair Value**

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as of December 31, 2018 and 2017 as follows:

Fair Value Measurements Using				
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Balance as at December 31 \$
December 31, 2018				
Cash	24,377,286	-	-	24,377,286
Loans receivable	5,700,400	-	-	5,700,400
Amounts receivable	4,810,000	-	-	4,810,000
Total	34,887,686	-	-	34,887,686
Accounts payable and accrued liabilities	161,937	-	-	161,937
Total	161,937	-	-	161,937
December 31, 2017				
Cash	326,721	-	-	326,721
Total	326,721	-	-	326,721
Accounts payable and accrued liabilities	27,422	-	-	27,422
Total	27,422	-	-	27,422

Michicann Medical Inc.

Notes to the financial statements

December 31, 2018 and 26-Day Period Ended December 31, 2017

(Expressed in Canadian dollars)

5. Financial Instruments and Risks - continued**(a) Fair Value - *continued***

The fair values of other financial instruments, which include accounts payable and accrued liabilities, loans receivable and amounts receivable, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash, loans receivable and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. The Company is exposed to significant credit risk on its loans receivable and amounts receivable. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate

The Company holds cash in US dollars, as a consequence, the financial results of the Company's operations as reported in Canadian dollars are subject to changes in the value of the Canadian dollar relative to the US dollar. Therefore, exchange rate movements in the US dollar can have a significant impact on the Company's operating results due to the translation of monetary assets.

At December 31, 2018, a 10% strengthening (weakening) of the Canadian dollar against the US dollar would have increased (decreased) the Company's net loss before taxes by approximately \$125,000 (December 31, 2017 - \$nil).

(d) Interest Rate Risk

The Company is not exposed to any significant interest rate risk.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

Michicann Medical Inc.

Notes to the financial statements

December 31, 2018 and 26-Day Period Ended December 31, 2017

(Expressed in Canadian dollars)

6. Related Party Transactions

The following is a summary of related party transactions that occurred during the year ended December 31, 2018:

- (a) Included in accounts payable and accrued liabilities is \$6,250 (2017 - \$nil) payable to a director of the Company. Amounts due to related parties have no stated terms of interest and/or repayment.
- (b) Key management personnel include the directors and officers of the Company. Key management compensation consists of the following:

	December 31, 2018 \$	December 31, 2017 \$
Consulting fees paid or accrued to a company controlled by the director of the Company	75,000	6,250
Share-based compensation	280,829	-

There were no post-employment benefits, termination benefits or other long-term benefits paid to key management personnel for the year ended December 31, 2018 and period from incorporation on December 5, 2017 to December 31, 2017.

7. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity, comprised of issued share capital.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains the same for the years presented.

Michicann Medical Inc.

Notes to the financial statements

December 31, 2018 and 26-Day Period Ended December 31, 2017

(Expressed in Canadian dollars)

8. Convertible Debentures

During the year ended December 31, 2018, the Company issued \$385,000 in convertible debentures to a group of arms-length lenders. The convertible debentures are non-interest bearing and are convertible into common shares of the Company at a conversion price of \$0.50 per common share.

On inception, the Company allocated the total proceeds received between the liability and equity components of the convertible debenture using the residual method, based on a discount rate of 18%, which is the estimated cost at which the Company could borrow similar debt without a conversion feature. The liability component with a fair value of \$328,983 on inception is measured at amortized cost and is accrued over the expected term to maturity using the effective interest method. The equity component with a fair value of \$56,017 on inception is presented as a component of shareholders' equity.

During the period ended December 31, 2017, the Company issued \$627,000 in convertible debentures to a group of arms-length lenders. The convertible debentures are non-interest bearing and are convertible into common shares of the Company at a conversion price of \$0.50 per common share.

On inception, the Company allocated the total proceeds received between the liability and equity components of the convertible debenture using the residual method, based on a discount rate of 18%, which is the estimated cost at which the Company could borrow similar debt without a conversion feature. The liability component with a fair value of \$530,874 on inception is measured at amortized cost and is accrued over the expected term to maturity using the effective interest method. The equity component with a fair value of \$96,126 on inception is presented as a component of shareholders' equity.

During the year ended December 31, 2018, the total convertible debentures outstanding of \$1,012,000 was converted into common shares of the Company.

A continuity of the liability portion of the convertible debentures is as follows:

Balance, December 5, 2017	\$ -
Issuance of convertible debentures	530,874
Accretion expense	2,881
Balance, December 31, 2017	533,755
Issuance of convertible debentures	328,983
Accretion expense	139,938
Settlement of convertible debentures	(1,002,676)
Balance, December 31, 2018	\$ -

Michicann Medical Inc.

Notes to the financial statements

December 31, 2018 and 26-Day Period Ended December 31, 2017

(Expressed in Canadian dollars)

9. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2018	2017
Loss before income taxes	\$ (2,171,340)	\$ (32,686)
Statutory income tax rate	27.00%	27.00%
Expected income tax recovery	(586,262)	(8,825)
Non-deductible recoveries and other	442,626	-
Changes in unrecognized deductible temporary differences	85,901	778
Convertible debentures and others	(40,301)	-
Unused tax losses and tax offsets not recognized	57,735	8,047
Total income tax recovery	\$ (40,301)	\$ -

The significant components of deferred income tax assets and liabilities are as follows:

	2018	2017
	\$	\$
Deferred income tax assets		
Non-capital losses carried forward	-	-
Deferred income tax liabilities	-	(25,176)
Net deferred income tax asset (liabilities)	-	(25,176)

As at December 31, 2018, the Company has non-capital losses carried forward of approximately \$422,000 which are available to offset future years' taxable income and expires through to 2038.

	\$
2037	(30,000)
2038	(392,000)
	(422,000)

Michicann Medical Inc.

Notes to the financial statements

December 31, 2018 and 26-Day Period Ended December 31, 2017

(Expressed in Canadian dollars)

10. Supplemental Disclosure of Cash Flow Information

	2018	2017
Additional Information		
Shares issued for convertible debenture on conversion	\$ 4,810,000	\$ -
Finder's warrants issued	\$ 315,235	\$ -

11. Segmented Information

The Company currently has an investment in one company in the cannabis industry and operates in one geographic location, being Canada.

12. Subsequent Events

On January 15, 2019, the Company granted a total of 1,100,000 stock options to a consultant of the Company. 500,000 of these stock options vest on April 1, 2019. These stock options have an exercise price of \$1.00 per share and expire on January 15, 2024. The remaining 600,000 of these stock options vest on October 1, 2019. These stock options have an exercise price of \$2.50 per share and expire on January 15, 2024.

On April 29, 2019, the Company granted 500,000 stock options to a consultant of the Company. These stock options vest 25% on execution of the agreement, 25% on May 30, 2019, 25% on August 30, 2019 and the remaining 25% on December 30, 2019. These stock options have an exercise price of \$1.00 per share and expire on April 29, 2024.

On May 13, 2019, the Company entered into a non-binding letter of intent with an arm's length company to acquire greenhouse facilities and equipment in Illinois, United States.

PharmaCo Agreements

On January 4, 2019, MichiCann entered into a put/call option agreement (the "Put/Call Option Agreement") with PharmaCo and its shareholders ("PharmaCo Shareholders") pursuant to which the PharmaCo Shareholders granted MichiCann the call right to acquire 100% of the issued and outstanding shares of PharmaCo from the PharmaCo Shareholders, and MichiCann granted all of the PharmaCo Shareholders the put right to sell 100% of the issued and outstanding shares of PharmaCo to MichiCann, in exchange for the issuance of 37,000,000 MichiCann Shares in the aggregate (subject to standard anti-dilution protections) subject to all state and local regulatory approvals including the approval of the Medical Marihuana Licensing Board and/or the Bureau of Medical Marihuana Regulation ("BMMR") within the Department of Licensing and Regulatory Affairs ("LARA") in the State of Michigan.

On January 4, 2019, MichiCann entered into a debenture purchase agreement (the "Debenture Purchase Agreement") with PharmaCo ("OpCo") pursuant to which MichiCann agreed to purchase an up to US \$114,734,209 8% senior secured convertible debenture of PharmaCo (the "Opco Debenture"). The Opco Debenture has a maturity date of January 4, 2023 unless the Opco Debenture becomes due earlier.

The principal amount of Opco Debenture outstanding is convertible at any time on the earlier of the business day immediately preceding: (i) the Maturity Date; and (ii) the date that is 30 days after the holder received LARA's written approval of the Holder Application (application seeking permission to convert the Debenture and own the Conversion Shares). In such circumstances, the principal amount of the Opco Debenture is convertible into common shares of Opco at a conversion price equal to the then outstanding balance of the Opco Debenture divided by the total number of Opco Shares then outstanding.

MichiCann Medical Inc.

Notes to the financial statements

December 31, 2018 and 26-Day Period Ended December 31, 2017

(Expressed in Canadian dollars)

12. Subsequent Events - continuedPharmaCo Agreements - continued

Notwithstanding the foregoing, the conversion of the Opco Debenture is subject to PharmaCo and MichiCann having obtained all required permits from governmental authorities in connection with MichiCann's ownership of Opco Shares, including, without limitation, all required cannabis licenses or related permits issued by LARA (but excluding any permit or other requirement which arises or may arise under any Excluded Law).

The Opco Debenture is secured against the assets of PharmaCo pursuant to a security agreement dated as January 4, 2019.

On January 4, 2019, MichiCann advanced USD \$21,320,758 as a first tranche under the Opco Debenture, (which, included \$5,700,400 in loans receivable by MichiCann pursuant to non-interest-bearing promissory notes) (Note 3).

On February 22, 2019, MichiCann advanced USD \$6,046,863 as a second tranche under the Opco Debenture.

On March 1, 2019, MichiCann advanced USD \$11,327,594 as a third tranche under the Opco Debenture.

Financings

On February 22, 2019, MichiCann issued 4,500,000 common shares pursuant to a non-brokered financing (second tranche) at a price of \$1.00 per MichiCann Share for aggregate proceeds of \$4,500,000.

On February 22, 2019, MichiCann issued 2,240,000 common shares pursuant to a new non-brokered financing at a price of \$2.50 per common share for aggregate proceeds of \$5,600,000.

On February 25, 2019, MichiCann issued \$15,000,000 principal amount of senior secured convertible debenture (the "Tidal Debenture") to Tidal. The Tidal Debenture becomes due and payable (the "Tidal Debenture Maturity Date") on the earlier of: (i) August 25, 2019 (subject to extension) and (ii) the date that all amounts owing under the Tidal Debenture become due and payable in accordance with the terms of the Tidal Debenture, including following an event of default.

The Tidal Debenture is convertible into MichiCann Shares in the event that the Proposed Transaction is not completed prior to the Tidal Debenture Maturity Date and MichiCann instead completes a "Change of Control" or a "Go Public Transaction" as such terms are defined in the Tidal Debenture. In such circumstances, the holder has the right to convert the Tidal Debenture at a price per MichiCann Share equal to the lesser of (i) \$2.50 per MichiCann Share; and (ii) a 20% discount to the issue price or effective price per MichiCann Share for any financing completed as part of or concurrently with the Go Public Transaction, if applicable, or the effective purchase price per MichiCann Share in the case of a Change of Control transaction. The Tidal Debenture is secured against the assets of MichiCann pursuant to a general security and pledge agreement dated February 25, 2019 (the "GSA and Pledge Agreement").

Michicann Medical Inc.

Notes to the financial statements
December 31, 2018 and 26-Day Period Ended December 31, 2017
(Expressed in Canadian dollars)

12. Subsequent Events - *continued*

Tidal Royalty Corp. Definitive Agreement

On May 8, 2019, the Company has executed a business combination agreement (the "Definitive Agreement") with Tidal Royalty Corp. pursuant to which Tidal will acquire all of the issued and outstanding shares of the Company (the "Proposed Transaction"). Under the terms of the Definitive Agreement, all of the issued and outstanding common shares of MichiCann will be exchanged on the basis of 2.08 common shares of Tidal, for each one (1) MichiCann common share, subject to adjustment in certain circumstances as set out in the Definitive Agreement (the "Exchange Ratio").

Upon completion of the Proposed Transaction, and assuming no other issuances of securities by MichiCann, existing MichiCann and Tidal shareholders will own approximately 80% and 20% of the resulting company (the "Resulting Issuer"), respectively, on a fully diluted basis. All outstanding options and warrants to purchase MichiCann common shares will be replaced with options and warrants to purchase common shares of the Resulting Issuer in accordance with the Exchange Ratio.

The Proposed Transaction will be completed by way of a three-cornered amalgamation under the Business Corporations Act (Ontario), whereby 2690229 Ontario Inc., a wholly owned subsidiary of the Tidal ("Subco") will amalgamate with the Company (the "Amalgamation"). The Proposed Transaction will constitute a "Fundamental Change" of the Company, as such term is defined in the policies of the Canadian Securities Exchange (the "CSE") and as a result Tidal will be required to obtain the approval of the holders of its outstanding common shares, by simple majority, which it intends to obtain by way of written consent. The Amalgamation will also require the approval by 66 2/3 of the votes cast by shareholders of MichiCann at a special meeting of shareholders to be held on or before May 24, 2019.

Immediately prior to the completion of the Amalgamation, Tidal will (i) complete a share consolidation on an 8:1 basis (the "Consolidation"), (ii) the Company will change its name to "Red White & Bloom Inc." or such other name.

Pursuant to the terms of the Definitive Agreement, the closing of the Proposed Transaction is subject to a number of conditions, including but not limited to (i) obtaining requisite shareholder approvals, (ii) the completion of the Consolidation, the Name Change and the Board Appointments, (iii) obtaining requisite regulatory approvals including the approval of the CSE for the Proposed Transaction and the listing of the common share of the Resulting Issuer, (iv) obtaining escrow agreements from the directors and officers of each of MichiCann and Tidal, and certain shareholders of each of MichiCann, its Michigan based investee and Tidal pursuant to which the escrowed shares would be subject to restrictions on transfer and other dealings and released in three equal tranches over a period of 18 months following the closing of the Proposed Transaction, and (vi) other closing conditions customary for transactions of this nature.

MichiCann Medical Inc.

Condensed Interim Financial Statements

For the Six Month Periods Ended June 30, 2019 and 2018

(Unaudited – Expressed in Canadian dollars)

MichiCann Medical Inc.

Condensed Interim Statements of Financial Position
(Unaudited)
(Expressed in Canadian dollars)

	June 30, 2019	December 31, 2018 (Audited)
	\$	\$
Assets		
Current assets		
Cash	2,419,699	24,377,286
Prepaid expenses (Note 9)	3,176,371	50,000
GST receivable	79,639	-
Loans receivable (Note 3)	-	5,700,400
Amount receivable (Notes 3 and 4)	4,810,000	4,810,000
	10,485,709	34,937,686
Non-current assets		
Equipment (Note 10)	10,713	-
Prepaid expenses	50,000	-
Interest receivable (Note 6)	1,831,633	-
Loans receivable (Note 3)	80,413,078	-
	82,305,424	-
Total assets	92,791,133	34,937,686
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	478,210	161,937
Convertible debentures (Note 8)	15,000,000	-
Bridge financing (Note 9)	36,422,647	-
Total liabilities	51,900,857	161,937
Shareholders' equity		
Share capital (Note 4)	45,195,326	35,111,680
Reserves (Note 4)	4,378,524	1,952,794
Subscriptions receivable (Note 4)	-	(125,000)
Deficit	(8,683,574)	(2,163,725)
Total shareholders' equity	40,890,276	34,775,749
Total liabilities and shareholders' equity	92,791,133	34,937,686

Approved and authorized for issuance on behalf of the Board of Directors on August 28, 2019 by:

/s/ Michael Marchese

Michael Marchese, Director

(The accompanying notes are an integral part of these condensed interim financial statements)

MichiCann Medical Inc.

Condensed Interim Statements of Comprehensive Loss

(Unaudited)

(Expressed in Canadian dollars)

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
	\$	\$	\$	\$
Expenses				
Accretion expense (Note 8)	-	-	-	36,525
Commissions (Note 9)	2,404,888	-	2,404,888	-
Foreign exchange loss	1,593,599	-	1,741,600	-
General and administration	1,203,601	5,835	1,637,946	117,761
Marketing	174,025	-	174,025	-
Share-based compensation (Note 4)	967,280	-	2,425,730	-
Loss before other item	(6,343,393)	(5,835)	(8,384,189)	(154,286)
Interest income (Note 3)	1,165,818	-	1,864,340	-
Net loss and comprehensive loss for the period	(5,177,575)	(5,835)	(6,519,849)	(154,286)
Net loss per share, basic and diluted	(0.06)	(0.00)	(0.08)	(0.00)
Weighted average shares outstanding	80,962,182	37,146,000	76,993,071	37,146,000

(The accompanying notes are an integral part of these condensed interim financial statements)

MichiCann Medical Inc.

Condensed Interim Statements of Changes in Equity

(Unaudited)

(Expressed in Canadian dollars)

	Share capital		Subscriptions receivable \$	Reserves \$	Convertible debentures – equity component \$	Deficit \$	Total shareholders' equity \$
	Number of shares	Amount \$					
Balance, December 31, 2017	1	1	-	-	70,950	(32,686)	38,265
Shares issued, net	37,309,999	37	-	-	-	-	37
Equity component of convertible debentures	-	-	-	-	56,017	-	56,017
Deferred income tax on equity components of convertible debentures	-	-	-	-	(15,125)	-	(15,125)
Net loss for the period	-	-	-	-	-	(154,286)	(154,286)
Balance, June 30, 2018	37,310,000	38	-	-	111,842	(186,972)	(75,092)
Balance, December 31, 2018	74,222,182	35,111,680	(125,000)	1,952,794	-	(2,163,725)	34,775,749
Shares issued, net	6,740,000	10,083,646	125,000	-	-	-	10,208,646
Share-based compensation	-	-	-	2,425,730	-	-	2,425,730
Net loss for the period	-	-	-	-	-	(6,519,849)	(6,519,849)
Balance, June 30, 2019	80,962,182	45,195,326	-	4,378,524	-	(8,683,574)	40,890,276

(The accompanying notes are an integral part of these condensed interim financial statements)

MichiCann Medical Inc.

Condensed Interim Statements of Cash Flows

(Unaudited)

(Expressed in Canadian dollars)

	Six months ended June 30, 2019	Six months ended June 30, 2018
	\$	\$
Operating activities		
Net loss for the period	(6,519,849)	(154,286)
Items not affecting cash:		
Accretion expense	-	36,525
Foreign exchange loss	1,741,625	-
Share-based compensation	2,425,730	-
Accrued interest income	(1,864,340)	-
Changes in non-cash operating working capital:		
Prepaid expenses	(3,176,371)	283,836
GST receivable	(79,639)	-
Accounts payable and accrued liabilities	316,273	(27,442)
Net cash used in operating activities	(7,156,571)	138,633
Investing activities		
Purchase of equipment	(10,713)	-
Net cash used in investing activities	(10,713)	-
Financing activities		
Issuance of share capital, net	10,208,646	37
Convertible debentures	15,000,000	-
Loan receivable	(76,083,912)	-
Bridge financing	36,422,647	-
Net cash provided by (used in) financing activities	(14,452,619)	37
Effect of exchange rate changes on the balances of cash held in foreign currencies	(337,684)	-
Increase (decrease) in cash	(21,957,587)	138,670
Cash, beginning of period	24,377,286	326,721
Cash, end of period	2,419,699	465,391

Supplemental disclosure of cash flow information (Note 11)

(The accompanying notes are an integral part of these condensed interim financial statements)

MichiCann Medical Inc.

Notes to the condensed interim financial statements
For the six months ended June 30, 2019 and 2018
(Unaudited – Expressed in Canadian dollars)

1. Nature of Business and Continuance of Operations

MichiCann Medical Inc. (the “Company” or “MichiCann”) is a private cannabis investment company incorporated under the laws of Ontario on December 5, 2017. The Company’s head office and registered office is located at 8820 Jane Street, Concord, ON, L4K 2M9 Canada.

PharmaCo Inc. Agreements

On January 4, 2019, MichiCann entered into a put/call option agreement (the “Put/Call Option Agreement”) with PharmaCo Inc. (“PharmaCo”) and its shareholders (“PharmaCo Shareholders”) pursuant to which the PharmaCo Shareholders granted MichiCann the call right to acquire 100% of the issued and outstanding shares of PharmaCo from the PharmaCo Shareholders, and MichiCann granted all of the PharmaCo Shareholders the put right to sell 100% of the issued and outstanding shares of PharmaCo to MichiCann, in exchange for the issuance of 37,000,000 MichiCann Shares in the aggregate (subject to standard anti-dilution protections) subject to all state and local regulatory approvals including the approval of the Medical Marihuana Licensing Board and/or the Bureau of Medical Marihuana Regulation (“BMMR”) within the Department of Licensing and Regulatory Affairs (“LARA”) in the State of Michigan.

On January 4, 2019, MichiCann entered into a debenture purchase agreement (the “Debenture Purchase Agreement”) with PharmaCo (“OpCo”) pursuant to which MichiCann agreed to purchase an up to US \$114,734,209 8% senior secured convertible debenture of PharmaCo (the “Opco Debenture”). The Opco Debenture has a maturity date of January 4, 2023 unless the Opco Debenture becomes due earlier.

The principal amount and accrued interest of the Opco Debenture outstanding is convertible at any time on or prior to the earlier of the business day immediately preceding: (i) the Maturity Date; and (ii) the date that is 30 days after the holder received LARA’s written approval of the Holder Application (application seeking permission to convert the Debenture and own the Conversion Shares). In such circumstances, the principal amount of the Opco Debenture is convertible into common shares of Opco at a conversion price equal to the then outstanding balance of the Opco Debenture divided by the total number of Opco Shares then outstanding.

Notwithstanding the foregoing, the conversion of the Opco Debenture is subject to PharmaCo and MichiCann having obtained all required permits from governmental authorities in connection with MichiCann’s ownership of Opco Shares, including, without limitation, all required cannabis licenses or related permits issued by LARA (but excluding any permit or other requirement which arises or may arise under any Excluded Law).

As at June 30, 2019, the Company had not yet generated any revenue, has a working capital deficiency of \$41,415,148 (December 31, 2018 – working capital of \$34,775,749) and has accumulated losses of \$8,683,574 (December 31, 2018 - \$2,163,725) since inception. The Company’s ability to continue as a going concern is dependent upon its ability to generate future profitable operations, to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. These financial statements have been prepared under the assumption of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company estimates that it will have sufficient capital to continue operations for the upcoming year.

If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses and the statements of financial position classifications used. Such adjustments could be material.

MichiCann Medical Inc.

Notes to the condensed interim financial statements
For the six months ended June 30, 2019 and 2018
(Unaudited – Expressed in Canadian dollars)

2. Significant Accounting Policies

In preparing these condensed interim financial statements, the significant accounting policies applied by management were the same as those that applied to the Company's audited financial statements for the year ended December 31, 2018, except for the adoption of IFRS 16, *Leases*, as described below.

(c) Statement of Compliance and Basis of Preparation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") using accounting principles consistent with International Financial Reporting Standards ("IFRS") as issued by the IASB. These condensed interim financial statements do not include all of the information required for full annual financial statements. These condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2018.

These condensed interim financial statements have been prepared on a historical cost basis except for financial assets classified as fair value through profit or loss, which are measured at fair value. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

These condensed interim financial statements were authorized for issue by the Board of Directors on August 28, 2019.

(d) Use of Estimates and Judgments

The preparation of the condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In preparing these condensed interim financial statements, management has made significant assumptions which are applied in determining the fair values of the amounts receivable, loans receivable and convertible debentures at the reporting date, including that the transaction with Tidal Royalty Corp. ("Tidal") will complete timely as described in Note 13 and that the Company will exercise its conversion rights pursuant to the Debenture Purchase Agreement during the current fiscal year. Should the assumptions be incorrect, it would result in a material adjustment to the carrying amount of certain assets and liabilities.

Other significant assumptions about the future and other sources of estimated uncertainty that management has made as at the statement of financial position date that could result in a material adjustment to the carrying amount of assets and liabilities in the event that actual results differ from assumptions made, related to, but are not limited to, the following:

Share-based Compensation

The inputs used for share-based compensation calculation. The Company provides compensation benefits to its consultants, directors and officers through a stock option plan. The fair value of each option award is estimated using the Black-Scholes Option Pricing Model which utilizes subjective assumptions such as expected price volatility and expected life of the option. Share-based compensation expense also utilizes subjective assumption on forfeiture rate. Changes in these input assumptions can significantly affect the fair value estimate.

MichiCann Medical Inc.

Notes to the condensed interim financial statements
For the six months ended June 30, 2019 and 2018
(Unaudited – Expressed in Canadian dollars)

2. Significant Accounting Policies - continued

(b) Use of Estimates and Judgments - continued

Convertible Debentures

In accordance with the substance of the contractual arrangement, convertible debentures are compound financial instruments that are accounted for separately by their components: a financial liability and an equity instrument. The fair value of any derivative feature embedded in the compound financial instrument (other than the equity component, such as an equity conversion feature) is presented as a liability instrument. The identification of convertible debenture components is based on interpretations of the substance of the contractual arrangement and therefore requires judgment from management. The separation of the components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest on the liability component. The determination of the fair value of the liability component is also based on a number of assumptions, including contractual future cash flows, discount factors and the presence of any derivative financial instruments.

Deferred Income Taxes

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the financial statements.

Loans and Amounts Receivable

Management applies judgment in the assessment of the collectability of the loans and interest receivable from PharmaCo.

(c) Adoption of Accounting Standard

IFRS 16 Leases

The Company adopted IFRS 16 *Leases* ("IFRS 16") effective January 1, 2019. This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease. The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The new standard supersedes the requirements in IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Company reviewed its current operations and noted no impact on the adoption of IFRS 16.

MichiCann Medical Inc.

Notes to the condensed interim financial statements
For the six months ended June 30, 2019 and 2018
(Unaudited – Expressed in Canadian dollars)

3. Loans Receivable and Amount Receivable

During the year ended December 31, 2018, the Company advanced a series of funds, totalling \$5,700,400 (USD \$4,269,521), to PharmaCo, an arms-length party, in the form of a debenture. The debenture is non-interest bearing, unsecured and is due on demand. As at June 30, 2019, the advances totalling \$5,700,400 were transferred into the Opco Debenture, under the terms disclosed in Note 1, and are included in long-term loans receivable.

During the year ended December 31, 2018, the Company issued 4,810,000 common shares valued at \$1.00 per common share for a total of \$4,810,000 to a third-party, as consideration to settle amounts owed by PharmaCo to the third-party. The amount receivable due from PharmaCo to the Company of \$4,810,000 (December 31, 2018 - \$4,810,000) is non-interest bearing, unsecured and has no fixed terms of repayment.

During the period ended June 30, 2019, additional funds were advanced under the Opco Debenture for a total of \$82,244,711 (USD \$62,845,649) outstanding at June 30, 2019. This amount includes the \$5,700,400 noted above and \$1,831,633 (USD \$1,400,654) of accrued interest. The Opco Debenture bears interest at 8% and has a maturity date of January 4, 2023 as disclosed in Note 1.

4. Share Capital

Authorized:

Unlimited number of common shares without par value.

Issued:

On January 2, 2018, the Company issued 37,309,999 founder common shares for gross proceeds of \$37.

On November 21, 2018, the Company issued an aggregate of \$1,012,000 principal amount of unsecured convertible debentures (the "Unsecured Debentures") convertible into one common share of the Company at a price of \$0.50 per common share. All Unsecured Debentures were converted into an aggregate of 2,024,000 common shares of the Company on November 21, 2018 (Note 8).

On December 19, 2018, the Company issued 30,078,182 common shares pursuant to a non-brokered financing (first tranche) at a price of \$1.00 for aggregate gross proceeds of \$30,078,182. The Company paid share issuance costs of \$470,340 as finder fees. Subsequent to December 31, 2018, \$125,000 in subscriptions receivable was received.

On December 19, 2018, the Company completed the issuance of 4,810,000 common shares to settle certain debts of PharmaCo at a price of \$1.00 per common share for a total of \$4,810,000. The shares were issued to settle amounts owed by PharmaCo to a third-party company (Note 3).

On February 22, 2019, the Company issued 4,500,000 common shares pursuant to a non-brokered financing (second tranche) at a price of \$1.00 per common share for aggregate proceeds of \$4,500,000. The Company paid share issuance costs of \$7,286.

On February 22, 2019, the Company issued 2,240,000 common shares pursuant to a non-brokered financing at a price of \$2.50 per common share for aggregate proceeds of \$5,600,000. The Company paid share issuance costs of \$9,068.

MichiCann Medical Inc.

Notes to the condensed interim financial statements
For the six months ended June 30, 2019 and 2018
(Unaudited – Expressed in Canadian dollars)

4. Share Capital - continued

Warrants:

During the year ended December 31, 2018, the Company issued 595,340 finders' warrants with an exercise price of \$1.00 per common share of the Company for a period of two years.

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance at December 31, 2017	-	\$ -
Issued	595,430	1.00
Exercised	-	-
Cancelled	-	-
Balance at December 31, 2018	595,430	\$ 1.00
Issued	-	-
Exercised	-	-
Cancelled	-	-
Balance at June 30, 2019	595,430	\$ 1.00

The following warrants were outstanding at June 30, 2019:

Issue Date	Expiry Date	Exercise Price	Number of Warrants Outstanding	Number of Warrants Exercisable
December 19, 2018	December 19, 2020	\$ 1.00	595,340	595,340
			595,340	595,340

Options:

On October 1, 2018, the Company granted 2,000,000 stock options to a consultant and an officer of the Company. These stock options vest 12.5% on January 1, 2019, 12.5% on April 1, 2019, 12.5% on July 1, 2019, 12.5% on October 1, 2019, 12.5% on January 1, 2020, 12.5% on April 1, 2020, 12.5% on July 1, 2020 and the remaining 12.5% on October 1, 2020. These stock options have an exercise price of \$0.50 per share and expire on October 1, 2023.

On October 1, 2018, the Company granted 2,500,000 stock options to consultants of the Company. These stock options vest 25% on January 1, 2019, 25% on April 1, 2019, 25% on July 1, 2019, 25% on October 1, 2019. These stock options have an exercise price of \$0.50 per share and expire on October 1, 2023.

On January 15, 2019, the Company granted a total of 1,100,000 stock options to a consultant of the Company. 500,000 of these stock options vest on April 1, 2019. These stock options have an exercise price of \$1.00 per share and expire on January 15, 2024. The remaining 600,000 of these stock options vest on October 1, 2019. These stock options have an exercise price of \$2.50 per share and expire on January 15, 2024.

On February 1, 2019, the Company granted 400,000 stock options to a consultant of the Company. These stock options vest 12.5% on October 1, 2019, 12.5% on January 1, 2020, 12.5% on April 1, 2020, 12.5% on July 1, 2020, 12.5% on October 1, 2020, 12.5% on January 1, 2021, 12.5% on April 1, 2021 and the remaining 12.5% on July 1, 2021. These stock options have an exercise price of \$1.00 per share and expire on February 1, 2024.

MichiCann Medical Inc.

Notes to the condensed interim financial statements
For the six months ended June 30, 2019 and 2018
(Unaudited – Expressed in Canadian dollars)

4. Share Capital - continued

On April 29, 2019, the Company granted 500,000 stock options to a consultant of the Company. These options vest 25% on April 29, 2019, 25% on May 30, 2019, 25% on August 30, 2019, and 25% on December 30, 2019. These stock options have an exercise price of \$1.00 and expire on April 29, 2024.

The options granted during the period ended June 30, 2019 have a fair value of \$2,425,730 (2018 - \$nil) estimated using the Black-Scholes options pricing model with the following weighted average assumptions:

Risk-free interest rate	1.55%
Expected term (in years)	5.00
Estimated dividend yield	0%
Estimated volatility	100.00%

During the period ended June 30, 2019, the Company recognized \$2,425,730 (2018 - \$nil) in share-based compensation under graded vesting.

Options transactions and the number of options outstanding are summarized as follows:

	Number of Stock Options	Weighted Average Exercise Price
Balance at December 31, 2017	-	\$ -
Granted	4,500,000	0.50
Exercised	-	-
Cancelled	-	-
Balance at December 31, 2018	4,500,000	\$ 0.50
Granted	2,000,000	1.60
Exercised	-	-
Cancelled	-	-
Balance at June 30, 2019	6,500,000	\$ 0.78

The following options were outstanding at June 30, 2019:

Grant Date	Expiry Date	Exercise Price	Number of Options Outstanding	Number of Options Exercisable
October 1, 2018	October 1, 2023	\$ 0.50	4,500,000	1,750,000
January 15, 2019	January 15, 2024	\$ 1.00	500,000	500,000
January 15, 2019	January 15, 2024	\$ 2.50	600,000	-
February 1, 2019	February 1, 2024	\$ 1.00	400,000	-
April 29, 2019	April 29, 2024	\$ 1.00	500,000	250,000
			6,500,000	2,500,000

MichiCann Medical Inc.

Notes to the condensed interim financial statements
For the six months ended June 30, 2019 and 2018
(Unaudited – Expressed in Canadian dollars)

5. Financial Instruments and Risks

(f) Fair Value

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as of June 30, 2019 and December 31, 2018 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance
	\$	\$	\$	\$
June 30, 2019				
Cash	2,419,699	-	-	2,419,699
Loans receivable	80,413,078	-	-	80,413,078
Amount receivable	4,810,000	-	-	4,810,000
Total	87,642,777	-	-	87,642,777
Accounts payable and accrued liabilities	478,210	-	-	478,210
Convertible debentures	15,000,000	-	-	15,000,000
Bridge financing	36,422,647	-	-	36,422,647
Total	51,900,857	-	-	51,900,857
December 31, 2018				
Cash	24,377,286	-	-	24,377,286
Loan receivable	5,700,400	-	-	5,700,400
Amount receivable	4,810,000	-	-	4,810,000
Total	34,887,686	-	-	34,887,686
Accounts payable and accrued liabilities	161,937	-	-	161,937
Total	161,937	-	-	161,937

The fair values of other financial instruments, which include accounts payable and accrued liabilities, loans receivable and amounts receivable, approximate their carrying values due to the relatively short-term maturity of these instruments.

(g) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash, loans receivable and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. The Company is exposed to significant credit risk on its loans receivable and amounts receivable. The carrying amount of financial assets represents the maximum credit exposure.

MichiCann Medical Inc.

Notes to the condensed interim financial statements
For the six months ended June 30, 2019 and 2018
(Unaudited – Expressed in Canadian dollars)

5. Financial Instruments and Risks - continued**(h) Foreign Exchange Rate**

The Company has cash and loans receivable denominated in US dollars and, as a consequence, the financial results of the Company's operations as reported in Canadian dollars are subject to changes in the value of the Canadian dollar relative to the US dollar. Therefore, exchange rate movements in the US dollar can have a significant impact on the Company's operating results due to the translation of monetary assets.

At June 30, 2019, a 4% strengthening (weakening) of the Canadian dollar against the US dollar would have increased (decreased) the Company's net loss before taxes by approximately \$3,309,000 (December 31, 2018 - 10%, \$125,000) for the six-month period ended June 30, 2019.

(i) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash and cash equivalents is at nominal interest rates, and therefore the Company does not consider interest rate risk to be significant.

As at June 30, 2019, the interest rate on loans receivable and convertible debentures is fixed based on the contracts in place. As such, the Company is exposed to interest rate risk to the extent of these financial assets and liabilities.

(j) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities.

As at June 30, 2019, the Company had a cash balance of \$2,419,699 (December 31, 2018 - \$24,377,286) available to apply against short-term business requirements and current liabilities of \$51,900,857 (December 31, 2018 - \$161,937). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of June 30, 2019.

6. Related Party Transactions

The following is a summary of related party transactions that occurred during the period ended June 30, 2019:

- (c) Included in accounts payable and accrued liabilities is \$147,750 (December 31, 2018 - \$6,250) payable to a director of the Company. Amounts due to related parties have no stated terms of interest and/or repayment.
- (d) Included in prepaid expenses is \$81,000 (December 31, 2018 - \$nil) prepaid to a company owned by a director of the Company.
- (e) Key management personnel include the directors and officers of the Company. Key management compensation consists of the following:

	June 30, 2019 \$	June 30, 2018 \$
Consulting fees paid or accrued to a company controlled by the director of the Company	27,000	18,750
Share-based compensation	301,745	-

There were no post-employment benefits, termination benefits or other long-term benefits paid to key management personnel for the periods ended June 30, 2019 and 2018.

MichiCann Medical Inc.

Notes to the condensed interim financial statements
For the six months ended June 30, 2019 and 2018
(Unaudited – Expressed in Canadian dollars)

7. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash, convertible debentures and equity, comprised of issued share capital.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains the same for the periods presented.

8. Convertible Debentures

During the period ended December 31, 2017, the Company issued \$627,000 in convertible debentures to a group of arms-length lenders. The convertible debentures were non-interest bearing and are convertible into common shares of the Company at a conversion price of \$0.50 per common share.

On issuance, the Company allocated the total proceeds received between the liability and equity components of the convertible debenture using the residual method, based on a discount rate of 18%, which is the estimated cost at which the Company could borrow similar debt without a conversion feature. The liability component with a fair value of \$530,874 on inception is measured at amortized cost and is accrued over the expected term to maturity using the effective interest method. The equity component with a fair value of \$96,126 on inception is presented as a component of shareholders' equity and is offset by the deferred income tax recovery of \$25,176.

During the year ended December 31, 2018, the Company issued additional convertible debentures totaling \$385,000 to a group of arms-length lenders. The convertible debentures were non-interest bearing and are convertible into common shares of the Company at a conversion price of \$0.50 per common share.

On inception, the Company allocated the total proceeds received between the liability and equity components of the convertible debenture using the residual method, based on a discount rate of 18%, which is the estimated cost at which the Company could borrow similar debt without a conversion feature. The liability component with a fair value of \$328,983 on inception is measured at amortized cost and is accrued over the expected term to maturity using the effective interest method. The equity component with a fair value of \$56,017 on inception is presented as a component of shareholders' equity.

During the year ended December 31, 2018, the total convertible debentures outstanding of \$1,012,000 were converted into common shares of the Company.

MichiCann Medical Inc.

Notes to the condensed interim financial statements
For the six months ended June 30, 2019 and 2018
(Unaudited – Expressed in Canadian dollars)

8. Convertible Debentures - continuedTidal Royalty Corp. Debenture

During the period ended June 30, 2019, the Company issued a \$15,000,000 senior secured convertible debenture (the "Tidal Debenture") to Tidal. The Tidal Debenture becomes due and payable (the "Tidal Debenture Maturity Date") on the earlier of: (i) August 25, 2019 (subject to extension) and (ii) the date that all amounts owing under the Tidal Debenture become due and payable in accordance with the terms of the Tidal Debenture, including following an event of default. In the event of a default, the Tidal Debenture will bear interest at 12% per annum.

Subsequent to the six-month period ended June 30, 2019, the Company signed an amendment to this agreement, extending the maturity date of the Tidal Debenture to September 30, 2019.

The Tidal Debenture is convertible into common shares of the Company in the event that the Proposed Transaction, as described in Note 13 with Tidal is not completed prior to the Tidal Debenture Maturity Date and the Company instead completes a "Change of Control" or a "Go Public Transaction" as such terms are defined in the Tidal Debenture. In such circumstances, Tidal has the right to convert the Tidal Debenture into common shares of the Company at a price equal to the lesser of (i) \$2.50; and (ii) a 20% discount to the issue price or effective price for any financing completed as part of or concurrently with the Go Public Transaction, if applicable, or the effective purchase price per common share of the Company in the case of a Change of Control transaction. The Tidal Debenture is secured against the assets of the Company pursuant to a general security and pledge agreement dated February 25, 2019 (the "GSA and Pledge Agreement").

The Company may repay the Tidal Debenture prior to the Tidal Debenture Maturity Date at a price equal to 110% of the principal amount and any accrued interest without the prior written consent of Tidal if (i) the Proposed Transaction with Tidal is not capable of being completed prior to October 25, 2019; and (ii) both the Company and Tidal have acted in good faith and have used all commercially reasonable efforts to complete the Proposed Transaction.

On issuance, the Company determined that the conversion feature met the definition of a derivative liability and elected to measure the entire Tidal Debenture at fair value through profit or loss. This derivative liability component was determined to have a value of \$nil as at June 30, 2019.

A continuity of the liability portion of the convertible debentures is as follows:

Balance, December 31, 2017	\$	\$533,755
Issuance of convertible debentures		328,983
Accretion expense		139,938
Settlement of convertible debentures		(1,002,676)
Balance, December 31, 2018	\$	-
Issuance of convertible debentures		15,000,000
Balance, June 30, 2019	\$	15,000,000

MichiCann Medical Inc.

Notes to the condensed interim financial statements
For the six months ended June 30, 2019 and 2018
(Unaudited – Expressed in Canadian dollars)

9. Bridging Finance Inc. Credit Facility

On June 4, 2019, Bridging Finance Inc. (the "Lender") entered into a credit agreement (the "Credit Agreement") with the Company and PharmaCo Inc. ("PharmaCo") (collectively, the "Borrowers") pursuant to which the Lender established a non-revolving credit facility (the "Facility") for the Borrowers in a maximum principal amount of \$36,374,400 (the "Facility Limit"). The purpose of the Facility is so that the Borrowers can purchase certain real estate and business assets in the state of Michigan, to make additional permitted acquisitions and for general corporate and operating purposes.

The obligations under the Facility are due and payable on the earlier of: (a) the termination date (being January 4, 2020); and (b) the acceleration date (being the earlier of the date of an insolvency event or that a demand notice is delivered pursuant to the terms of the Credit Agreement).

In respect of the advance made by the Lender to the Borrowers under the Facility, the Borrowers agreed to pay the Lender:

- a) Interest at the prime rate plus 10.55% per annum calculated and compounded monthly, payable monthly in arrears on the last day of each month; and
- b) A work fee equal to \$909,360 (the "Work Fee").

The obligations under the Facility are secured by general security agreements on each Borrower, mortgages on certain owned real property of PharmaCo among other security obligations.

As the funds under the Facility (net of the Work Fee, commissions and other transaction expenses of the Lender) were advanced by the Lender directly to MichiCann, MichiCann in turn advanced the funds (net of MichiCann's transaction expenses) to PharmaCo pursuant to a Promissory Note (the "Promissory Note") issued by PharmaCo to MichiCann in the principal amount of \$30,648,516 (the "Principal"). The Principal is due and payable in full on January 2, 2020 (the "Maturity Date"). PharmaCo may prepay the Principal in full in whole prior to the Maturity Date. Any amounts payable by PharmaCo or MichiCann to the Lender under the Facility will reduce the amount of PharmaCo's obligations to MichiCann on a dollar for dollar basis under the Promissory Note.

The Company paid financing fees related to the Facility of \$2,404,889 which has been included as commission expenses for the six-months period ended June 30, 2019. The Company also deducted a debt service reserve of \$3,323,524 from the total principal amount which serves to pay the interest on the Facility as it is incurred. This amount has been included in prepaid expenses with \$390,153 deducted from the reserve for interest expense for the six-month period ended June 30, 2019.

MichiCann Medical Inc.

Notes to the condensed interim financial statements
For the six months ended June 30, 2019 and 2018
(Unaudited – Expressed in Canadian dollars)

10. Equipment

	Computer Hardware
COST	
Balance, 2018	\$ -
Additions	10,713
Balance, June 30, 2019	10,713
ACCUMULATED AMORTIZATION	
Balance, 2018	\$ -
Charge for year	-
Balance, June 30, 2019	-
CARRYING VALUE	
December 31, 2018	\$ -
June 30, 2019	\$ 10,713

The equipment was not available for use during the six-month period ended June 30, 2019 resulting in no amortization to be recorded during the period.

11. Supplemental Disclosure of Cash Flow Information

	2019	2018
Additional Information		
Shares issued for convertible debenture on conversion	\$ -	\$ 4,810,000

12. Segmented Information

The Company currently has an investment in one company in the cannabis industry and operates in one geographic location, being Canada.

MichiCann Medical Inc.

Notes to the condensed interim financial statements
For the six months ended June 30, 2019 and 2018
(Unaudited – Expressed in Canadian dollars)

13. Proposed Transaction

On May 8, 2019, the Company executed a business combination agreement (the "Definitive Agreement") with Tidal pursuant to which Tidal will acquire all of the issued and outstanding shares of the Company (the "Proposed Transaction"). Under the terms of the Definitive Agreement, all of the issued and outstanding common shares of MichiCann will be exchanged on the basis of 2.08 common shares of Tidal, for each one (1) MichiCann common share, subject to adjustment in certain circumstances as set out in the Definitive Agreement (the "Exchange Ratio"). Upon completion of the Proposed Transaction, and assuming no other issuances of securities by MichiCann, existing MichiCann and Tidal shareholders will own approximately 80% and 20% of the resulting company (the "Resulting Issuer"), respectively, on a fully diluted basis. All outstanding options and warrants to purchase MichiCann common shares will be replaced with options and warrants to purchase common shares of the Resulting Issuer in accordance with the Exchange Ratio.

The Proposed Transaction will be completed by way of a three-cornered amalgamation under the Business Corporations Act (Ontario), whereby 2690229 Ontario Inc., a wholly owned subsidiary of Tidal ("Subco") will amalgamate with the Company (the "Amalgamation"). The Proposed Transaction will constitute a "Fundamental Change" of the Company, as such term is defined in the policies of the Canadian Securities Exchange (the "CSE") and as a result Tidal will be required to obtain the approval of the holders of its outstanding common shares, by simple majority, which it intends to obtain by way of written consent.

Immediately prior to the completion of the Amalgamation, Tidal will (i) complete a share consolidation on an 8:1 basis (the "Consolidation"), (ii) the Company will change its name to "Red White & Bloom Inc." or such other name.

Pursuant to the terms of the Definitive Agreement, the closing of the Proposed Transaction is subject to a number of conditions, including but not limited to (i) obtaining requisite shareholder approvals, (ii) the completion of the Consolidation, the Name Change and the Board Appointments, (iii) obtaining requisite regulatory approvals including the approval of the CSE for the Proposed Transaction and the listing of the common share of the Resulting Issuer, (iv) obtaining escrow agreements from the directors and officers of each of MichiCann and Tidal, and certain shareholders of each of MichiCann, its Michigan based investee and Tidal pursuant to which the escrowed shares would be subject to restrictions on transfer and other dealings and released in three equal tranches over a period of 18 months following the closing of the Proposed Transaction, and (vi) other closing conditions customary for transactions of this nature.

Subsequent to the six-months period ended June 30, 2019, the Company amended this agreement, extending the completion deadline to September 30, 2019.

Specific Indemnity Items

1. All assets, Liabilities, operations and business retained by and assigned to (or intended to be retained by and assigned to) RetainCo as contemplated by the Pre-Closing Restructuring Transactions and any and all Liabilities related to, or arising out of, the Pre-Closing Restructuring Transactions.
2. All Liabilities of the Sellers and their Affiliates (other than the Company).
3. All Liabilities (including the cost and expense of remediation, as provided in Section 6.11 of the Agreement) related to, or arising out of, the previously removed underground storage tank that is the subject of the open LUST file identified as Leaking UST Incident No. 941345, including, without limitation, the II, EPA Violation.
4. Liabilities related to correction the violations cited in that Notice of Violation (UST) issued on September 17, 2019 by the Office of the Illinois State Fire Marshal.

Net Working Capital Schedule
(as of 8/31/2019)

Assets:

Trade Receivables: \$76,952.93

Other (hardwood recycling): \$10,526.93

Total: \$87,479.86

Liabilities:

Accounts Payable: \$402,338.86

Net adjustment as of 8/31/19: (\$314,859)

REAL ESTATE PURCHASE AGREEMENT

THIS REAL ESTATE PURCHASE AGREEMENT (this “Agreement”) is made and entered into as of January 10, 2020, between RWB Illinois, Inc., a Delaware corporation (“Buyer”), and VW Properties, LLC, a Kentucky limited liability company (“Seller”), each of Arthur VanWingerden and Ken VanWingerden (each a “Shareholder” and collectively, and jointly and severally, the “Shareholders”). Buyer, Seller and the Shareholders are sometimes referred to herein individually as a “Party” and collectively as the “Parties”, as the case may be.

RECITALS:

A. Seller owns the land consisting of approximately 142 acres located at 14240 Greenhouse Ave., Granville, Illinois 61326, which is legally described on Exhibit A attached to this Agreement, (the “Land”), together with (i) the buildings, plant facilities, structures, building systems, fixtures and improvements located thereon (collectively, the “Improvements” together with the Land are collectively referred to as the “Real Property”) (ii) all right, title and interest of Seller, if any, in and to all and singular the rights, benefits, privileges, easements, tenements, hereditaments, rights of way and appurtenances thereon or appertaining thereto and any air rights and/or development rights appurtenant to the Land or the Improvements, (iii) all right, title and interest of Seller, if any, in and to the equipment, furnishings, furniture, fixtures, machinery, inventory, appliances and other personal property, if any owned by Seller and now located on or about the Land or Improvements (collectively, the “Personal Property”) and (iv) all intangible property related to the Land or Improvements owned or in the name of Seller, including, without limitation, all assignable warranties and guaranties, all plans, specifications, consents, authorizations, variances, licenses, permits and approvals from any governmental or quasi-governmental agency, department, board, commission, bureau or other entity or instrumentality if any, relating to the Land and Improvements (collectively, the “Intangibles”) (all of the foregoing, collectively, the “Property”).

B. Seller desires to sell to Buyer and Buyer desires to purchase from Seller the Property upon and subject to the terms and conditions set forth in this Agreement and that certain Agreement and Plan of Merger dated as of the date hereof, by and among Michicann Medical Inc., RWB Acquisition Sub, Inc., Mid-American Growers, Inc. and the Shareholders (as amended, restated, supplemented or otherwise modified from time to time, the “Merger Agreement”).

C. The Shareholders own Seller and will benefit from sale of the Property to Buyer.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth herein and subject to the terms and conditions contained herein, the parties agree as follows:

1 . **Sale and Conveyance.** At the Closing (as hereinafter defined), subject to the terms and conditions of this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Property for the purchase price of Two Million and No/100^{ths} Dollars (\$2,000,000) (“Purchase Price”). On or around November 1, 2019, Buyer paid to Seller a cash payment equal to \$2,000,000 (the “Advance”), which Advance shall be deemed paid toward the

Purchase Price at Closing, or should the Closing not occur and this Agreement is terminated, such Advance shall be fully refundable to Buyer by Seller and the Shareholders in accordance with Section 8.3 of the Merger Agreement. As part of any Closing under this Agreement, the Property would be conveyed by a limited warranty deed free and clear of any and all Liens and subject only to the Permitted Exceptions.

2 . **Closing; Closing Deliverables.** Subject to the conditions set forth herein, the consummation of the transactions that are the subject of this Agreement (the "Closing") shall occur at the offices of Honigman LLP, 660 Woodward Avenue, 2290 First National Building, Detroit, Michigan 48226, or at such other place as Buyer, Seller and Shareholders may mutually agree upon in writing, or remotely by mail, facsimile, e-mail and/or wire transfer, in each case to the extent acceptable to the parties hereto, at 10:00 a.m., Detroit time, on the second business day after satisfaction of the conditions set forth in Section 7 (other than those to be satisfied at the Closing, but subject to their satisfaction or waiver at the Closing). The date on which the Closing is to occur is herein referred to as the "Closing Date." Regardless of the actual time of the Closing, except as otherwise expressly provided herein, for tax and accounting purposes, the Closing shall be deemed effective as of close of the day immediately preceding the Closing Date. At the Closing, the parties will execute and deliver or cause to be executed and delivered, as applicable, the following:

(a) Seller shall execute and deliver to the Title Company in escrow an originally executed special warranty deed (the "Deed"), in form approved by Buyer, conveying to Buyer fee simple title to the Property, subject only to the Permitted Exceptions, and otherwise mutually acceptable to Seller and Buyer.

(b) Seller shall deliver to the Title Company in escrow all transfer and other tax declarations for the Property (or MyDec filing) as may be required by law in connection with the transaction contemplated by this Agreement duly executed and sworn to by Seller and, to the extent required, by the Title Company and any other certification from the Town and County where the Property is located, required to record the Deed with the County Recorder's Office.

(c) To the extent the Parties reasonably determine necessary or advisable, Seller shall deliver to Buyer (i) a release letter or certificate for the Property from the Illinois Department of Revenue stating that no assessed but unpaid tax penalties or interest are due under Section 9-902(d) of the Illinois Income Tax Act, as amended, or 35 ILCS 120/5j of the Illinois Compiled Statutes, as amended; and (ii) a letter of clearance for the Property from the State of Illinois' Department of Employment Security stating that no assessed but unpaid tax penalties or interest are due under Section 2600 of the Illinois Unemployment Insurance Act (820 ILCS 405/2600), as amended (the release letters and clearances referred to in (i) – (ii) above are referred to collectively as the "Bulk Sale Releases" and individually as a "Bulk Sale Release"). Concurrent with the execution and delivery of this Agreement, Seller has completed, signed and delivered to Buyer (i) the Illinois Department of Revenue Form ITR-1 Request for Tax Clearance and (ii) the State of Illinois Department of Employment Security Request For Letter of Clearance and acknowledges that Buyer shall process the same with the Illinois Department of Revenue and the Illinois Department of Employment Security, respectively.

(d) Seller shall deliver to the Title Company in escrow a bill of sale and general assignment conveying title to Buyer to the Personal Property and the Intangible Property;

(e) Buyer shall deliver to the Title Company the Purchase Price, less the Advance (which shall be deemed paid toward the Purchase Price), as adjusted by the adjustments and prorations provided for in this Agreement in accordance with a closing statement to be prepared by the Title Company (the "Closing Statement").

(f) Seller shall execute and deliver to Buyer such documents or instruments of conveyance and transfer for the purpose of assigning the Service Contracts to Buyer.

(g) Seller shall deliver to Buyer all keys in Seller's possession or control to all locks on the Property.

(h) Seller and Buyer shall execute and deliver the Closing Statement setting forth the Purchase Price and reflecting all credits, adjustments and prorations provided for in this Agreement, including the Advance.

(i) Seller shall execute and deliver to the Title Company such affidavits with respect to the Property as the Title Company shall require in order to delete from its title insurance policies those of the so-called "standard exceptions" that are removable by affidavit and Seller shall deliver to the Title Company documents evidencing its existence, authority and good standing as required by the Title Company.

(j) Seller shall execute and deliver to Buyer a non-foreign person affidavit or a qualifying statement sufficient in form and substance to relieve Buyer of any and all obligation to deduct, withhold or pay any amount of tax pursuant to Section 1445 of the Internal Revenue Code of 1986, as amended ("Code").

(k) Seller shall cause the Title Company to provide Buyer with the proforma or marked-up Title Commitment as required under this Agreement.

(l) [Intentionally Deleted].

(m) Seller shall deliver to Buyer exclusive possession of the Property in the condition existing on the date of this Agreement (subject to normal wear and tear), subject to the rights of no persons whatsoever except Buyer and any tenants under leases assigned to Buyer.

(n) Buyer and Seller shall execute and deliver to each other such other documents as are contemplated to be executed and/or delivered pursuant to the provisions of this Agreement, or as reasonably requested by the other party hereto.

3. Representations and Warranties of Shareholders.

(a) Each Shareholder, severally and not jointly, represents and warrants to Buyer as to itself only, as of the date of this Agreement and as of the Closing Date, as follows:

(i) Authority. Each Shareholder has full power, right and authority to enter into and perform such Shareholder's obligations under this Agreement and each of the related transaction documents to which such Shareholder is a party. This Agreement and each of the related transaction documents to which such Shareholder is a party has been duly executed and delivered by such Shareholder, and, assuming due and valid authorization, execution and delivery hereof and thereof by the other parties hereto and thereto, constitute the valid and legally binding obligation of such Shareholder and are enforceable against such Shareholder in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) (the "Bankruptcy and Equity Exception").

(ii) Noncontravention. The execution, delivery and performance by each Shareholder of this Agreement and the related transaction documents to which such Shareholder is a party and the consummation of the transactions contemplated hereby or thereby will not, or would not: (a) violate or conflict with or result in a breach of or default under any provision of any law, statute, rule, regulation, order, permit, by law, enactment, ordinance, directive, judgment, injunction, decree or other decision of any Governmental Authority (each a "Law" and, collectively, "Laws"), in each case applicable to such Shareholder; (b) constitute (with or without due notice or lapse of time or both) a default under or an event which would give rise to any right of notice, modification, acceleration payment or cancellation under or permit any party to terminate under any material contract, agreement, indenture, mortgage, note, bond, license or other instrument or obligation of such Shareholder or by which the assets of such Shareholder may be bound or subject; (c) result in the creation or imposition of any Lien upon any of the Property; or (d) require any material authorization, consent, order, approval, filing, registration, exemption or other action by, or notice to, any court, arbitral body, administrative or governmental body, department, commission, board, agency or instrumentality, legislative, executive or regulatory authority or agency (whether foreign or domestic) (each, a "Governmental Authority") or other Person.

(iii) Litigation. There is no claim, action, cause of action or suit (whether in contract, tort, eminent domain, or otherwise), litigation (whether at law or in equity, whether civil or criminal), controversy, assessment, grievance, arbitration, investigation, hearing, charge, complaint, demand, notice, audit, inquiry, notice of violation, order, or other proceeding (each a "Proceeding" and, collectively "Proceedings") pending or, to each Shareholder's knowledge, threatened against or affecting such Shareholder in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with the transactions contemplated hereby.

(iv) Broker Fees. Neither Shareholder has employed any broker, finder or agent or has incurred or will incur any obligation or Liability to any broker, finder or agent with respect to the transactions contemplated by this Agreement or otherwise, and all fees and expenses and other obligations payable in connection with or as a result of such agreements will be paid by Shareholders and Seller, and Buyer will have no obligations in respect thereof.

4. Representations and Warranties of Seller.

(a) Seller and the Shareholders, jointly and severally, represent and warrant to Buyer, as of the date of this Agreement and as of the Closing Date, as follows:

(i) Authority. Seller has full power, right and authority to enter into and perform its obligations under this Agreement and each of the Transaction Documents to which it is a party. This Agreement and each of the Transaction Documents to which Seller is a party has been duly executed and delivered by Seller, and, assuming due and valid authorization, execution and delivery hereof and thereof by the other parties hereto and thereto, constitute the valid and legally binding obligation of Seller and are enforceable against Seller in accordance with their respective terms, except as may be limited by the Bankruptcy and Equity Exception.

(ii) Organization and Qualification of the Seller. Seller is a limited liability company duly incorporated, validly existing and in good standing under the laws of the State of Kentucky. Seller has full corporate power and authority to carry on its business as now being conducted and as currently proposed to be conducted and to own, lease or otherwise hold the Property and such other properties and assets it now owns, leases or otherwise holds. Seller is duly qualified or licensed to do business and is in good standing as a foreign corporation in the State of Illinois and in the State of Kentucky, and in no other states. Seller has no Subsidiaries. Complete and correct copies of the Charter Documents of Seller and all amendments thereto to date, certified (as applicable) by the Secretary of State of Kentucky have been delivered to Buyer and will not be modified or amended prior to the Closing.

(iii) Noncontravention. The execution, delivery and performance by Seller of this Agreement and the other transaction documents to which Seller is a party and the consummation of the transactions contemplated hereby or thereby will not, or would not: (A) violate or conflict with or result in a breach of or default under any Law, in each case applicable to Seller; (B) constitute (with or without due notice or lapse of time or both) a default under or an event which would give rise to any right of notice, modification, acceleration payment or cancellation under or permit any party to terminate under any material contract, agreement, indenture, mortgage, note, bond, license or other instrument or obligation of Seller or by which the Property may be bound or subject; (C) result in the creation or imposition of any Lien upon the Property; or (D) require any material authorization, consent, order, approval, filing, registration, exemption or other action by, or notice to, any Governmental Authority or other Person.

(iv) Title to Property.

(A) Seller has and will have at the Closing, good and marketable indefeasible fee simple title to the Property, which title, at Closing, shall be free and clear of all Liens, except Permitted Exceptions. Except for the lease granting the right to grow corn and soybeans on approximately 40 acres of the Property, the terms of which have been disclosed to Buyer and which lease expires prior to January 1, 2020 and which is not subject to renewal without Seller's consent, neither Seller nor any Seller Party has leased or otherwise granted to any Person (other than a Seller Party) the right to use or occupy the Property or any portion thereof and as of the Closing Date, there will exist no possessory interests in the Property except for the fee simple interest of Buyer in the Property and any other interests granted solely by Buyer. Other than the right of Buyer pursuant to this Agreement, there are no outstanding

options, rights of first offer or rights of first refusal to purchase the Property or any portion thereof or interest therein.

(B) To the extent any of the Property consists of Personal Property, Seller has good and valid title to, a valid leasehold interest in, or a valid license to use all such Personal Property. Such Personal Property is operated in conformity with all applicable Laws and regulations, is structurally sound (in the case of the buildings and improvements), is in good condition and repair, except for reasonable wear and tear, and is usable in the ordinary course of business.

(v) Compliance with Applicable Laws. Except as set forth on Schedule 4(a)(v), Seller and each Seller Party that occupies or uses the Property, and the Property is and has been in material compliance with all Laws (including Environmental Laws) applicable to it or the operation, use, occupancy or ownership of the Property or conduct of the Business at the Property, and Seller nor any Seller Party that occupies or uses the Property has received written notice (and to Seller's Knowledge, any oral notice) from any Governmental Authority regarding any failure to so comply. Seller nor any Seller Party has (i) been subject to any adverse inspection, finding, investigation, penalty assessment, audit or other compliance or enforcement action or (ii) made any bribes, kickback payments or similar payments of cash or other consideration or paid any remuneration, in cash or in kind, in violation of 42 U.S.C. § 1320a-7b(b) or similar provisions of applicable Law, that is capable of forming the basis of criminal prosecution of, or civil action against, the Seller or a Seller Party.

(vi) Tax Matters. The tax parcel numbers that are assigned to the Land and Improvements do not affect or include any other land or improvements and there are not any pending appeals for the reduction or relief from the payment of any real estate taxes. Neither Seller, nor any Seller Party has received any notice and or has any knowledge of (i) any special assessments affecting the Property; (ii) any tax deficiency, lien or assessment against the Property, in each case, which has not been paid or the payment for which adequate provision has not been made; (iii) any violations of Laws with respect to the Property; (iv) any condemnations or imminent domain proceedings; (v) any pending zoning or subdivision changes that would affect the Property. Seller is not a "foreign person" as defined in Section 1445 of the Code.

(vii) Service Contracts. Schedule 4(a)(vii) sets forth all leases and contracts for management, maintenance or other services to the Property ("Service Contracts"), and there are no other agreements, oral or written, relating to, affecting or binding on the Property or any part thereof (or Buyer as the new owner thereof).

(viii) Property Improvements. With respect to the Property: (A) All Improvements are in good condition and repair (normal wear and tear excepted) and are sufficient for the conduct of the business of Seller and the Seller Parties on the Property, (B) There are no structural deficiencies or latent defects affecting any of the Improvements and there are no facts or conditions affecting any of the Improvements which would, individually or in the aggregate, interfere in with the use or occupancy of the Improvements, or any portion thereof in the operation by Seller or any Seller Party on the Property or the Business on the Property, (C) The Property and Improvements and Seller's and each Seller Party's use thereof conform to all applicable building, zoning and other Laws and (D) There is no pending or threatened

condemnation or other Proceeding affecting any portion of the Property or any of Seller's or Seller Party's use thereof.

(ix) Litigation. Except as set forth on Schedule 4(a)(ix), there is no Proceeding pending or, to Seller's Knowledge, threatened against Seller or the Property or Seller's or any Seller's Party's use thereof (or to Seller's Knowledge, pending or threatened against any of the officers, managers, directors or key employees of Seller with respect to the Property), or to which Seller is otherwise a party. Seller is not subject to, and the Property is not bound by, any judgment, order or decree of any court or Governmental Authority. Seller is not currently engaged in any Proceeding to recover monies due it or for damages sustained by it with respect to the Property. Schedule 4(a)(ix) sets forth a list of all closed litigation matters relating to the Property (including predecessors) during the three (3) years preceding the date hereof, the date such litigation was commenced or concluded, and the nature of the resolution thereof (including amounts paid in settlement or judgment).

(x) Licenses and Permits. Seller owns, holds, possesses or lawfully uses all the permits, licenses, registrations, authorizations, industry certifications, consents, certificates, orders, franchises, variances and approvals of Governmental Authorities or other Persons and other Intangibles necessary for the ownership, use, occupancy or operation of the Property, all of which are identified on Schedule 4(a)(x) (collectively, the "Permits"). Seller is in compliance with all such Permits, all of which are in full force and effect, and Seller has not received any written notices (or to Seller's Knowledge, any oral notice) to the contrary. Neither the execution, delivery nor performance of this Agreement, nor the consummation of the transactions contemplated hereby, will result in the loss or impairment of, or require the consent of any other Person in respect of Buyer's right to take transfer of such Permits.

(xi) Health, Safety and Environment. Except as set forth on Schedule 4(a)(xi) and as otherwise set forth in Section 6(l) below:

(A) Seller has complied and is in compliance with all Environmental Laws.

(B) Seller has not received any written notice, report, order, directive or other information regarding any actual or alleged violation of Environmental Laws, or any Liabilities, including any investigatory, remedial or corrective obligations, relating to Seller, any Seller Party, the Property arising under Environmental Laws.

(C) None of the following exists at the Property: (1) underground storage tanks, (2) asbestos containing material in any form or condition, (3) materials or equipment containing polychlorinated biphenyls, (4) landfills, surface impoundments, or disposal areas, or (5) groundwater monitoring wells, potable drinkable water wells, petroleum wells or production water wells.

(D) Neither Seller nor its Affiliates, or any predecessor owner of the Property, has treated, stored, disposed of, arranged for or permitted the disposal of, transported, handled, manufactured, distributed, released or exposed any Person to any substance, including any hazardous substance, at, under, on or from the Property, or any parcel of land adjacent to the Property, in a manner that has given or could give rise to any current or future Liabilities (including any Liability for response costs, corrective action costs, personal injury, property damage, natural resources damages or attorney fees, or any investigatory, corrective or remedial obligations) pursuant to any Environmental Laws.

(E) No third party has used the Property for the purpose of treating, generating, manufacturing, producing, storing, handling, treating, transferring, releasing, processing or transporting any petroleum, hazardous waste or hazardous substance and/or toxic waste or toxic substance, as such terms are defined in RCRA, CERCLA, the Superfund Amendments and Reauthorization Act, Public Law 99 499 as amended, or any other federal, state or local environmental law, regulation, code or ordinance.

(F) Neither Seller nor any Seller Party, has received any written or oral notice, claim, report, order, directive, or other information regarding any actual or alleged violation of Environmental Laws, or any Liability, including any investigatory, remedial or corrective obligation, arising under Environmental Laws and relating to the Property.

(G) Neither this Agreement nor the consummation of the transactions contemplated hereby will result in any obligations for site investigation or cleanup, or notification to or consent of Governmental Authorities or third parties, pursuant to any of the so called "transaction triggered" or "responsible property transfer" Environmental Laws.

(H) Seller has not, either expressly or by operation of law, assumed, undertaken, or provided an indemnity with respect to any Liability (including any investigative, corrective or remedial obligation) of any other Person relating to Environmental Laws.

(I) Seller has furnished to Buyer all environmental audits, reports and other environmental documents materially bearing on environmental, health or safety matters relating to the Property, which is in its possession, custody or control.

(J) No work has taken place on the Property in the last one hundred twenty (120) days that would create in any party a right to a lien against any of the Property, except for such work that has been fully paid for by Seller and for which Seller will obtain lien waivers and affidavits if requested by the Title Company.

(xii) Employees. Seller has no employees and never has had any employees.

(xiii) Broker Fees. Seller has not employed any broker, finder or agent or has incurred or will incur any obligation or Liability to any broker, finder or agent with respect to the transactions contemplated by this Agreement or otherwise, and all fees and expenses and other obligations payable in connection with or as a result of such agreements will be paid by Seller, and Buyer will have no obligations in respect thereof.

5 . **Representations and Warranties of Buyer.** Except as set forth in any Buyer disclosure schedules attached to this Agreement, Buyer hereby represents and warrants to Seller, as of the date of this Agreement and as of the Closing Date, as follows

(a) Organization. Buyer is a corporation organized, validly existing and in good standing under the laws of the State of Delaware. Buyer has all requisite corporate power and authority to own, operate and lease its properties and carry on its businesses as now conducted. Buyer is duly licensed and qualified to do business in and is in good standing under the laws of each jurisdiction where the failure to do so would have a Buyer Material Adverse Effect.

(b) Authorization. Buyer has the full corporate power, right and authority to enter into and perform its obligations under this Agreement and each of the related transaction documents to which it is a party. The execution, delivery and performance of this Agreement and each of the related transaction documents to which Buyer is a party have been duly and properly authorized by Buyer by all requisite action in accordance with applicable law and with the Charter Documents of Buyer. This Agreement and each of the related transaction documents to which Buyer is a party have been duly executed and delivered by Buyer and, assuming due and valid authorization, execution and delivery hereof and thereof by the other parties thereto, constitute the valid and legally binding obligation of Buyer and are enforceable against Buyer in accordance with their respective terms, except as may be limited by the Bankruptcy and Equity Exception.

(c) Noncontravention. The execution, delivery and performance by Buyer of this Agreement and the related transaction documents to which it is a party and the consummation of the transactions contemplated hereby or thereby will not: (a) except with respect to federal Laws related to cannabis, violate or conflict with or result in a breach of or default under any provision of any Laws; (b) constitute a default under the Charter Documents of Buyer; (c) constitute a default or an event which would permit any party to terminate, or accelerate the maturity of any indebtedness or other obligation under, any material contract, agreement, indenture, mortgage, note, bond, license or other instrument to which Buyer is a party or by which Buyer, or Buyer's properties, are bound or subject; or (d) except for the Requisite Approval (as defined in the Merger Agreement), such authorizations and filings as may be required under the HSR Act and other antitrust laws applicable to the transactions contemplated by this Agreement and the Merger Agreement and such authorizations, exemptions, filings and other actions required under the Merger Agreement pursuant to applicable securities laws, require any material authorization, consent, order, approval, filing, registration, exemption or other action by, or notice to, any Governmental Authority or other Person, except in the case clauses (a), (b) or (c), other than such violations, conflicts, breaches, defaults or rights to terminate or accelerate that individually or in the aggregate would not reasonably be expected to have a Buyer Material Adverse Effect.

6. Covenants.

(a) Evidence of Title.

(i) Buyer may obtain a commitment for a policy of title insurance ("Title Commitment") in the amount of the Purchase Price, issued by the Title Company. At the Closing, Seller shall, in accordance with the allocation of costs set forth in Section 6(h) below, cause the Title Company to deliver to Buyer a proforma or marked-up copy of the Title Commitment identifying Buyer as the owner of the Property, with those of the so called

“standard exceptions,” which can be deleted by affidavit of Seller, and/or evidence of payment by Seller for “standard exceptions” relating to monetary obligations and/or delivery of a recent Survey to the Title Company, deleted, and subject only to Permitted Exceptions.

(b) Notices and Consents

(i) Seller shall give all required notices to third parties and use commercially reasonable efforts to obtain all required third party consents in connection with the matters contemplated by this Agreement.

(ii) Each of the parties hereto shall give any notices to, make any filings with, and use commercially reasonable efforts to obtain any authorizations, consents and approvals of all Governmental Authorities in connection with the transactions contemplated by this Agreement.

(c) Conduct of Seller. Except as required by Law or as otherwise expressly permitted or specifically contemplated by this Agreement, Seller and Shareholders covenant and agree to, and to cause any Seller Party occupying, using or operating the Property to, during the period from the date of this Agreement until the earlier of either the Closing Date or the time that this Agreement is terminated by its terms, unless the other party shall otherwise agree in writing, conduct its business involving the Property in the usual and ordinary course of business.

(i) Without limiting the generality of the foregoing: Seller shall (and cause such Seller Parties to) (A) not transfer the Property or any portion thereof or create on the Property or any portion thereof any easements, liens, mortgages, encumbrances or other interests; (B) not enter into any agreements relating to the Property without Buyer’s written approval, at Buyer’s sole discretion; (C) in the ordinary course and consistent with past practice, continue to maintain and repair the Property in at least the manner which it has previously maintained and repaired the Property; (D) keep in effect the existing policies of public liability and hazard and extended coverage insurance insuring the Property; (E) comply in all material respects with all Laws or municipal ordinances, regulations, orders or requirements affecting the Property; (F) pay as agreed any amounts owing or due and payable to any holder of a mortgage or deed of trust encumbering all or any part of the Property; (G) pay all taxes, assessments, and utility charges (including all water and sewer service charges, and charges for gas, electric, telephone, data, and all other public utilities) with respect to the Property; and (H) not do anything to cause a change in the title to the Property except to cure title defects as permitted under this Agreement.

(d) Access. From the date hereof through Closing: Buyer and its agents, engineers, surveyors, appraisers, auditors and other representatives (collectively, “Buyer’s Representatives”) shall have the right to enter upon the Property to inspect, examine, survey, obtain engineering inspections and environmental studies, appraise and otherwise do that which, in the opinion of Buyer, is necessary to determine the boundaries, acreage and condition of the Property and the suitability of the Property for the uses intended by Buyer (including, without limitation, inspect, review and copy any and all documents in the possession or control of Seller, its agents, contractors or employees, and which pertain to the construction, ownership, use, occupancy or operation of the Property or any part thereof), and to apply for and attempt to

obtain any entitlements, governmental approvals, permits or economic development incentives desired by Buyer to develop the Property as Buyer sees fit in its sole discretion. Without limiting the foregoing, Seller shall provide to Buyer copies of existing environmental reports including Phase I and/or Phase II environmental studies; copies of existing geotechnical reports and soil testing reports and analyses in the possession of Seller with respect to the Property and the operations thereon and also permit Buyer and Buyer's Representatives to conduct environmental due diligence of the Property (including but not limited to a Phase I environmental study)(such historical reports and new reports obtained by Buyer, collectively, the "Environmental Assessment Reports").

(e) Notices; Update to Schedules.

(i) From the date of this Agreement until the Closing, promptly after it obtains Knowledge thereof (other than from Buyer), but in all events prior to Closing, Seller and the Shareholders will, and will cause any other Seller Party occupying, using or operating at the Property to, promptly deliver notice to Buyer of: (i) any Proceeding commenced or threatened of the type described in Section 7 below, (ii) any fact, circumstance, event, action or condition the existence, occurrence or taking of which (A) has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (B) has resulted in, or could reasonably be expected to result in, any representation or warranty made by Seller or Shareholders hereunder not being true and correct, (C) has resulted in, or could reasonably be expected to result in, the failure of any of the conditions set forth in Section 7 to be satisfied, or (D) has resulted in, or could reasonably be expected to result in, the failure by Seller or the Shareholders to perform any of their covenants or agreements hereunder; (iii) any notice or other communication from any Governmental Authority relating to the Property or transactions contemplated by this Agreement; (iv) any fact, circumstance, event, action or condition that has occurred since the date hereof, or that was not Known by Seller or any Seller Party (or that existed as of the date hereof but was not made known to Buyer) prior to the date hereof, that adversely affects the soil bearing capacity, subsoil, wetlands, woodland and environmental condition of the Property or any other aspect of the physical condition of the Property and the Improvements or the current use by Seller and Seller Parties ("New Physical Condition Issue"); and (v) any actual or alleged violation of or non-compliance with applicable Law (including Environmental Laws) and/or applicable building, zoning and other related Laws with respect to the Property or Improvements that has occurred since the date hereof or that was not Known by Seller or any Seller Party (or that existed as of the date hereof but was not made known to Buyer) prior to the date hereof ("New Legal Compliance Issue"). Delivery of any such notice to Buyer shall have no effect on the rights and obligations of the parties hereunder.

(ii) If any event, condition, fact or circumstance that is required to be disclosed pursuant to clause (i) above requires any change in any Schedule to this Agreement, or if any such event, condition, fact or circumstance would require such a change assuming the Schedule were dated as of the date of the occurrence, existence or discovery of such event, condition, fact or circumstance, then Seller shall promptly deliver to the Buyer an update to the Schedules specifying such change, which update shall be deemed to have been provided for informational purposes only and shall not be deemed to supplement or amend the Schedules for purposes of determining the accuracy of any of the representations and warranties contained in this Agreement or determining whether any of the conditions of Section 7 has been satisfied,

unless Buyer has consented in writing to such supplement or amendment, which consent shall not be unreasonably withheld, delayed or conditioned.

(f) Exclusivity. None of the Seller nor the Shareholders shall (and the Seller and the Shareholders shall cause their respective Affiliates, officers, directors, managers, employees, agents, consultants, financial advisors, accountants, legal counsel and other representatives not to), directly or indirectly, (a) submit, solicit, initiate, encourage or discuss any proposal or offer from any Person (other than Buyer and its Affiliates in connection with the transactions contemplated hereby) or enter into any agreement or accept any offer relating to or consummate any (i) reorganization, liquidation, dissolution or recapitalization of Seller, (ii) merger or consolidation involving Seller, (iii) purchase or sale of the Property or any assets or Equity Interests (or any rights to acquire, or securities convertible into or exchangeable for, any such Equity Interests) of Seller, or (iv) similar transaction or business combination involving Seller or the Property (each of the foregoing transactions described in clauses (i) through (iv), a “Seller Transaction”) or (b) furnish any information with respect to, assist or participate in or facilitate in any other manner any effort or attempt by any Person (other than Buyer and its Affiliates) to do or seek to do any of the foregoing. The Seller and the Shareholders agree to notify Buyer immediately if any Person after the date hereof makes any proposal, offer, inquiry or contact with respect to a Seller Transaction.

(g) Taxes, Rents and Utilities. At Closing, real property taxes and assessments will be prorated in accordance with the local custom, as if paid in arrears, with Seller being responsible for the period up to and including June 30, 2019, and Buyer being responsible for July 1, 2019 and thereafter. All real estate taxes and assessments due and payable prior to Closing shall be paid by Seller. With respect to real estate taxes and assessments not yet due and payable as of the Closing, Buyer shall be responsible for the portion thereof allocable to the period on and after July 1, 2019 and Seller shall be responsible for the portion thereof allocable to the period up to June 30, 2019, and such amounts which are the responsibility of Seller shall be credited to Buyer against the Purchase Price at Closing. If the actual assessed value or tax rate for any real estate taxes are not known on the date of Closing, the taxes shall be prorated and credited to Buyer on a per diem basis using 110% of the last ascertainable taxes. All rents and fees from counterparties under any agreements affecting the Property, all utilities and other apportionable income and expenses paid or payable by Seller shall be apportioned pro rata on a per diem basis as of the date of Closing with Seller being responsible for such amounts up to and including June 30, 2019 and Buyer being responsible for such amounts on July 1, 2019 and thereafter. Seller will use reasonable efforts to cause all private and public utilities, including without limitation water service, serving the Property to issue final bills to Seller on the basis of readings made as of the date of Closing and all such bills relating to periods up to and including June 30, 2019 will be paid by Seller at or prior to Closing. If such utilities cannot, or will not, issue such final bill, then Buyer and Seller shall estimate in good faith such amounts. Seller shall be charged the following amounts at Closing: (i) State, County and local town or village real property transfer taxes and conveyance fees; (ii) one-half (½) of any escrow fee; and (iii) the cost of the title exam and the portion of the cost of the Title Policy equal to the base premium for an owner's policy in the amount of the Purchase Price. Buyer shall be charged the following amounts at Closing: (i) all costs of the Title Policy in excess of the base premium, including the cost of any endorsements to the Title Policy required by Buyer or its lender; (ii) all recording costs; (iii) any financing costs; (iv) the cost of the Survey; and (v) one-half (½) of any

escrow fee. Each party shall pay its own attorneys' fees. Any prorations to which Buyer may be entitled by reason of the foregoing shall be credited against the Purchase Price and shall be shown on the Closing Statement. The provisions of this Section shall survive the Closing.

(h) [Intentionally Deleted].

(i) Condemnation and Damage or Destruction. Until the Closing, all risk of any loss or damage to all or a portion of the Property shall be and remain on Seller. In the event any loss or damage shall occur to the Property prior to the Closing by either fire or other casualty, Buyer may, at its option, elect to either: (a) terminate this Agreement upon written notice to Seller, and in such event neither Seller nor Buyer shall have any further obligation, liability or responsibility to each other under this Agreement, or (b) proceed with the transaction contemplated under this Agreement, in which event Seller will assign to Buyer at the Closing all of its right, title and interest to the proceeds of any insurance covering such loss or damage (including any rent loss/business interruption insurance allocable to the period from and after the Closing), and Buyer shall receive a credit against the Purchase Price at the Closing in the amount of any deductible of such insurance that has not been paid by Seller prior to Closing.

(j) Confidentiality. Seller, Shareholders and Buyer will, prior to the Closing, maintain the confidentiality of this sale and purchase and will not disclose the terms of this Agreement, the existence of this Agreement, of the transactions contemplated herein or any of Seller's materials related to the Property to any third parties whomsoever unless the other party consents in writing. Notwithstanding the foregoing, any such information and the existence of this Agreement may be disclosed to those employees, agents, advisors, consultants, potential lenders, other representatives of Seller and Buyer and Governmental Authorities (but with respect to Governmental Authorities, only in connection with the assignment of consent orders, decrees, permits, authorizations and other consents, or application therefor, required in connection with the transactions contemplated hereby) who need to know such information in connection with the potential acquisition and disposition of the Property without the other party's consent.

(k) Further Assurances. The Seller and Buyer shall execute and deliver such further instruments of conveyance and transfer and take such additional actions as Buyer, on the one hand, or a Seller, on the other hand, may reasonably request to effect, consummate, confirm or evidence the transfer to Buyer of the Property (including with respect to obtaining and maintaining all licenses, permits, authorizations, accreditations and consents necessary or desirable in connection therewith), and such other things necessary, proper or advisable under applicable Law as may reasonably be required to carry out the provisions of this Agreement, the related transactions documents and to consummate the transactions contemplated, and Seller shall execute such documents as may be reasonably necessary to assist Buyer in preserving or perfecting its rights in the Property and its ability to conduct the Business thereon.

(l) Open LUST File. As soon as practicable, but commencing prior to Closing, (i) Seller and Shareholders will take all actions necessary to cause the closure from the Illinois Environmental Protection Agency (or such other governmental authority with jurisdiction) (collectively, "IEPA") of that certain open LUST file (No. 941345) with respect to the previously removed underground storage tanks at the Property (the "LUST Matter"), and will

use their best efforts to obtain such closure within one (1) year of Closing, it being recognized and understood that IEPA closure may be delayed to due to required sampling and analysis that lengthens the IEPA closure timing, or bureaucratic delays which add to or lengthen the IEPA closure timing. Buyer understands, consents and agrees that, notwithstanding the IEPA closure of the LUST Matter, hazardous substances will remain and be present at, in, on, upon, under, beneath and/or migrating to or from the Property, and that the IEPA closure of the LUST Matter, as a consequence of the hazardous substances which remain and are present after the IEPA closure of the LUST Matter, may include conditions such as installation, maintenance and inspection of a cap or cover, as well as a recorded notice or restriction against the title of the Property due to and regarding the continued presence of hazardous substances at, in, on, upon, and/or beneath and migrating to or from the Property after the IEPA closure of the LUST Matter. Seller and the Shareholders have informed Buyer that they do not anticipate needing to conduct further testing or remediation work at the Property after Closing in order to close the LUST Matter pursuant to this clause (l). In the event that Seller and/or the Shareholders do require such access to the Property after Closing, Seller and the Shareholders will execute a customary access and indemnity agreement with Buyer in form reasonably acceptable to Buyer with respect to granting access for such further testing or remediation work to be conducted on the Property for closure of the LUST Matter.

7. Closing Conditions.

(a) The obligation of Buyer to consummate the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions at or prior to the Closing:

(i) Representations and Warranties Condition: Each of the representations and warranties contained in Sections 3 and 4 of this Agreement (i) that is qualified as to or by materiality or Material Adverse Effect shall, subject to such qualification be true and correct in all respects at and as of the Closing as if made anew at such time (except to the extent any such representation and warranty expressly relates to an earlier time or date (in which case it shall be true and correct in all respects as of such earlier time or date)) and (ii) that is not qualified as to or by materiality or Material Adverse Effect shall be true and correct in all material respects at and as of the Closing as if made anew at such time (except to the extent any such representation and warranty expressly relates to an earlier time or date (in which case it shall be true and correct in all material respects as of such earlier time or date)), in each case, without taking into account any disclosures to Buyer pursuant to Section 6(f).

(i i) Covenants Condition: Seller and the Shareholders shall have performed in all material respects all of the covenants and agreements required to be performed by them hereunder prior to the Closing.

(iii) Adverse Claims: No Proceeding shall be pending or to the Seller's Knowledge overtly threatened by or before any Governmental Authority or any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling or charge could reasonably be expected to (i) prevent the performance of this Agreement or the consummation of any of the transactions contemplated hereby or declare unlawful any of the transactions contemplated hereby, (ii) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, (iii) affect adversely the right of Buyer to own or operate the Property,

or (iv) result in any material damages being assessed against Seller or the Property; and no such injunction, judgment, order, decree or ruling shall have been entered or be in effect.

(i v) Material Adverse Effect: Since the date hereof, no fact, event or circumstance has occurred or arisen that, individually or in combination with any other fact, event or circumstance, has had or would reasonably be expected to have a Material Adverse Effect.

(v) Closing Certificate. At the Closing, Seller shall have delivered to Buyer a certificate dated the date of the Closing and signed by Seller, stating that the conditions specified in Section 7(a)(i) and Section 7(a)(ii) have been satisfied as of the Closing.

(vi) Closing Deliveries: Seller shall have delivered the deliverables and consummated the transactions set forth in Section 2.

(vii) Merger: Buyer (or its Affiliate) shall have executed and delivered the Merger Agreement and the closing provided for in such Merger Agreement shall have occurred contemporaneously with the Closing contemplated by this Agreement.

(viii) Environmental Condition: The environmental condition of the Property is acceptable to Buyer, including but not limited to a Phase I environmental study.

(ix) Title Condition: Buyer's satisfaction, in its sole discretion, with the state of title to, and the Survey of, the Property pursuant to Section 6(a), including that all monetary obligation Defects shall be paid in full prior to or simultaneously with Closing.

(x) Buyer Approval: Buyer (and its Affiliate, Red White and Bloom, Inc.) shall have received approval of the transactions contemplated by this Agreement, the Merger Agreement and all of the related transaction documents from the shareholders and applicable governing body of Buyer (and RWB, following consummation of the RTO), if applicable.

(xi) Intercompany Arrangements/Transition Services Agreement: All intercompany/affiliate arrangements providing services, benefits or assets to the Property necessary for the conduct of the Business shall have been addressed in a manner acceptable to Buyer (which may include termination of such arrangements and the direct assignment and transfer of such rights, interests and/or assets to Buyer pursuant to the Pre-Closing Restructuring Transactions (as defined in the Merger Agreement) or the provision of transition services to Buyer after Closing).

(xii) Specified Indebtedness. The Specified Indebtedness (as defined in the Merger Agreement) shall have been refinanced or assumed to the satisfaction of Buyer (as contemplated by the Merger Agreement), including receipt of a payoff and lien release from the holder of such Specified Indebtedness with respect to any Liens affecting the Property.

(xiii) Liens. Seller shall have delivered terminations, pay-offs and/or releases, or, at Buyer's option, assignments, necessary to terminate, release or assign, as the case may be, all Liens on the Property, other than the Permitted Exceptions, satisfactory to Buyer.

(b) The obligation of Seller and the Shareholders to consummate the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions at or prior to the Closing:

(i) Representations and Warranties Condition: Each of the representations and warranties contained in Section 5 hereof shall be true and correct in all material respects at and as of the Closing as if made anew at such time (except to the extent any such representation and warranty expressly relates to an earlier time or date (in which case it shall be true and correct in all material respects as of such earlier time or date)), without taking into account any disclosures to Seller pursuant to Section 6(f).

(ii) Covenants Condition: Buyer shall have performed in all material respects all the covenants and agreements required to be performed by it hereunder prior to the Closing.

(iii) Adverse Claims: No Proceeding shall be pending before any Governmental Authority or any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling or charge could reasonably be expected to (i) prevent the performance of this Agreement or the consummation of any of the transactions contemplated hereby or declare unlawful any of the transactions contemplated hereby or (ii) cause any of the transactions contemplated by this Agreement to be rescinded following consummation; and no such injunction, judgment, order, decree or ruling shall be in effect.

(iv) Closing Certificate: At the Closing, Buyer shall have delivered to Seller a certificate dated the date of the Closing and signed by an authorized officer of Buyer, stating that the conditions specified in Section 7(b)(i) and Section 7(b)(ii) above have been satisfied.

(v) Merger: The closing provided for in the Merger Agreement shall have occurred contemporaneously with the Closing contemplated by this Agreement.

(vi) Closing Deliveries: Buyer shall have delivered the deliverables and consummated the transactions set forth in Section 2.

(c) Mutual Conditions to the Parties' Obligations. The obligation of the parties to consummate the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions at or prior to the Closing:

(i) Governmental and Other Approval Condition: Receipt of all governmental and regulatory consents, approvals, licenses and authorizations (including, from the State of Delaware, the State of Illinois, or any municipalities and expiration of any applicable waiting periods) that are necessary for (i) the consummation of the transactions contemplated at the Closing hereby and (ii) Buyer to own and operate the Property following the Closing as proposed to be conducted (including, the right to use any Permits), in each case, in form and substance satisfactory to Buyer.

Any condition specified in this clause (c) may be waived if such waiver is set forth in a writing duly executed by Buyer, Seller and Shareholders.

8. **Termination.** This Agreement may be terminated at any time prior to the Closing only as follows:

(a) By the mutual written consent of Buyer, on the one hand, and Seller, on the other hand;

(b) By Buyer if (i) at any time any of the representations or warranties of the Seller or Shareholders in this Agreement becomes untrue or inaccurate such that the condition set forth in Section 7(a)(a) would not be satisfied (treating such time as if it were the Closing for purposes of applying this Section 8(b)) or (ii) there has been a breach on the part of Seller or the Shareholders of any of their covenants or agreements contained in this Agreement such that the condition set forth in Section 7(a)(ii) would not be satisfied (treating such time as if it were the Closing for purposes of applying this Section 8(b)), and, in the case of any covenant breach, such breach (if curable) has not been cured within fifteen (15) days after delivery of notice thereof by Buyer to Seller; or (iii) a condition set forth in Section 7(a) is not, or becomes incapable of being, satisfied; or

(c) By Seller and Shareholders if (i) at any time any of the representations or warranties of Buyer in this Agreement becomes untrue or inaccurate such that the condition set forth in Section 7(b)(i) would not be satisfied (treating such time as if it were the Closing for purposes of applying this Section 8(c)) or (ii) there has been a breach on the part of Buyer of any of its covenants or agreements contained in this Agreement such that the condition set forth in Section 7(b)(ii) would not be satisfied (treating such time as if it were the Closing for purposes of applying this Section 8(c)), and, in the case of any covenant breach, such breach (if curable) has not been cured within fifteen (15) days after delivery of notice thereof by Seller to Buyer; or (iii) a condition set forth in Section 7(b) is not, or becomes incapable of being, satisfied; or

(d) As otherwise expressly set forth in any other provision in this Agreement.

9. **Effect of Termination.** In the event of termination of this Agreement as provided above, this Agreement shall immediately terminate and have no further force and effect, except that (a) Section 6(k), this Section 9 and Sections 13-30 shall survive such termination indefinitely and (b) nothing in Section 8 or this Section 9 shall be deemed to release any party from any Liability for any breach by such party of the terms and provisions of this Agreement. In the event of the Merger Agreement is terminated in accordance with its terms, the parties agree that this Agreement shall automatically terminate concurrently therewith without any further action by either party.

10. **Indemnification.**

(a) Indemnification by the Seller and Shareholders. Subject to the limitations and conditions contained in this Section 10, Seller and the Shareholders agree to jointly and severally indemnify, defend and hold harmless Buyer and its respective Affiliates and each of their respective officers, directors, employees, agents, and representatives (each, a “Buyer Indemnified Party”), from and against, and to promptly pay to a Buyer Indemnified Party or reimburse a Buyer Indemnified Party for, any and all Liabilities (whether contingent, fixed or unfixed, liquidated or unliquidated, or otherwise), obligations, diminution in value, deficiencies,

demands, claims, suits, actions, causes of action, assessments, losses, costs, expenses, interest, fines, penalties, damages or costs, or expenses of any and all investigations, proceedings, judgments, environmental analyses, remediations, settlements and compromises (including, without limitation, reasonable fees and expenses of attorneys, accountants and other experts) (individually, a “Loss” and collectively, the “Losses”) sustained or incurred by any Buyer Indemnified Party relating to, resulting from or arising out of any of the following:

(i) any inaccuracy in or breach of a representation or warranty made herein or in the related transaction documents by Seller or a Shareholder;

(ii) any non-compliance with or breach by Seller or a Shareholder of any of the covenants or agreements contained in this Agreement or the related transaction documents to be performed by such party, including, but not limited to, such covenants and agreements set forth in Section 10 hereunder;

(iii) all Taxes (i) imposed on Seller or Shareholders, (ii) relating to the Property for any pre-Closing Tax period; or (iii) of any Person (including any Liability for Taxes of Seller or Shareholders) imposed on Buyer as a transferee or successor, by Contract or pursuant to Law, which Taxes relate to an event or transaction occurring before the Closing;

(iv) any Indebtedness of Seller or Shareholders (excluding the assumption/refinancing of the Specified Indebtedness as contemplated herein);

(v) any Seller Transaction Expenses;

(vi) any Excluded Liabilities;

(vii) any of the items set forth on Schedule 10(a)(vii); and

(viii) any environmental conditions at, under or on the Property existing prior to Closing regardless of whether such conditions are actually discovered prior to the Closing (“Environmental Conditions”); provided, however, this subparagraph (h) shall not apply to any such condition discovered through laboratory analysis of environmental media (soil or groundwater) sampling conducted by or on behalf of a Buyer Indemnified Party after the Closing, except to the extent such sampling was either (A) required by a Governmental Authority pursuant to Law, (B) conducted as part of an investigation of the 10,000 gallon underground storage tank or the 12,000 gallon underground storage tank, in the event either such tank has failed any mechanical or physical testing of the integrity of the UST system, including, but not limited to, hydrostatic testing or European suction testing (and such failure is not due to Buyer’s negligence or willful misconduct) or (C) conducted as part of and to advance the IEPA closure of the LUST Matter in the event Buyer reasonably determines that Seller has failed and/or refused to diligently pursue IEPA closure of the LUST Matter (the “Environmental Indemnity”). Except for the specific indemnities set forth on Schedule 10(a)(vii), this Environmental Indemnity shall be Seller’s and Shareholders’ exclusive indemnification obligation to Buyer Indemnified Parties with respect to Environmental Conditions

(b) Indemnification by Buyer. Subject to the limitations and conditions contained in this Section 10, Buyer agrees to indemnify, defend and hold harmless the Seller and

the Shareholders, and each of their respective officers, directors, employees, agents, representatives, successors and assigns (each, a “Seller Indemnified Party”) harmless from and against, and to promptly pay to a Seller Indemnified Party or reimburse a Seller Indemnified Party for, any and all Losses sustained or incurred by a Seller Indemnified Party relating to, resulting from or arising out of any non-compliance with or breach by Buyer of any of the covenants or agreements contained in this Agreement or the Transaction Documents to be performed by Buyer, including, but not limited to, such covenants and agreements set forth in Section 10 hereunder.

(c) Indemnification Procedure. The indemnification procedures set forth in Section 10.3, 10.4 and 10.5 of the Merger Agreement are hereby incorporated by reference into this Agreement and shall fully apply to this Agreement.

(d) Survival. All representations and warranties contained in Sections 3, 4 and 5 shall survive the Closing for a period ending eighteen (18) months from the Closing Date, except that: (i) the representations and warranties set forth in Sections 3(a)(i) (Authority), 3(a)(ii) (Noncontravention), 3(a)(iv) (Broker Fees) and Sections 4(a)(i) (Authority), 4(a)(ii) (Organization and Qualification of Seller), 4(a)(iii) (Noncontravention), 4(a)(iv) (Title to Property), 4(a)(vi) (Tax Matters), 4(a)(xiii) (Broker Fees), 5(a) (Authority) and 5(b) (Authorization) (collectively, the “Fundamental Representations”), shall survive the Closing for the maximum period permitted by Law (including Del. C. 8106(c)) and (ii) all representations or warranties in Sections 3, 4 and 5 shall survive beyond the applicable period with respect to any inaccuracy therein or breach thereof, provided notice of which shall have been duly given within such applicable period in accordance with Section 10 hereof. Notwithstanding the foregoing, except as otherwise expressly provided herein, the covenants and agreements of the Seller, Shareholders and Buyer contained herein shall survive the Closing for the periods set forth therein or, if no such period is set forth, for the maximum period permitted by Law (including Del. C. 8106(c)). For the avoidance of doubt, Seller’s and Shareholders’ indemnification obligations under Section 10(a)(vi) (Excluded Liabilities) shall survive Closing for a period ending eighteen (18) months from the Closing Date and Seller’s and Shareholders’ indemnification obligations under Section 10(a)(viii) (Environmental Conditions) shall survive the Closing for a period of thirty-six (36) months from the Closing Date. Any claims asserted in writing by notice from a Buyer Indemnified Party prior to the expiration date of a survival period shall not thereafter be barred by the expiration of the relevant survival period and such claims shall survive until finally resolved.

(e) Certain Limitations and Exceptions. Notwithstanding the foregoing:

(i) The Buyer Indemnified Parties shall not be entitled to recover under the provisions of this Section 10 for any inaccuracy in or breach of a representation or warranty pursuant to Sections 10(a)(i), until the aggregate amount which all Buyer Indemnified Parties would be entitled to recover on account thereof, but for this Section 10(e)(i), exceeds \$500,000 in the aggregate (when combined with such amounts the buyer indemnified parties under the Merger Agreement would be entitled to recover pursuant to Section 10.1(a) of the Merger Agreement) (the “Basket”), in which event the Buyer Indemnified Parties shall be entitled to recover for all such Losses (and not merely the portion of the Losses exceeding the Basket); provided however, that the Basket shall not apply to (A) recovery for an inaccuracy in

or breach of any Fundamental Representation; (B) recovery for any amounts in connection with any action or claim based upon Fraud; or (C) any claims pursuant to Sections 10(a)(ii) through (viii).

(ii) The Buyer Indemnified Parties shall not be entitled to recover Losses under the provisions of this Section 10 for inaccuracy in or breach of a representation or warranty pursuant to Sections 10(a)(i) (when combined with such indemnification amounts paid by the sellers under the Merger Agreement pursuant to Section 10.1(a) of the Merger Agreement) in excess of the Cap; provided however, that the Cap shall not apply to (A) recovery for an inaccuracy in or breach of any Fundamental Representation; (B) recovery for any amounts in connection with any action or claim based upon Fraud; or (C) any claims pursuant to Sections 10(a)(ii) through (viii).

(iii) The Buyer Indemnified Parties shall not be entitled to recover Losses under the provisions of this Section 10 for Environmental Conditions pursuant to Section 10(a)(viii) and the specific environmental indemnity on Schedule 10(a)(vii) (when combined with such indemnification amounts paid by the sellers under the Merger Agreement pursuant to Section 10.1(h) and Section 10.1(g) of the Merger Agreement) in excess of \$50,000,000 ("Environmental Cap").

(iv) The Buyer Indemnified Parties shall not be entitled to recover under the provisions of this Section 10 to the extent the Losses relating to the matter were included as a Liability in the calculation of the Final Net Working Capital under the Merger Agreement.

(v) Payments by an Indemnifying Party pursuant to Section 10(a) or 10(b) in respect of any Loss shall be (i) reduced by the amount of any net Tax benefit actually realized by the Indemnified Parties in connection with the Loss and (ii) increased by the amount of any Tax imposed on receipt of such indemnity payment (which for purposes of clarity takes into account any Tax detriment to such Indemnified Party).

(vi) For purposes of determining whether any Loss has occurred, or calculating any Losses arising, directly or indirectly, from or in connection with a breach of a representation, warranty, covenant or agreement, all references to "material," "materiality," "in all material respects," "Material Adverse Effect" or similar phrases or qualifiers contained in such representations and warranties shall be disregarded.

(f) Manner of Payment. The manner of payment set forth in Section 10.8 of the Merger Agreement is hereby incorporated by reference into this Agreement and shall fully apply to this Agreement, *mutatis mutandis*. For the avoidance of doubt, Losses payable to a Buyer Indemnified Party under Section 10 of this Agreement may be satisfied from the Earn-Out Holdback and RWB Stock (and RWB Stock Issuance Right) pursuant to Section 10.8 of the Merger Agreement and any applicable escrow agreements.

(g) Allocation of Indemnification Payments. The parties hereto agree that any indemnification payment pursuant to this Agreement shall, to the extent permitted by applicable law, be treated as an adjustment to the Purchase Price for Tax purposes.

(h) Special Rule for Fraud. Notwithstanding anything herein to the contrary, in no event shall any limit or restriction on any rights or remedies set forth in this Agreement limit or restrict the rights or remedies of any party for the Fraud by any other party or any Affiliate or representative of such other party.

(i) Specific Performance. Seller and Shareholders acknowledge that the Property is unique and recognizes and affirms that in the event of a breach of this Agreement by Seller and/or Shareholders, money damages may be inadequate and Buyer may have no adequate remedy at law. Accordingly, Seller and Shareholders agree that Buyer shall have the right, in addition to any other rights and remedies existing in its favor, to enforce its rights and the obligations of the Seller and Shareholders hereunder not only by an action or actions for damages but also by an action or actions for specific performance, injunctive and/or other equitable relief. If any such action is brought by Buyer to enforce this Agreement, Seller and Shareholders hereby waive the defense that there is an adequate remedy at law.

11. Definitions. For the purposes hereof, the following terms have the meanings set forth below:

(a) "Affiliate" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities or otherwise.

(b) "Buyer Material Adverse Effect" means any event, occurrence, fact, condition or change that is materially adverse to (a) the business, results of operations, condition (financial or otherwise) or assets of the Buyer (or RWB, following consummation of the RTO), or (b) the ability of Buyer (or RWB, following consummation of the RTO) to consummate the transactions contemplated hereby; provided, however, that "Buyer Material Adverse Effect" shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which Buyer (or RWB) operates; (iii) any changes or fluctuations in the price of RWB Stock; (iv) any other changes in financial or securities markets in general; (v) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (vi) any action required or permitted by this Agreement; (vii) any changes in applicable Laws or accounting rules, including GAAP; or (viii) the public announcement, pendency or completion of the transactions contemplated by this Agreement.

(c) "Cap" has such meaning as defined in the Merger Agreement.

(d) "Charter Documents" means any corporate, partnership or limited liability organizational documents, including, but not limited to, Certificates or Articles of Incorporation, By-laws and Certificates of Existence, as applicable.

(a) "Environmental Laws" means, whenever in effect, all federal, state, local and foreign Laws, including statutes, regulations, ordinances, rules, directives, orders, decrees and other provisions or common law having the force or effect of law, and all judicial and administrative orders and determinations that are binding upon Seller or the Property concerning

pollution or protection of the environment, including all those relating to the generation, handling, transportation, treatment, storage, disposal, distribution, labeling, discharge, release, threatened release, control, or cleanup of any hazardous substances. By way of example and not limitation, the term “Environmental Laws” shall include (as may be amended from time to time prior to the Closing Date) the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Clean Water Act, the Safe Drinking Water Act, the Atomic Energy Act, the Oil Pollution Act, the Endangered Species Act, the Safe Drinking Water Act, the Solid Waste Disposal Act, the Emergency Planning and Community Right to Know Act, the Federal Insecticide, Fungicide, and Rodenticide Act, the Clean Air Act and all regulations under such statutes.

(b) “Excluded Liabilities” means all Liabilities relating to, based upon or arising from the Property, that arise, or relate to events or circumstances that occur, on or prior to the Closing regardless of whether such Liabilities are actually discovered or incurred prior to the Closing, but specifically excludes Environmental Conditions.

(c) “Laws” means all statutes, laws, codes, ordinances, regulations, rules, orders, judgments, writs, injunctions, acts or decrees of any Governmental Authority, including common law.

(d) “Liability” means any obligation or liability, whether absolute or contingent, asserted or unasserted, known or unknown, liquidated or unliquidated, due or to become due, fixed or unfixed, and regardless of when or by whom asserted.

(e) “Lien” or “Liens” means any mortgages, pledges, security interests, deeds of trust, liens, charges, options, conditional sales contracts, claims, covenants, easements, rights of way, title defects, restrictions on use, voting, transfer, receipt of income, or the right to exercise any other attribute of ownership, or other encumbrances of any nature whatsoever.

(f) “Material Adverse Effect” means any event, occurrence, fact, condition or change that is, or could be reasonably expected to become, individually or in the aggregate, material adverse to (a) the Property, (b) the business, results of operations, condition (financial or otherwise) or assets of Seller, or (b) the ability of the Seller or Shareholders to consummate the transactions contemplated hereby on a timely basis.

(g) “Permitted Exceptions” means (i) zoning ordinances and regulations; (ii) real estate taxes and assessments, both general and special, which are a lien but are not yet due and payable at the Closing Date; (iii) easements, conditions, restrictions and covenants of record relating to the Property listed on Schedule 6(a)(i) hereof; and (iv) the rights of the public in and to any roadways or highways within the legal description of the Property.

(h) “Person” means any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, unincorporated association, corporation, entity or government (whether Federal, state, county, city or otherwise, including, without limitation, any instrumentality, division, agency or department thereof).

(i) “Proceeding” means any action, arbitration, audit, claim, dispute, hearing, investigation, litigation, order or suit (whether civil, criminal, administrative, investigative, or informal) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Authority or arbitrator.

(j) “Seller Party” means Seller, each Shareholder and any of their respective Affiliates.

(k) “Seller Transaction Expenses” means (without duplication), to the extent not paid before the Closing, the collective amount payable by Seller or the Shareholders (i) to accountants, lawyers, advisors, brokers and other third parties, arising in connection with the sale of Property, and (ii) in respect of any fees and expenses associated with obtaining necessary or appropriate waivers, consents or approvals of any Governmental Authority or other third-party, including change of control or transfer payments.

(l) “Survey” means a certified ALTA survey of the Property containing such detail as Buyer shall require in its reasonable commercial judgment, certified to Buyer, Seller, the Title Company and, if applicable, such lending institution or institutions as Buyer shall desire, all to the extent Buyer elects to obtain such a survey.

(m) “Tax” or “Taxes” means any and all federal, state, local and non-U.S. taxes, however denominated, the Liability for which is imposed by law, contractual agreement or otherwise, which taxes shall include, but not be limited to, all net income, gross income, gross receipts, franchise, excise, occupation, estimated, alternative minimum, add on minimum, premium, windfall profit, profits, gains, net worth, paid up capital, capital stock, greenmail, sales, use, ad valorem, value added, retailers’ occupation, stamp, natural resources, environmental, real property, personal property, custom, duty, transfer, recording, escheat or unclaimed property, registration, documentation, leasing, insurance, social security, employment, severance, workers’ compensation, impact, hospital, health, unemployment, disability, payroll, license, service, service use, employee or other withholding, or other tax or governmental charge, of any kind whatsoever, whether disputed or not, including any interest, penalties, fees, charges, levies, assessments, duties, tariffs, imposts or additions to Tax that may become payable in respect thereof, and any Liability in respect of such amounts arising as a result of being a member of any affiliated, consolidated, combined, unitary or similar group, as a successor to or transferee of another person or by contract.

(n) “Title Company” means such title company selected by Buyer and mutually agreeable to the parties.

12. **Notices, Consents, Etc.** All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (i) when personally delivered, sent by fax or email (with hard copy to follow) or sent by reputable overnight express courier (charges prepaid), or (ii) three (3) calendar days following mailing by certified or registered mail, postage prepaid and return receipt requested. Such notices, demands and other communications shall be sent to the addresses indicated below or such other address or to the attention of such other person as the recipient has indicated by prior written notice to the sending party in accordance with this Section 13:

- (i) If to Seller/Shareholders:
VW Properties, LLC
1077 Cane Ridge Road
Paris, TX 40361
Attention: [●]
Email: [●]

with a copy to:

Reinhart Boerner Van Deuren s.c.
1000 North Water Street, Suite 1700
Milwaukee, Wisconsin 53202
Attention: Lucien Beaudry
Email: (REDACTED)

- (ii) If to Buyer:

Michicann Medical, Inc.
c/o RWB Illinois, Inc.
8820 Jane Street
Concord, Ontario L4K 2M9
Attention: Brad Rogers
Email: (REDACTED)

13. **Public Announcements.** Unless required by Law (including in connection with the filing of any Tax return), the Seller, Shareholders and their Affiliates shall not make any public announcement or filing with respect to the transactions provided for herein without the prior consent of Buyer; provided, however, that no such press, news or other public release or announcement shall refer to the purchase price or other material economic terms of the transactions contemplated hereby without the prior written approval of Buyer and Seller. Notwithstanding the foregoing, Buyer shall be allowed to disclose the terms of this Agreement and the transactions contemplated hereby (i) to Buyer's representatives and employees of Buyer or its Affiliates, (ii) in connection with summary information about Buyer or Buyer's Affiliates financial condition, (iii) to any of Buyer's Affiliates, auditors, attorneys, financing sources, potential investors or other agents, (iv) to any bona fide prospective purchaser of the equity or assets of Buyer or its Affiliates and (v) as required to be disclosed by order of a court of competent jurisdiction, administrative body or governmental body, or by subpoena, summons or legal process, or by law, rule or regulation.

14. **Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable Law or rule in any jurisdiction, in any respect, such invalidity shall not affect the validity, legality and enforceability

of any other provision or any other jurisdiction and, the remaining terms and provisions of this Agreement shall not in any way be affected or impaired thereby, all of which shall remain in full force and effect, and the affected term or provision shall be modified to the minimum extent permitted by Law so as to achieve most fully the intention of this Agreement.

15. **Amendment and Waiver.** This Agreement may be amended, or any provision of this Agreement may be waived upon the approval, in a writing, executed by Buyer, Seller and the Shareholders. No course of dealing between or among the parties hereto shall be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any such party under or by reason of this Agreement. A waiver by any party of any term or condition of this Agreement in any one instance shall not be deemed or construed to be a waiver of such term or condition for any other instance in the future (whether similar or dissimilar) or of any subsequent breach hereof.

16. **Counterparts.** This Agreement may be executed in one or more counterparts (including by means of telecopied signature pages or signature pages delivery by electronic transmission in portable document format (pdf)), all of which taken together shall constitute one and the same instrument. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or electronic transmission in portable document format (pdf), shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

17. **Expenses.** Except as otherwise specifically provided herein, each of the parties shall pay all costs and expenses incurred or to be incurred by it in negotiating and preparing this Agreement and in closing and carrying out the transactions contemplated by this Agreement.

18. **Headings.** The subject headings of Articles and Sections of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

19. **Assignment.** This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; provided that neither this Agreement nor any of the covenants and agreements herein or rights, interests or obligations hereunder may be assigned or delegated by any Seller, without the prior written consent of Buyer, and neither this Agreement nor any of the covenants and agreements herein or rights, interests or obligations hereunder may be assigned or delegated by Buyer without the prior written consent of Seller, except that Buyer may assign or convey its rights under this Agreement (a) to RWB following consummation of the RTO, (b) to any existing Affiliate of Buyer or newly formed Affiliate real estate holding company, (c) in connection with a merger or consolidation involving Buyer or in connection with a sale of any equity interests or assets of Buyer or its Affiliates or other disposition of all or any portion of the Business, or (d) to lenders of Buyer or its Affiliates as collateral security for borrowings, at any time whether prior to or following the Closing Date; and in each such case Buyer will nonetheless remain liable for all of its obligations hereunder.

20. **Entire Agreement.** This Agreement, the Preamble and the Exhibits and Schedules attached to this Agreement (all of which shall be deemed incorporated in the Agreement and made a part hereof), along with the Merger Agreement, set forth the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements, understandings or letters of intent among any of the parties hereto.

21. **Third Parties.** Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any Person, other than the parties to this Agreement and their respective permitted successors and assigns, any rights or remedies under or by reason of this Agreement (other than in respect of the Indemnified Parties pursuant to Section 10).

22. **Interpretative Matters.** Unless the context otherwise requires, (a) all references to Articles, Sections or Schedules are to Articles, Sections or Schedules in this Agreement, (b) each accounting term not otherwise defined in this Agreement has the meaning assigned to it in accordance with GAAP, (c) words in the singular or plural include the singular and plural, and pronouns stated in either the masculine, the feminine or neuter gender shall include the masculine, feminine and neuter, (d) all references to “dollars” or “\$” are to United States dollars and (e) whenever the words “include,” “includes” or “including” are used in this Agreement they shall be deemed to be followed by the words “without limitation.” In addition, nothing in the Schedules hereto shall be deemed adequate to disclose an exception to a representation or warranty made herein unless the Schedule identifies the exception with reasonable particularity and describes the relevant facts in reasonable detail. Without limiting the generality of the foregoing, the mere listing (or inclusion of a copy) of a document or other item shall not be deemed adequate to disclose an exception to a representation or warranty made herein (unless the representation or warranty has to do with the existence of the document or other item itself). The parties intend that each representation, warranty, and covenant contained herein shall have independent significance. If any party has breached any representation, warranty, or covenant contained herein (or is otherwise entitled to indemnification) in any respect, the fact that there exists another representation, warranty, or covenant (including any indemnification provision) relating to the same subject matter (regardless of the relative levels of specificity) which the party has not breached (or is not otherwise entitled to indemnification with respect thereto) shall not detract from or mitigate the fact that the party is in breach of the first representation, warranty, or covenant (or is otherwise entitled to indemnification pursuant to a different provision).

23. **Knowledge.** Where any representation or warranty contained in this Agreement is expressly qualified by reference “to the knowledge of Seller,” “Seller’s Knowledge,” or any similar term, it refers to the actual knowledge of Seller, Seller Party and Anne Hyde, Bruce Daniel, and Johannes Pieterse, and all knowledge that such listed persons should have assuming such persons have conducted a reasonable inquiry or investigation regarding the subject matter at issue, including inquiring of those employees of Seller and any Seller Party occupying or using the Property whose duties would, in the normal course of Seller’s or such Seller Party’s affairs, result in such employees having actual knowledge concerning such subject, area or aspect.

24. **No Strict Construction.** The language used in this Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction will be applied against any party hereto.

25. **Jurisdiction and Governing Law.** This Agreement and any claim, controversy, dispute, or cause of action (whether in contract, equity, tort, or otherwise) based upon, arising out of or relating to this Agreement and the transactions contemplated hereby shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to principles of conflicts of law, provided, however, that any claim, controversy, dispute, or cause of action based upon, arising out of, or relating to the transfer of ownership of any interest in the Property shall be governed by and construed in accordance with the laws of the state where the Property is located, without regard to principles of conflicts of law. Each party hereby irrevocably submits to the exclusive jurisdiction of the state or federal courts located in the State of Delaware or in the state where the Property is located (as applicable), in respect of any claim relating to the interpretation and enforcement of the provisions of this Agreement and of the documents referred to in this Agreement, or otherwise in respect of the transactions contemplated hereby and thereby, and hereby waives, and agrees not to assert, as a defense in any action, suit or proceeding in which any such claim is made that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in such courts or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such courts.

26. **Service of Process.** Each of the parties hereto irrevocably consents to the service of process outside the territorial jurisdiction of the courts referred to in Section 25 hereof in any such action or proceeding by giving copies thereof by hand delivery of air courier to his, her or its address as specified in or pursuant to Section 12 hereof. However, the foregoing shall not limit the right of a party to effect service of process on the other party by any other legally available method.

27. **WAIVER OF JURY TRIAL.** EACH PARTY HEREBY WAIVES (TO THE FULLEST EXTENT PERMITTED BY LAW) ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT. THE PARTIES ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO THIS AGREEMENT. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TRANSACTIONS CONTEMPLATED HEREBY. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

28. **Schedules.** The disclosure of any facts or items in the Schedules accompanying this Agreement is not intended to imply that such items so included are or are not material, or that the occurrence or existence of any such violation, inaccuracy, breach, default, failure to comply, change in circumstances, loss, effect, fact, agreement arrangement, commitment, understanding or obligation, as a result of the occurrence or existence thereof, would individually or collectively, result in a Material Adverse Effect. The disclosure of any fact or item in the Schedules with respect to a particular paragraph or section of the Agreement shall be deemed to be disclosed with respect to such other paragraph or section of the Agreement to which an appropriate cross reference is made to another Schedule or to the extent it is reasonably apparent on its face that such disclosure is also applicable to any other paragraph or section of the

Agreement. Each agreement, instrument and document described herein is incorporated herein by reference. All capitalized terms used in the Schedules and not otherwise defined in the Schedules will have the meanings assigned to them in this Agreement.

29 . **Consent and Waiver.** By executing and delivering this Agreement, the Shareholders consent to the sale of the Property as contemplated by this Agreement.

[SIGNATURES TO FOLLOW]

The undersigned have executed this Real Estate Purchase Agreement as of the date first above written.

SELLER:

**VW PROPERTIES,
LLC**

By: “Arthur VanWingerden”
Name: Arthur VanWingerden
Title: Authorized Representative

BUYER:

**RWB ILLINOIS,
INC.**

By: “Michael Marchese”
Name: Michael Marchese
Title: President

Signature Page to Real Estate Purchase Agreement

SHAREHOLDERS

“Arthur VanWingerden”

Arthur VanWingerden

“Ken VanWingerden”

Ken VanWingerden

EXHIBIT A

DESCRIPTION OF THE PROPERTY

TRACT 4:

THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 33 NORTH, RANGE 1 WEST; AND ALL THAT PART OF THE SOUTHWEST QUARTER OF SAID SECTION 35 WHICH LIES NORTH OF THE NORTH EDGE OF

THE RIGHT OF WAY OF THE PUBLIC HIGHWAY RUNNING EASTERLY AND WESTERLY OVER AND ACROSS SAID SOUTHWEST QUARTER, PURSUANT TO PLAT OF SURVEY THEREOF BY E. H. WHITAKER, SURVEYOR, DATED JANUARY 22, 1908, RECORDED IN THE RECORDER'S OFFICE OF PUTNAM COUNTY, ILLINOIS, ON JUNE 16, 1908, IN BOOK 65, PAGE 343, BUT EXCEPTING FROM ALL OF THE ABOVE DESCRIBED PREMISES THAT PORTION CONVEYED BY JOHN RICHARDSON, ET AL TO JOSEPH ZAETTA BY WARRANTY DEED DATED APRIL 30, 1947, AND RECORDED IN BOOK 100 AT PAGE 127 ON MAY 3, 1947, IN THE RECORDER'S OFFICE OF PUTNAM COUNTY, ILLINOIS, AND FURTHER EXCEPTING FROM THE PREMISES HEREINABOVE CONVEYED, THAT PORTION THEREOF WHICH LIES WITHIN THE BOUNDARIES OF TRACTS 1, 2 AND 3 AS SHOWN AND MORE FULLY DESCRIBED ON SURVEY PLAT DATED MAY 10, 1973, BY JAMES J. GIORDANO, ILLINOIS LAND SURVEYOR, #1850, UNDER THE DIRECTION OF CHAMLIN AND ASSOCIATES, INC., AND RECORDED IN THE LAND RECORDS OF PUTNAM COUNTY, ILLINOIS IN PLAT BOOK 3, PAGE 215, EXCEPT THE COAL AND FIRECLAY UNDERLYING THE SURFACE OF SAID LAND AND ALL RIGHTS AND EASEMENTS IN FAVOR OF THE ESTATE OF SAID COAL AND FIRECLAY, SITUATED IN PUTNAM COUNTY, ILLINOIS.

TRACT 5:

THAT PART OF THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 33 NORTH, RANGE 1 WEST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 35; THENCE NORTH 87 DEGREES 44 MINUTES 41 SECONDS EAST 532.11 FEET ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 35; THENCE SOUTH 01 DEGREES 22 MINUTES 11 SECONDS EAST 1152.14 FEET; THENCE SOUTH 89 DEGREES 30 MINUTES 14 SECONDS WEST 200.00 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 01 DEGREES 36 MINUTES 06 SECONDS EAST 307.45 FEET; THENCE SOUTH 64 DEGREES 12 MINUTES 04 SECONDS EAST 260.54 FEET; THENCE SOUTH 23 DEGREES 24 MINUTES 04 SECONDS EAST 29.83 FEET; THENCE SOUTH 23 DEGREES 24 MINUTES 04 SECONDS EAST 193.77 FEET; THENCE NORTH 88 DEGREES 26 MINUTES 46 SECONDS EAST 1224.46 FEET; THENCE SOUTH 01 DEGREES 37 MINUTES 59 SECONDS EAST 845.72 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF AND EAST-WEST TOWNSHIP ROAD; THENCE SOUTH 88 DEGREES 14 MINUTES 36 SECONDS WEST 1340.28 FEET ALONG SAID NORTHERLY RIGHT OF WAY LINE; THENCE NORTH 03 DEGREES 15 MINUTES 13 SECONDS WEST 613.12 FEET; THENCE NORTH 02 DEGREES 13 MINUTES 29 SECONDS EAST 269.53 FEET; THENCE NORTH 14 DEGREES 34 MINUTES 43 SECONDS EAST 154.59 FEET TO THE POINT OF BEGINNING CONTAINING 26.521 ACRES MORE OR LESS AND ALL SITUATED IN THE TOWNSHIP OF GRANVILLE, PUTNAM COUNTY, ILLINOIS.

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TRACT 6 SIGN EASEMENT INTEREST:

SIGN EASEMENT OVER THE PROPERTY DESCRIBED BELOW FOR THE BENEFIT OF MID-AMERICAN GROWERS, INC. FOR CONSTRUCTION, REPAIR, REPLACEMENT AND THE UPKEEP OF SIGNAGE AND LANDSCAPING ON THE BELOW DESCRIBED PROPERTY, AND FOR INGRESS AND EGRESS OVER AND ACROSS THE PROPERTY DESCRIBED HEREIN TO AND FROM PUBLIC ROADWAYS ADJOINING THE SAME FOR THE PURPOSES AND USES DESCRIBED HEREIN AS RESERVED IN THE DEED RECORDED SEPTEMBER 8, 2014 AS DOCUMENT 14-626 DESCRIBED AS FOLLOWS:

THAT PART OF THE NORTHWEST QUARTER OF SECTION 35 AND THAT PART OF THE EAST HALF OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 34 BOTH IN TOWNSHIP 33 NORTH, RANGE 1 WEST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 35; THENCE NORTH 87 DEGREES 44 MINUTES 41 SECONDS EAST 532.11 FEET ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 35; THENCE SOUTH 01 DEGREES 22 MINUTES 11 SECONDS EAST 1152.14 FEET; THENCE SOUTH 89 DEGREES 30 MINUTES 14 SECONDS WEST 200.00 FEET; THENCE SOUTH 01 DEGREES 36 MINUTES 06 SECONDS EAST 307.45 FEET; THENCE SOUTH 64 DEGREES 12 MINUTES 04 SECONDS EAST 260.54 FEET; THENCE SOUTH 23 DEGREES 24 MINUTES 04 SECONDS EAST 29.83 FEET; THENCE SOUTH 14 DEGREES 34 MINUTES 43 SECONDS WEST 154.59 FEET; THENCE SOUTH 02 DEGREES 13

MINUTES 29 SECONDS WEST 269.53 FEET; THENCE SOUTH 03 DEGREES 15 MINUTES 13 SECONDS EAST 613.12 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF AN EAST-WEST TOWNSHIP ROAD; THENCE SOUTH 88 DEGREES 14 MINUTES 36 SECONDS WEST 348.15 FEET ALONG SAID NORTHERLY RIGHT OF WAY LINE TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 88 DEGREES 14 MINUTES 36 SECONDS WEST 155.68 FEET ALONG SAID NORTHERLY RIGHT OF WAY LINE TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF ILLINOIS ROUTE 89 (S.A. RT 3A); THENCE NORTH 17 DEGREES 58 MINUTES 56 SECONDS WEST 285.00 FEET ALONG SAID EASTERLY RIGHT OF WAY LINE OF ILLINOIS ROUTE 89; THENCE NORTH 88 DEGREES 14 MINUTES 36 SECONDS EAST 91.29 FEET; THENCE SOUTH 17 DEGREES 58 MINUTES 56 SECONDS EAST 137.84 FEET; THENCE SOUTH 38 DEGREES 30 MINUTES 21 SECONDS EAST 176.35 FEET TO THE POINT OF BEGINNING CONTAINING 0.678 ACRES MORE OR LESS AND ALL SITUATED IN THE TOWNSHIP OF GRANVILLE, PUTNAM COUNTY, ILLINOIS.

TRACT 7:

A PART OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 33 NORTH, RANGE 1 WEST OF THE OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF TRACT 3 AS SHOWN ON A PLAT OF VANWINGERDEN FARM PROPERTY AS PREPARED BY CHAMLIN AND ASSOCIATES, INC., SIGNED BY JAMES GIORDANO, ILLINOIS REGISTERED LAND SURVEYOR NO. 1850 AND RECORDED IN BOOK 3, PAGE 215 OF THE PUTNAM COUNTY RECORDER'S OFFICE; THENCE SOUTH 01 DEGREES 33 MINUTES 47 SECONDS WEST PERPENDICULAR TO THE SOUTH LINE OF SAID TRACT 3 FOR 25.00 FEET TO THE CENTERLINE OF A TOWNSHIP ROAD SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE SOUTH 88 DEGREES 26 MINUTES 13 SECONDS EAST 1844.05 FEET ON THE CENTERLINE OF THE TOWNSHIP ROAD ALSO BEING 25.00 FEET SOUTH OF THE SOUTH LINE OF SAID TRACT 3; THENCE ON A CURVE BEARING TO THE RIGHT, TANGENT TO THE AFOREMENTIONED COURSE HAVING AN ARC LENGTH OF 295.92 FEET AND A RADIUS OF 604.00 FEET ON THE CENTERLINE OF THE TOWNSHIP ROAD; THENCE ON A CURVE BEARING TO THE LEFT TANGENT WITH THE AFOREMENTIONED CURVE HAVING AN ARC LENGTH OF 203.47 FEET AND A RADIUS OF 590.31 FEET ON THE CENTERLINE OF THE TOWNSHIP ROAD; THENCE SOUTH 80 DEGREES 06 MINUTES 52 SECONDS EAST 245.49 FEET ON THE CENTERLINE OF THE TOWNSHIP ROAD; THENCE SOUTH 1 DEGREE 33 MINUTES 47 SECONDS WEST 30.20 FEET; THENCE NORTH 88 DEGREES 26 SECONDS 13 MINUTES WEST 2558.91 FEET TO THE EAST RIGHT OF WAY OF ILLINOIS RT. #89; THENCE NORTH 3 DEGREES 24 MINUTES 35 SECONDS WEST 66.07 FEET ON THE EAST RIGHT OF WAY OF ILLINOIS RT. #89; THENCE NORTH 6 DEGREES 20 MINUTES 35 SECONDS WEST 135.47 FEET ON THE EAST RIGHT OF WAY OF ILLINOIS RT. # 89 TO THE CENTERLINE OF THE TOWNSHIP ROAD; THENCE SOUTH 88 DEGREES 26 MINUTES 13 SECONDS EAST 19.77 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 10.322 ACRES MORE OR LESS AND ALL BEING SITUATED IN THE GRANVILLE TOWNSHIP, PUTNAM COUNTY, ILLINOIS.

DISCLOSURE SCHEDULES

to the

REAL ESTATE PURCHASE AGREEMENT

by and between

VW PROPERTIES, LLC,
and
RWB ILLINOIS, INC.

January 10, 2020

GENERAL STATEMENT

These disclosure schedules (each a “Schedule” and collectively, the “Schedules”) are delivered pursuant to and concurrently with the Real Estate Purchase Agreement (the “Agreement”) dated as of January __, 2020, by and between VW Properties, LLC (“Seller”), each of Arthur Van Wingerden and Ken Van Wingerden (each a “Shareholder” and collectively, the “Shareholders”), and RWB Illinois, Inc. (“Buyer”).

Headings have been inserted for convenience of reference only and shall in no way have the effect of amending or changing the express description of the corresponding sections as set forth in the Agreement. Capitalized terms used but otherwise not defined in the Schedules have the meanings set forth in the Agreement.

All information contained in the Schedules is confidential information and may not be disclosed unless (i) such information is required to be disclosed pursuant to applicable Law (unless such Law permits the parties to refrain from disclosing the information for confidentiality or other purposes), such information was or becomes known to the recipient thereof without reference to or use of the Schedules, or (ii) a party needs to disclose such information in order to enforce or exercise its rights under the Agreement or to a lender or financier or purchaser of assets.

INDEX TO DISCLOSURE SCHEDULE

Schedule No.	Title
Schedule 4(a)(v)	Compliance with Applicable Laws
Schedule 4(a)(vi)	Tax Matters
Schedule 4(a)(vii)	Service Contracts
Schedule 4(a)(ix)	Litigation
Schedule 4(a)(x)	Licenses and Permits
Schedule 4(a)(xi)	Health, Safety and Environment
Schedule 6(a)(i)	Permitted Exceptions
Schedule 10(a)(vii)	Specific Indemnity

Compliance with Applicable Laws

1. In March 2019, the Company notified the Illinois Environmental Protection Agency that the Company failed to comply with Condition 19f of its Federally Enforceable Operating Permit No. 07020030 (the “FESOP”) by failing to conduct a required biennial “tune up” of its wood fired boilers within 25 months after the prior tune up (the “FESOP Deviation”). The Company does not anticipate any fines, penalties or other enforcement action arising from the FESOP deviation. For the avoidance of doubt, any Liabilities relating to the FESOP Deviation shall be an Environmental Condition covered by the Environmental Indemnity.
2. The Company failed to submit documentation of a site investigation remediation report (identified as LPC #1550055001 – Putnam County) as required by the Illinois Environmental Protection Agency (the “IL EPA Violation”).

Tax Matters

None.

Service Contracts

1. Commercial Ground Lease to Construct Improvements made on July 29, 2014 by and between VW Properties, LLC, as lessor, and Mid-American Growers, Inc., as lessee, as amended by a First Amendment to Lease dated as of January __, 2020, for the lease of that certain real property located at 14240 Greenhouse Avenue, Granville, Illinois, consisting of approximately 105.31 acres.
2. A verbal farm lease granting the right to grow corn and soybeans on approximately 40 acres of the Property, which lease expires prior to January 1, 2020 and which is not subject to renewal without Seller's consent.

Litigation

None.

Licenses and Permits

1. The FESOP.
2. State of Illinois permit for 10,000 gallon underground gasoline storage tank and 12,000 gallon underground diesel storage tank (collectively, the "Storage Tanks").
3. Three-Year Licensed Hemp Grower License approved by the State of Illinois Department of Agriculture on October 1, 2019 issued to Mid-American Growers, Inc.
4. Three-Year Registered Hemp Processor License approved by the State of Illinois Department of Agriculture on October 1, 2019 issued to Mid-American Growers, Inc.

Health, Safety and Environment

1. The FESOP Deviation.
2. The Storage Tanks.
3. The IL EPA Violation.

Permitted Exceptions

1. GENERAL REAL ESTATE TAXES FOR 2019 AND SUBSEQUENT YEARS NOT YET DUE AND PAYABLE.
2. TERMS, POWERS AND PROVISIONS OF THE SIGN EASEMENT OVER TRACT 6 FOR THE BENEFIT OF MID-AMERICAN GROWERS, INC., FOR CONSTRUCTION, REPAIR, REPLACEMENT AND THE UPKEEP OF SIGNAGE AND LANDSCAPING ON TRACT 6, AND FOR INGRESS AND EGRESS OVER AND ACROSS TRACT 6 TO AND FROM PUBLIC ROADWAYS ADJOINING THE SAME FOR THE PURPOSES AND USES DESCRIBED HEREIN AS RESERVED IN THE DEED RECORDED SEPTEMBER 8, 2014 AS DOCUMENT NUMBER 14-626.
3. EASEMENT DATED JULY 18, 1985 AND RECORDED ON OCTOBER 4, 1985, DOCUMENT NUMBER 85-683 ROLL 50 AT PAGE 1028 BETWEEN NICHOLAS VAN WINGERDEN AND ILLINOIS POWER COMPANY, AN ILLINOIS CORPORATION.
4. EASEMENT DATED SEPTEMBER 7, 1990 AND RECORDED DECEMBER 4, 1990, DOCUMENT NUMBER 90-882 ROLL 56 AT PAGE 290 BETWEEN VAN WINGERDEN, INC., A CORPORATION AND ILLINOIS POWER COMPANY, AN ILLINOIS CORPORATION.
5. EASEMENT RECORDED ON DECEMBER 14, 1995, DOCUMENT NUMBER 95-1152 ROLL 65 AT PAGE 1385 BETWEEN MARJORIE VAN WINGERDEN AND ILLINOIS POWER COMPANY, AN ILLINOIS CORPORATION.
6. GAS REGULATOR EASEMENT RECORDED ON SEPTEMBER 3, 2004, DOCUMENT NUMBER 04-1209 ROLL 94 AT PAGE 677, BETWEEN MID-AMERICAN GROWERS, INC., AND ILLINOIS POWER COMPANY, AN ILLINOIS CORPORATION.
7. ELECTRIC EASEMENT RECORDED ON SEPTEMBER 30, 1995, DOCUMENT NUMBER 05-1145 ROLL 97 AT PAGE 2263, BETWEEN NICK VAN WINGERDEN AND ILLINOIS POWER COMPANY, AN ILLINOIS CORPORATION.
8. EASEMENT GAS PIPELINE DATED DECEMBER 7, 2005 AND RECORDED ON JANUARY 24, 2006, DOCUMENT NUMBER 06-93 ROLL 99 AT PAGE 460, BETWEEN NICK VAN WINGERDEN AND ILLINOIS POWER COMPANY, D/B/A AMERENIP, AN ILLINOIS CORPORATION.
9. RIGHT OF WAY EASEMENT DATED JANUARY 27, 2006 AND RECORDED ON OCTOBER 11, 2007, DOCUMENT NUMBER 07-1197 ROLL 104 AT PAGE 2441 BETWEEN ALAN AIMONE AND CORN BELT ENERGY CORPORATION-NORTHERN REGION, AN ILLINOIS ELECTRIC COOPERATIVE.

10. UNDERGROUND ELECTRIC EASEMENT RECORDED ON APRIL 10, 2008, DOCUMENT NUMBER 08-411 ROLL 106 AT PAGE 1352, BETWEEN NICHOLAS VAN WINGERDEN AND ILLINOIS POWER COMPANY D/B/A AMERENIP, AN ILLINOIS CORPORATION.
11. WATER WELL AGREEMENT RECORDED ON JULY 18, 1984, DOCUMENT NUMBER 84-481 ROLL 49 AT PAGE 917 BETWEEN LEE E. GRAVES AND VICTORIA M. GRAVES, HUSBAND AND WIFE, AND MID-AMERICAN GROWERS, INC., A DELAWARE CORPORATION.
12. RIGHTS OF WAY FOR DRAINAGE DITCHES, DRAIN TILES, FEEDERS, LATERALS, AND UNDERGROUND PIPES, IF ANY.
13. RIGHT OF THE PUBLIC, THE STATE OF ILLINOIS, THE MUNICIPALITY, THE COUNTY AND THE TOWNSHIP IN AND TO THAT PART OF THE PREMISES IN QUESTION TAKEN, USED, OR DEDICATED FOR ROADS, STREETS, ALLEYS, OR HIGHWAYS.
14. MINERALS OF WHATSOEVER KIND, SUBSURFACE AND SURFACE SUBSTANCES, INCLUDING BUT NOT LIMITED TO COAL, LIGNITE, OIL, GAS, URANIUM, CLAY, ROCK, SAND AND GRAVEL IN, ON, UNDER AND THAT MAY BE PRODUCED FROM THE LAND, TOGETHER WITH ALL RIGHTS, PRIVILEGES, AND IMMUNITIES RELATING THERETO, WHETHER OR NOT APPEARING IN THE PUBLIC RECORDS OR LISTED IN SCHEDULE B. THE COMPANY MAKES NO REPRESENTATION AS TO THE PRESENT OWNERSHIP OF ANY SUCH INTERESTS. THERE MAY BE LEASES, GRANTS, EXCEPTIONS OR RESERVATIONS OF INTERESTS THAT ARE NOT LISTED.
15. MATTERS AS DISCLOSED ON THE PLAT OF SURVEY PREPARED BY ILLINOIS VALLEY SURVEYING & CONSULTANTS, INC. DATED OCTOBER 7, 2019 AND LAST REVISED 1/6/2020 AS ORDER NUMBER 3301.19.05, AS FOLLOWS:
 - A) ENCROACHMENT OF STRUCTURE OVER THE 15 FOOT EASEMENT AS SHOWN AT EXCEPTION 10.
 - B) ENCROACHMENT OF STRUCTURE OVER THE 20 FOOT EASEMENT AS SHOWN AT EXCEPTIONS 5 AND 7.

Specific Indemnity

1. All assets, Liabilities, operations and business retained by and assigned to (or intended to be retained by and assigned to) Color Point, LLC as contemplated by the Pre-Closing Restructuring Transactions (as defined in the Merger Agreement) and any and all Liabilities related to, or arising out of, such transactions.
2. All Liabilities of Shareholders and their Affiliates (other than MAG).
3. All Liabilities (including the cost and expense of remediation, as provided in Section 6.11 of the Agreement) related to, or arising out of, the previously removed underground storage tank that is the subject of the open LUST file identified as Leaking UST Incident No. 941345, including, without limitation, the IL EPA Violation.
4. Liabilities related to correcting the violations cited in that Notice of Violation (UST) issued on September 17, 2019 by the Office of the Illinois State Fire Marshal.

GROWING AND SALES AGREEMENT

THIS GROWING AND SALES AGREEMENT ("Agreement") is made and entered into effective as of July 24th, 2020 (the "Effective Date") by and among Mid American Growers Inc., (a wholly owned subsidiary of Red White and Bloom Brands Inc.), ("RWB"), a Illinois C corporation, with an address of 14240 Greenhouse Ave, Granville, IL 61326 AND 39 Industries, LLC ("39Hemp"), a Washington limited liability company, with an address of 5708 N Woodview Ln, Spokane Washington, 99212 (RWB and 39 Industries shall sometimes hereinafter individually be referred to as a "Party" and collectively as the "Parties".)

WHEREAS, RWB grows genetics provided by 39Hemp for Ultra-Premium Hemp;

WHEREAS, RWB has a greenhouse and has experience in growing hemp plants in an indoor environment;

WHEREAS, 39Hemp is knowledgeable of, and has contacts with, potential customers that desire to buy premium hemp;

WHEREAS, 39Hemp and RWB wish to combine their respective knowledge and experiences to create economic opportunities for themselves.

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

(1) Delivery Of Seeds / Growing Hemp

(a) 100,000 Purple Goliath Hemp Seeds (the "Seeds") were delivered to RWB at RWB's facility located at 14240 Greenhouse Ave, Granville, IL 61326 in the amount described in section seven (7) of this agreement. The Parties hereby agree that each of them may, but shall not be required to, enter into additional transactions of the nature contemplated by this Agreement and signed by all Parties and any such additional schedules shall be subject to the terms and conditions of this Agreement.

(b) 100,000, at a minimum, additional Seeds are to be delivered to RWB at RWB's facility located at 14240 Greenhouse Ave, Granville, IL 61326 in calendar 2020.

(c) For the year 2021 and 2022 three turns or grows of the seeds are contemplated at a minimum quantity of 150,000 seeds per turn, subject to agreement on terms.

(d) At the time of delivery, all of the rights, title and interest in and to the Seeds shall pass to RWB from 39 Hemp. All Seeds shall be in good and suitable condition for growing and cultivation and be genetically engineered to produce, or capable of producing, harvested Plants with less than 0.3% of delta-9-THC. For a period of seven (7) days following delivery, RWB shall have the right to inspect the Seeds and reject any Seeds, in the exercise of its reasonable judgment, determined are not in good and suitable condition for growing and cultivation. For any Seeds so rejected, RWB will notify 39 Hemp and, at 39 Hemp's election, either return the Seeds to 39Hemp or destroy them.

(e) With the Seeds, RWB shall do the following:

(i) RWB will cultivate the Seeds at the RWB Facility in accordance with Good Agricultural Practices ("GAP") and RWB's usual and customary procedures for growing hemp plants at such location and GMP for any EU exported product.

(ii) Using its reasonable judgment as to the optimum time to harvest, RWB will contact the Illinois Department of Agricultural ("IDA") to test the Plants to confirm compliance with the then IDA's delta-9 THC levels (the "IDA Standard"). To the extent the Plants meet the IDA Standard, the rights and obligations of the Parties with respect to the portion of the Plants that meet such standards shall continue (with Plants meeting the standards being hereinafter referred to as "Acceptable Plants"). To the extent none of the Plants meet such standards, the rights and obligations of the Parties hereunder shall be deemed cancelled and terminated.

(iii) After harvest, RWB will hang the Acceptable Plants for drying and curing. The period of time for drying and curing shall be determined by RWB using its reasonable judgment and in accordance with GAP and RWB's usual and customary procedures for growing hemp plants at such location.

(iv) After curing and drying of Acceptable Plants is completed, RWB shall do one of the following: (A) process, strip and trim the Acceptable Plants into a form ready for sale ("Machine Trimmed or Hand Trimmed Hemp") and notify 39Hemp of such fact; or (B) leave the Acceptable Plants bucked, cured and untrimmed ("Unprocessed Hemp") and notify 39Hemp and of such fact. Any seeded or molded Hemp will not be considered Ultra-Premium Hemp as such product is not saleable in the market. In the event of this happening both parties will work together and decide how to offtake such a product.

(v) After receiving notice from RWB and 39Hemp, to the extent it has not already begun to do so, shall discharge its obligations in Section 2. No

(c) For the Seeds provided to RWB by 39Hemp hereunder, RWB agrees that it will not clone or replicate the Seeds. RWB agrees that the IP behind these genetics are not of their own and they cannot share with any third parties or use for themselves without an agreement in writing with 39Hemp.

(2) Brokering, Marketing and Selling of Hemp.

(a) On the terms and conditions contained herein, RWB hereby appoints 39Hemp, at their respective own costs and expense, to serve as the exclusive Agent and/or broker as it pertains only to the seed furnished by 39Hemp. 39Hemp shall sell, or caused to be sold, the Hemp to third parties in transaction(s) meeting all Applicable Laws **within 90 (ninety)** calendar days of the notice to them as specified in Section (1) (d)(iv) at the time the product is cured and ready for sale.

(b) The appointment of 39Hemp herein as RWB's sole Agent is on an exclusive basis for genetics provided by 39Hemp. RWB shall be free to have other sales representatives or its employees engaged in selling other hemp or hemp-related products not provided by 39Hemp. In performance under this Agreement, 39Hemp hereby agrees that: (a) 39Hemp shall only solicit lawful sales of Hemp to its customers.

(c) If requested by RWB, at no additional charge to RWB but with RWB reimbursing reasonable expense, 39Hemp and will facilitate and assist with negotiations and assist with closing the sales with customers identified by 39Hemp.

(d) In the absence of a sale of any Hemp within the time period specified by Section 2(a), 39Hemp undertakes to purchase and take delivery of the same at the floor price of (REDACTED) per pound for Hand Trimmed Processed Premium Hemp. RWB shall provide notice at any time after the expiration of the referenced period and

39Hemp will arrange for taking delivery of the Hemp at RWB's Facility within ten (10) days after RWB's notice. The sale of the Hand Trimmed and Cured Hemp or Machine Trimmed and Cured Hemp to 39Hemp and shall be on an "as is, where is" basis except that RWB represents that the Processed Hemp or Unprocessed Hemp has meet the IDA standard as reflected in the IDA test results.

(e) 39Hemp shall provide RWB, a copy of the commercial terms for its sales contracts for RWB produced material to third parties to validate the actual price achieved for the sale of final product and to assist in calculation of the final amounts payable to RWB in accordance with section 3 or 1(a), (b) or (c).

(f) Any customer deposits received by 39Hemp, and not in escrow, Hand Trimmed Hemp shall be advanced as deposits within 5 business days of receipt by 39Hemp in proportion, as per the calculation in section 3, in favor of RWB

(3) Floor Prices and Commissions

(a) For the first 100k and the subsequent 100k seeds provided as per clauses 1(a) and 1(b) respectively, as consideration for the Brokerage Services contemplated hereunder, and except for retained Premium Processed Hemp or Premium Unprocessed Hemp contemplated by Section 4, RWB shall pay the following commissions, irrespective of whether 39Hemp performed the brokerage services and found the customer:

Commission For Hand Trimmed Processed Flower	
	Commission Due to 39Hemp
Purchase Price at or below (REDACTED) per pound	(REDACTED) per pound
Purchase Price above (REDACTED) per pound	The (REDACTED) per pound specified above plus the lift of fifty seven and a half percent (57.5%) of the purchase price above (REDACTED)per pound

(4) Compliance with Law / Regulations

Each Party hereby acknowledges that hemp and hemp-related products are or may be subject to laws and regulations relating to the growing, production, processing, selling or use of hemp and products using or containing hemp ("Applicable Laws") of the United States and/or state, county or local governments in the United States or the national, provincial or local governments outside the United States (collectively, "Government Authorities"), including, without limitation, the IDA Standard. The Parties hereby represents and warrants to each other, that each is fully aware of all Applicable Laws, currently possesses any licenses, permits or permissions required under Applicable Laws from Governmental Authorities to enter into and perform the obligations contained in this Agreement, and will possess, use, sell and/or dispose of the hemp or hemp-related products only in compliance with Applicable Laws.

(5) **Confidential Information.** Each Party acknowledges that it will have access to the Confidential Information of the other Parties in performing this Agreement. Each Party shall use the Confidential Information of the Other Parties solely for purposes of performing its obligations under this Agreement and shall not disclose such Confidential Information to any person other than to its employees, officers, directors, shareholders, partners, members, managers, attorneys and accountants (collectively, RWB Representatives"), who, in Each Party's reasonable business judgment, has a business need for the Confidential Information for purposes of performing

this Agreement. Each Party shall also take reasonable measures to protect the secrecy, and avoid disclosure and unauthorized use, of the other Parties' Confidential Information. If any Party becomes legally compelled to disclose another Party's Confidential Information under applicable federal, state or local law or regulation, or by a valid order issued by a court or governmental agency of competent jurisdiction, the disclosing Party shall give notice to the Party whose information is subject to disclosure to enable that Party to reasonably contest the disclosure and/or seek protection of the Confidential Information once disclosed.

For purposes of this Agreement, the term "Confidential Information" means the business, technical or other information of a Party relating to the subject matter of this Agreement, that is disclosed by any Party to another Party, either directly or indirectly, in writing, orally or by inspection of tangible or intangible objects. Notwithstanding the preceding sentence, "Confidential Information" of a Party shall not include any information that another Party can establish: (a) was publicly known and generally available in the public domain prior to the time of disclosure; (b) becomes publicly known and generally available in the public domain after disclosure other than as a result of a breach of this Agreement by a Party; (c) in the possession of the Party, without confidentiality restrictions, at the time of disclosure; or (d) was or is independently developed by a Party without using any of the other Party's Confidential Information.

(6) **Term of Agreement**. This Agreement shall begin on the Effective Date and terminate on January 31, 2023. Notwithstanding the preceding sentence, once Plants have been delivered to RWB pursuant to Section (1)(a), this Agreement shall remain in effect until all the Processed Hemp or Unprocessed Hemp have been sold by 39Hemp under this Agreement.

(7) **Genetics Provided and Estimated Yields**. This agreement will be for a 100,000 seeds initial test run. It is estimated that 100,000 seeds will yield (REDACTED) lbs of premium hemp hand cured and trimmed.

(8) **Limitation of Liability**. TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL ANY PARTY BE LIABLE TO ANY OTHER PARTY FOR LOSS OF PROFITS, REVENUE OR INCOME, OR FOR ANY INDIRECT, PUNITIVE, SPECIAL, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL OR OTHER DAMAGES ARISING FROM OR RELATED TO THIS AGREEMENT.

(9) **MISCELLANEOUS PROVISION.**

(a) This Agreement shall be governed by the laws of the Commonwealth of Washington State (without giving effect to any choice or conflict of law provisions). Any legal action arising out of or related to this Agreement shall be instituted exclusively in the federal or states courts located in the city of Lexington (County of Fayette), Illinois and each Party hereby irrevocably submits to the exclusive jurisdiction and venue.

(b) This Agreement constitutes the sole and entire agreement of the Parties regarding the subject matter contained herein. This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each Party hereto. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

(c) This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

(d) No Party may assign any of its rights or delegate any of its obligations hereunder, in whole or part, without the prior written consent of the other Parties. Any purported assignment without such written consent shall be null and void. This Agreement is for the sole benefit of the parties hereto and their respective


successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer on any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

(e) No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set out in writing and signed by the Party so waiving. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege of a Party.

(f) In the performance of this Agreement, the Parties shall each be an independent contractor and this Agreement does not, and shall not be construed to create a partnership, joint venture or other similar arrangement.


IN WITNESS WHEREOF, the Parties have entered into this Agreement intending to be legally bound as of the Effective Date.

Mid American Growers Inc.



Anne Hyde
President

39 Industries, LLC



Lawrence Sowell
Chief Executive Officer

UNDERWRITING AGREEMENT

August 25, 2020

Red White & Bloom Brands Inc.

789 West Pender Street, Suite 810

Vancouver, British Columbia V6C 1H2

Attention: Brad Rogers, Chief Executive Officer

Dear Sir:

Based upon and subject to the terms and conditions set out in this Agreement, PI Financial Corp. (“**PI Financial**”), as sole bookrunner, together with Eight Capital, as co-lead underwriters (the “**Co-Lead Underwriters**”), and Canaccord Genuity Corp. and Echelon Wealth Partners Inc. (collectively with the Co-Lead Underwriters, the “**Underwriters**”) hereby offer to purchase, on a “bought deal” basis, severally and not jointly in their respective proportions set out in Section 16 of this Agreement, from Red White & Bloom Brands Inc. (the “**Company**”), and the Company hereby agrees to sell to the Underwriters on the Closing Date (as defined herein), 29,000,000 units of the Company (the “**Offered Units**”), at a price of \$0.75 per Offered Unit (the “**Offering Price**”), for aggregate gross proceeds to the Company of \$21,750,000. Each Offered Unit shall consist of one Common Share (as defined herein) (each a “**Unit Share**”) and one Common Share purchase warrant (each, a “**Warrant**”). The Warrants will be issued on the Closing Date pursuant to a warrant indenture to be dated as of the Closing Date between National Securities Administrators Ltd. (the “**Warrant Agent**”) and the Company (the “**Warrant Indenture**”). Each Warrant will entitle the holder to purchase one Common Share (a “**Warrant Share**”) at a price of \$1.00 until the date that is the earlier of: (i) 24 months following the Closing Date; and (ii) the date specified in any Acceleration Notice (as defined herein).

In addition, the Company hereby grants an option (the “**Over-Allotment Option**”) to the Underwriters entitling the Underwriters to acquire from the Company, on and subject to the terms and conditions contained herein, until the 30th date following the Closing Date, up to 4,350,000 additional Offered Units (the “**Additional Units**”) at the Offering Price for additional gross proceeds of up to \$3,262,500. The Over-Allotment Option will be exercisable to purchase: (i) Additional Units at the Offering Price, (ii) additional Unit Shares (the “**Additional Shares**”) at a price of \$0.67 per Additional Share, (iii) additional Warrants (“**Additional Warrants**”) at a price of \$0.08 per one Additional Warrant, or (iv) a combination thereof, so long as (A) the number of Additional Units does not exceed 4,350,000, (B) the number of Additional Shares does not exceed 4,350,000, and (C) the number of Additional Warrants (including Warrants forming part of the Additional Units) does not exceed 4,350,000. The Underwriters shall be under no obligation whatsoever to exercise the Over-Allotment Option in whole or in part.

Unless otherwise specifically referenced or unless the context otherwise requires, the Offered Units and the Additional Units, Additional Shares and/or Additional Warrants are collectively referred to herein as the “**Offered Securities**”, all references to “**Offered Units**” herein shall include the Additional Units, all references to “**Unit Shares**” herein shall include the Common Shares comprising the Additional Units and the Additional Shares, all references to “**Warrants**” herein shall include the Additional Warrants, all references to “**Warrant Shares**” herein shall include the Common Shares issuable upon exercise of the

Additional Warrants and the offering of the Offered Securities by the Company is hereinafter referred to as the “**Offering**”.

The Offered Units may be distributed in each of the provinces of Canada, except Quebec (the “**Qualifying Jurisdictions**”) pursuant to the Final Prospectus (as defined herein). Subject to applicable law, including Canadian Securities Laws (as defined herein) and U.S. Securities Laws (as defined herein), and the terms of this Agreement, the Offered Units may also be distributed outside Canada where they may be lawfully sold on a basis exempt from the prospectus, registration and similar requirements of any such jurisdictions, including the United States in accordance with Schedule “B” hereto.

The Underwriters shall be entitled (but not obligated) in connection with the Offering to retain as subagents other registered securities dealers for the purposes of arranging for purchases of the Offered Units (each, a “**Selling Firm**”), at no additional cost to the Company. The fee payable to any Selling Firm shall be for the account of the Underwriters.

In consideration of the services to be rendered by the Underwriters hereunder, the Underwriters will receive a cash fee (the “**Underwriters’ Commission**”) equal to 6.0% of the gross proceeds received by the Company from the Offering (including any gross proceeds from the sale of the Additional Units, Additional Shares and/or Additional Warrants). As additional consideration for the services to be rendered by the Underwriters hereunder, the Underwriters shall be issued Compensation Options (the “**Compensation Options**”) equal to 6.0% of the aggregate number of Offered Units sold hereunder (including from the sale of the Additional Units, Additional Shares and/or Additional Warrants). The Compensation Options will be qualified for distribution under the Final Prospectus. Each Compensation Option will entitle the holder to purchase one Offered Unit (each, a “**Compensation Option Unit**”) at the Offering Price for a period of 24 months following the Closing Date.

The parties acknowledge that the Offered Units, the Unit Shares, the Warrants, the Warrant Shares, the Compensation Options, the Compensation Option Units, the Compensation Option Shares (as defined herein), the Compensation Option Warrants (as defined herein) and the Compensation Option Warrant Shares (as defined herein), as applicable, have not been and will not be registered under the U.S. Securities Act (as defined herein) or the securities laws of any state of the United States (as defined herein) and may not be offered or sold in the United States, except pursuant to exemptions from the registration requirements of the U.S. Securities Act and the applicable laws of any state of the United States in the manner specified in this Agreement and pursuant to the representations, warranties, acknowledgments, agreements and covenants of the Company and the Underwriters and the U.S. Affiliates (as defined herein) contained in Schedule “B” hereto. All actions to be undertaken by the Underwriters in the United States in connection with the matters contemplated herein shall be undertaken through the U.S. Affiliates.

DEFINITIONS AND INTERPRETATION

In this Agreement:

“**Acceleration Notice**” means the notice of acceleration deliverable to holders of Warrants upon the Company’s exercise of the Acceleration Right;

“**Acceleration Right**” means the right of the Company to accelerate the expiry date of the Warrants to the date which is not less than 30 days after the date the Acceleration Notice is provided to the holders of Warrants if the volume-weighted average trading price of the Common Shares exceeds \$1.50 for a period, following the Closing Date, of 10 consecutive trading days on the CSE;

“**Additional Shares**” has the meaning given to that term in the second paragraph of this Agreement;

“**Additional Units**” has the meaning given to that term in the second paragraph of this Agreement;

“**Additional Warrants**” has the meaning given to that term in the second paragraph of this Agreement;

“**affiliate**”, “**associate**”, “**distribution**”, “**material change**”, “**material fact**”, and “**misrepresentation**” have the respective meanings given to them in the Ontario Act;

“**Agreement**” means this Underwriting Agreement and not any particular article or section or other portion except as may be specified and words such as “hereof”, “hereto”, “herein” and “hereby” refer to this Agreement as the context requires;

“**BCBCA**” means the *Business Corporations Act* (British Columbia);

“**BCSC**” means the British Columbia Securities Commission;

“**Bid Letter**” means the letter agreement dated August 19, 2020, as amended on August 20, 2020, between the Company and PI Financial Corp., relating to the Offering;

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

“**Canadian Securities Commissions**” means, collectively, the applicable securities commissions or other securities regulatory authority in each of the Qualifying Jurisdictions (including the CSE);

“**Canadian Securities Laws**” means, collectively, all applicable securities laws of each of the Qualifying Jurisdictions and the respective rules and regulations under such laws together with applicable published policy statements, blanket orders, instruments and notices of the Canadian Securities Commissions and all discretionary orders or rulings, if any, of the Canadian Securities Commissions made in connection with the transactions contemplated by this Agreement;

“**Cannabis Laws**” means the regulations made under certain U.S. laws, statutes and/or regulations, as applicable, relating to the cultivation, processing, extraction, tracking, distribution or possession of

cannabis and cannabis related products and substances in the U.S. and other related orders, judgements, or decrees;

“**CDS**” means CDS Clearing and Depository Services Inc.;

“**Closing**” means the completion of the issue and sale by the Company and the purchase by the Purchasers or the Underwriters, as applicable, of the Offered Units as contemplated by this Agreement;

“**Closing Date**” means September 15, 2020 or such other date as the Company and the Co-Lead Underwriters may agree in writing;

“**Closing Time**” means 8:30 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Company and the Co-Lead Underwriters may agree in writing;

“**Co-Lead Underwriters**” has the meaning given to that term in the first paragraph of this Agreement;

“**Common Shares**” means the common shares in the capital of the Company;

“**comparables**” has the meaning given to that term in NI 44-101;

“**Compensation Options**” has the meaning given to that term in the sixth paragraph of this Agreement;

“**Compensation Option Certificates**” means the definitive certificates representing the Compensation Options in a form acceptable to the Underwriters and the Company;

“**Compensation Option Shares**” means the Common Shares issuable upon exercise of the Compensation Options;

“**Compensation Option Units**” has the meaning given to that term in the sixth paragraph of this Agreement;

“**Compensation Option Warrant Shares**” means the Common Shares issuable upon exercise of the Compensation Option Warrants;

“**Compensation Option Warrants**” means the Warrants issuable upon exercise of the Compensation Options;

“**Company**” has the meaning given to that term in the first paragraph of this Agreement;

“**Company’s Auditors**” means such firm of chartered accountants as the Company may have appointed or may from time to time appoint as auditors of the Company;

“**Continuing Underwriters**” has the meaning given to that term in Section 16;

“**CSE**” means the Canadian Securities Exchange;

“Debt Instrument” means any mortgage, note, indenture, loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability to which the Company or any Subsidiary is a party or otherwise bound;

“Disclosure Documents” means, collectively, all of the documentation which has been filed by or on behalf of the Company with the relevant Securities Commissions pursuant to the requirements of Canadian Securities Laws, including all press releases, material change reports (excluding any confidential material change report) and financial statements of the Company since January 1, 2017;

“Documents Incorporated by Reference” means all financial statements, management information circulars, annual information forms, material change reports, business acquisition reports, marketing materials or other documents filed by the Company on SEDAR, whether before or after the date of this Agreement, that are required by Canadian Securities Laws to be incorporated by reference into the Preliminary Prospectus, the Final Prospectus or any Supplementary Material, as applicable;

“Environmental Laws” means any federal, provincial, state, local or municipal statute, law, rule, regulation, ordinance, code, policy or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of Hazardous Materials or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials;

“Environmental Permits” means permits, authorizations and approvals required under any Environmental Laws to carry on business as currently conducted;

“Final Prospectus” means the (final) short form prospectus of the Company, including all Documents Incorporated by Reference, to be approved, signed and certified in accordance with the Canadian Securities Laws, relating to the qualification for distribution of the Offered Units and the Compensation Options under Canadian Securities Laws, which is to be filed with the BCSC (as principal regulator) and each of the other Canadian Securities Commissions pursuant to the Passport System;

“Final Receipt” means a receipt for the Final Prospectus issued in accordance with the Passport System;

“Financial Data” means financial information, including the Financial Statements, and statistical and accounting data (other than industry data derived from industry sources or based upon estimates of management of the applicable person);

“Financial Statements” means, collectively: the unaudited condensed consolidated interim financial statements of the Company for the period ending January 31, 2020; the unaudited condensed consolidated interim financial statements of MichiCann Medical Inc. (“**MichiCann**”) for the period ending March 31, 2020; the audited consolidated financial statements of MichiCann as at and for the years ended December 31, 2019 and 2018; the audited consolidated financial statements of the Company as at and for the years ended July 31, 2019 and 2018; and any other financial statements of the Company or MichiCann included in the Documents Incorporated by Reference, including the notes to such statements and the related auditors’ report on such statements, where applicable, prepared in accordance with IFRS;

“Governmental Authority” means any governmental authority and includes any national or federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing;

“Hazardous Materials” means chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products;

“IFRS” means International Financial Reporting Standards as issued by the International Accounting Standards Board, or any successor entity, applicable as at the date on which such principles are applied;

“including” means including without limitation;

“Indemnified Party” or **“Indemnified Parties”** has the meaning given to that term in subsection 13(a);

“Intellectual Property” has the meaning given to that term in subsection 5(rr);

“knowledge of the Company” (or similar phrases) means, with respect to the Company, the knowledge of its directors and officers after due and diligent inquiry;

“Leased Premises” means the premises which are material to the Company or any Subsidiary, and which the Company or any Subsidiary occupies as a tenant;

“Licences” has the meaning given to that term in subsection 5(xxx);

“Liens” means any mortgage, charge, pledge, encumbrance, hypothec, security interest, prior claim, demand or lien (statutory or otherwise), in each case, whether contingent or absolute;

“marketing materials” has the meaning given to that term in NI 41-101;

“Marketing Materials” means the term sheet dated August 21, 2020 in respect of the Offering;

“Material Adverse Effect” means the effect resulting from any change (including a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision of the board of directors is probable), event, violation, inaccuracy or circumstance that is materially adverse to the business, assets (including intangible assets), liabilities, capitalization, ownership, prospects, financial condition, or results of operations of the Company and the Subsidiaries, taken as a whole or that is or is reasonably likely to be materially adverse to the Company’s ability to complete the transactions contemplated by this Agreement;

“Material Agreement” means any material contract, commitment, agreement (written or oral), instrument, lease or other document, including licence agreements and agreements relating to Intellectual Property, to which the Company or any Subsidiary are a party or to which its property or assets are otherwise bound;

“MI 11-102” means Multilateral Instrument 11-102 – *Passport System*;

“**NI 41-101**” means National Instrument 41-101 – *General Prospectus Requirements*;

“**NI 44-101**” means National Instrument 44-101 – *Short Form Prospectus Distributions*;

“**NI 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations*;

“**NP 11-202**” means National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions*;

“**Offered Securities**” has the meaning given to that term in the third paragraph of this Agreement;

“**Offered Units**” has the meaning given to that term in the first and third paragraphs of this Agreement;

“**Offering**” has the meaning given to that term in the third paragraph of this Agreement;

“**Offering Documents**” means, collectively, the Preliminary Prospectus, the Final Prospectus, the U.S. Memorandum and any Supplementary Material;

“**Offering Price**” has the meaning given to that term in the first paragraph of this Agreement;

“**Ontario Act**” means the *Securities Act* (Ontario);

“**OTCQX**” means the OTCQX Market;

“**Over-Allotment Closing**” has the meaning given to that term in subsection 8(b);

“**Over-Allotment Closing Date**” has the meaning given to that term in subsection 8(a);

“**Over-Allotment Closing Time**” means 8:30 a.m. (Toronto time) on the Over-Allotment Closing Date or such other time on the Over-Allotment Closing Date as the Company and the Co-Lead Underwriters may agree in writing;

“**Over-Allotment Option**” has the meaning given to that term in the second paragraph of this Agreement;

“**Over-Allotment Option Notice**” has the meaning given to that term in subsection 8(a);

“**Owned Real Property**” means the property, including (i) 14240 Greenhouse Avenue, Granville, Illinois 61326; (ii) 1665 Main Street, Springfield, Massachusetts 01103; and (iii) 3 Quabbin Boulevard, Lot 3 and 6F, Orange, Massachusetts 01364, owned by the Company or its Subsidiaries;

“**Passport System**” means the system and procedures described under MI 11-102 and NP 11-202;

“**person**” includes any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning;

“**Personnel**” has the meaning given to that term in subsection 13(a);

“Portfolio Companies” means, collectively, the material entities described in the Offering Documents as portfolio companies or investees of the Company and its Subsidiaries, together with their respective subsidiaries;

“Preliminary Prospectus” means the preliminary short form prospectus of the Company dated even date herewith, including all Documents Incorporated by Reference, to be approved, signed and certified in accordance with the Canadian Securities Laws, relating to the qualification for distribution of the Offered Units and the Compensation Options under Canadian Securities Laws, which is to be filed with the BCSC (as principal regulator) and each of the other Canadian Securities Commissions pursuant to the Passport System;

“Preliminary Receipt” means a receipt for the Preliminary Prospectus issued in accordance with the Passport System;

“Principal Securityholders” means all securityholders of the Company that own, at the Closing Date and any Over-Allotment Closing Date, securities representing 5% of the outstanding equity of the Company, after giving effect to the exercise of convertible securities owned or controlled or directed by them;

“Prospectus” means, collectively, the Preliminary Prospectus, the Final Prospectus and any amendments thereto;

“Purchasers” means the persons who, as purchasers, acquire the Offered Units;

“Qualified Institutional Buyer” means a “qualified institutional buyer” as that term is defined in Rule 144A;

“Qualifying Jurisdictions” has the meaning given to that term in the fourth paragraph of this Agreement;

“Refusing Underwriter” has the meaning given to that term in Section 16;

“Regulation D” means Regulation D adopted by the SEC under the U.S. Securities Act;

“Rule 144A” means Rule 144A adopted by the SEC under the U.S. Securities Act;

“SEC” means the United States Securities and Exchange Commission;

“Securities Commissions” means, collectively, the Canadian Securities Commission and, if applicable, the SEC and FINRA and any applicable securities regulatory authority of any state of the United States;

“Securities Laws” means, unless the context otherwise requires, the Canadian Securities Laws, the U.S. Securities Laws and all applicable securities laws in each of the Qualifying Jurisdictions, the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, multilateral and national instruments, orders, blanket rulings, notices and other regulatory instruments of the securities regulatory authorities in such jurisdictions;

“SEDAR” means the System for Electronic Document Analysis and Retrieval;

“**Selling Firm**” has the meaning given to that term in the fifth paragraph of this Agreement;

“**standard term sheet**” has the meaning given to that term in NI 41-101;

“**Subsidiaries**” means the material subsidiaries of the Company as listed in Schedule “A”, and

“**Subsidiary**” means any one of them;

“**subsidiary**” has the meaning given to that term in the BCBCA;

“**Supplementary Material**” means, collectively, any amendment to the Preliminary Prospectus, the Final Prospectus or the U.S. Memorandum, an amendment to any of the Offering Documents or any amendment or supplemental prospectus or ancillary materials that may be filed by or on behalf of the Company under Securities Laws relating to the Offering;

“**Tax Act**” means the *Income Tax Act* (Canada);

“**Taxes**” has the meaning given to that term in subsection 5(jj);

“**template version**” has the meaning given to that term in NI 41-101;

“**Transaction Documents**” means, collectively, this Agreement, the Warrant Indenture, the Compensation Option Certificates and the certificates, if any, representing the Offered Securities, the Warrant Shares, the Compensation Option Shares, the Compensation Option Warrants, the Compensation Option Warrant Shares and any other documents or agreements executed in connection with the transactions contemplated hereunder;

“**Transfer Agent**” means the registrar and transfer agent for the Common Shares, currently National Securities Administrators Ltd.;

“**Underwriters**” has the meaning given to that term in the first paragraph of this Agreement;

“**Underwriters’ Commission**” has the meaning given to that term in the sixth paragraph of this Agreement;

“**Underwriters’ Information**” means information and statements relating solely to the Underwriters which have been provided by an Underwriter to the Company in writing specifically for use in the Offering Documents;

“**Unit Shares**” has the meaning given to that term in the first and third paragraphs of this Agreement;

“**United States**” or “**U.S.**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

“**U.S. Affiliate**” means an Underwriter’s duly registered broker-deal affiliate in the United States;

“**U.S. Exchange Act**” means the United States *Securities Exchange Act of 1934*, as amended and the rules and regulations promulgated thereunder

“**U.S. Memorandum**” has the meaning given to that term in subsection 3(c);

“**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder;

“**U.S. Securities Laws**” means the United States federal securities laws, including, without limitation, the U.S. Securities Act and the U.S. Exchange Act and the rules and regulations promulgated thereunder and as may be amended from time to time, and applicable state securities laws;

“**Warrant**” has the meaning given to that term in the first and third paragraphs of this Agreement;

“**Warrant Agent**” has the meaning given to that term in the first paragraph of this Agreement;

“**Warrant Indenture**” has the meaning given to that term in the first paragraph of this Agreement; and

“**Warrant Share**” has the meaning given to that term in the first and third paragraphs of this Agreement.

In this Agreement, unless there is something in the subject matter or context inconsistent therewith:

- (a) the division of this Agreement into sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or the interpretation of this Agreement. References herein to sections, subsections, paragraphs and other subdivisions are to sections, subsections, paragraphs and other subdivisions of this Agreement;
- (b) references herein to any agreement or instrument, including this Agreement, are deemed to be references to the agreement or instrument as varied, amended, modified, supplemented or replaced from time to time, and any specific references herein to any legislation or enactment are deemed to be references to such legislation or enactment as the same may be amended or replaced from time to time; and
- (c) (i) words importing only the singular number include the plural and vice versa and words importing gender include all genders; and (ii) all references to dollars or “\$” are to Canadian dollars.

The following schedules are attached to this Agreement, which schedules are deemed to be a part hereof and are hereby incorporated by reference herein:

Schedule “A” – Subsidiaries

Schedule “B” – Terms and Conditions for United States Offers and Sales

TERMS AND CONDITIONS**1. Company's Covenants.**

The Company makes the following covenants to the Underwriters, and acknowledges that each of them is relying on such covenants in purchasing the Offered Units.

- (a) Promptly after the execution and delivery of this Agreement by the parties hereto, the Company shall file under Canadian Securities Laws the Preliminary Prospectus and other documents relating to the proposed distribution of the Offered Units in the Qualifying Jurisdictions, and the Company shall use its commercially reasonable best efforts to obtain the Preliminary Receipt from the BCSC (as principal regulator) and each of the other Canadian Securities Commissions pursuant to the Passport System dated the date hereof.
 - (b) The Company shall use its commercially reasonable best efforts to satisfy all comments with respect to the Preliminary Prospectus as soon as possible after receipt of such comments. The Company shall prepare and file under the Canadian Securities Laws the Final Prospectus and other documents relating to the proposed distribution of the Offered Units in the Qualifying Jurisdictions, and the Company shall use its commercially reasonable best efforts to obtain the Final Receipt from the BCSC (as principal regulator) and each of the other Canadian Securities Commissions pursuant to the Passport System dated on or before September 8, 2020.
 - (c) Until the earlier of the date on which the distribution of the Offered Units is completed or this Agreement is terminated, the Company will promptly take, or cause to be taken, all additional steps and proceedings that may from time to time be required under Canadian Securities Laws to continue to qualify the distribution of the Offered Units and the Compensation Options or, in the event that the Offered Units, Compensation Options or any of them, have, for any reason, ceased to so qualify, to so qualify again such securities, as applicable, for distribution.
 - (d) Provided the Underwriters have timely taken all action required by them hereunder and under Securities Laws to permit the Company to do so, the Company shall use its commercially reasonable best efforts to secure compliance with all Securities Laws on a timely basis in connection with the distribution of the Offered Units and the Compensation Options, including the payment of all filing fees required to be paid by it in connection therewith.
 - (e) Prior to the Closing Time and any Over-Allotment Closing Time, the Company will allow the Underwriters (and their counsel and consultants) to conduct all due diligence which the Underwriters may reasonably require or which may be considered necessary or appropriate by the Underwriters. The Company will provide to the Underwriters (and their counsel) reasonable access to the properties, senior management personnel and corporate, financial and other records of the Company and the Subsidiaries, for the purposes of conducting such due diligence. Without limiting the scope of the due diligence inquiry which the Underwriters (or their counsel) may conduct, the Company
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shall also make available its directors, senior management, auditors and counsel to answer any reasonable questions which the Underwriters may have and to participate in one or more due diligence sessions to be held prior to Closing and any Over-Allotment Closing and prior to filing each of the Preliminary Prospectus and the Final Prospectus and any amendment thereto.

- (f) The Company covenants to use its best efforts to obtain the necessary final approval, if any, of the CSE and OTCQX for the Offering on such terms as are customary.
 - (g) During the period from the date hereof until the Closing and any Over-Allotment Closing, the Company covenants to promptly provide to the Underwriters and the Underwriters' counsel, prior to the publication, filing or issuance thereof, any communication to the public.
 - (h) The Company covenants to apply the net proceeds from the Offering in accordance with the parameters described in the Prospectus.
 - (i) The Company covenants to advise the Underwriters, promptly after receiving notice thereof, of the time when the Preliminary Prospectus, Final Prospectus and any Supplementary Material have been filed and receipts therefor have been obtained pursuant to NP 11-202 and will provide evidence satisfactory to the Underwriters of each such filing and copies of such receipts.
 - (j) The Company covenants to advise the Underwriters, promptly after receiving notice or obtaining knowledge thereof, of:
 - (i) the issuance by any Securities Commission of any order suspending or preventing the use of the Preliminary Prospectus, the Final Prospectus, the U.S. Memorandum or any Supplementary Material;
 - (ii) the institution, threatening or contemplation of any proceeding for any such purposes;
 - (iii) any order, ruling, or determination having the effect of suspending the sale or ceasing the trading in the Common Shares or any securities of the Company having been issued by any Securities Commission or the institution, threatening or contemplation of any proceeding for any such purposes; or
 - (iv) any requests made by any Securities Commission for amending or supplementing the Preliminary Prospectus, the Final Prospectus or U.S. Memorandum or for additional information, and will use its commercially reasonable best efforts to prevent the issuance of any order referred to in (i) above and, if any such order is issued, to obtain the withdrawal thereof as quickly as possible.
 - (k) The Company covenants that the Company shall (i) not take any action which would be reasonably expected to result in the delisting or suspension of the Common Shares on or from the CSE and/or the OTCQX and the Company shall use its commercially reasonable
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best efforts to comply with the rules and regulations thereof, and (ii) use its commercially reasonable best efforts to maintain its status as a “reporting issuer” (or the equivalent thereof) not in default of the requirements of Canadian Securities Laws in each of the Qualifying Jurisdictions.

- (l) The Company shall not, without the prior written consent of the Co-Lead Underwriters, on behalf of the Underwriters, after discussion therewith, which consent shall not be unreasonably withheld, directly or indirectly offer, issue, pledge, sell, contract to sell, announce an intention to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise lend, transfer or dispose of, directly or indirectly, any Common Shares or securities convertible into or exchangeable for Common Shares for a period ending 90 days after the Closing Date, other than: (i) the exercise of the Over-Allotment Option; (ii) the issuance of Common Shares in connection with the exercise of any currently outstanding options or warrants or other securities convertible into Common Shares of the Company, (iii) the issuance of options to acquire Common Shares pursuant to the Company’s stock option plan or other compensation arrangements in place prior to the date hereof; and (iv) to satisfy any other currently outstanding instruments or other contractual commitments in relation to any transaction that has been previously disclosed in writing to the Underwriters.
- (m) The Company shall allow the Underwriters to participate in the preparation of the Preliminary Prospectus, the Final Prospectus, the U.S. Memorandum and any Supplementary Material that the Company is required to file or prepare under Securities Laws relating to the Offering.
- (n) The Company will not offer or sell the Offered Securities in the United States except in accordance with the terms of this Agreement, including Schedule “B” hereto.
- (o) The Company shall file its unaudited condensed consolidated interim financial statements for the period ending June 30, 2020 with the Canadian Securities Commissions on SEDAR by no later than August 31, 2020.
- (p) The Company shall ensure that at the Closing Time and any Over-Allotment Closing Time, the Company and each Subsidiary is validly existing in good standing under the laws of its jurisdiction of formation and under the laws of each jurisdiction in which it owns or leases property, or conducts business.

2. Underwriters’ Representations and Warranties and Covenants.

The Underwriters hereby severally represent and warrant to and covenant with the Company that at least one of the Underwriters is duly qualified and registered to carry on business as securities dealers in each of the Qualifying Jurisdictions where the sale of the Offered Units requires such qualification and/or registration in a manner that permits the sale of the Offered Units on a basis described in subsection 2(a). Each of the Underwriters hereby severally (on its own behalf and not on behalf of any other Underwriters) represents and warrants to, and covenants with, the Company that:

- (a) it shall offer and solicit offers for the purchase of the Offered Units in compliance with Securities Laws and the provisions of this Agreement and only from such persons and in such manner that, pursuant to Securities Laws and, subject to the prior consent of the Company, not to be unreasonably withheld, delayed or conditioned, the securities laws of any other jurisdiction applicable to the offer and sale of the Offered Units under this Offering, no prospectus, registration statement or similar document need be delivered or filed, other than any prescribed reports of the issue and sale of the Offered Units and the Preliminary Prospectus and Final Prospectus and, in the case of any jurisdiction other than the Qualifying Jurisdictions, no continuous disclosure obligations will be created;
- (b) it shall not provide to prospective Purchasers any document or other material or information that would constitute an “offering memorandum” within the meaning of Canadian Securities Laws without the prior written consent of the Company;
- (c) upon the Company obtaining the Preliminary Receipt and the Final Receipt pursuant to the Passport System and NI 44-101, it shall deliver one copy of each of the Offering Documents (other than the Preliminary Prospectus), as applicable, to each of the Purchasers;
- (d) it will not offer or sell the Offered Securities in any jurisdiction other than the Qualifying Jurisdictions and the United States (unless agreed to by the Company) in accordance with the terms of this Agreement, including Schedule “B” hereto;
- (e) it will refrain from advertising the Offering in (A) printed media of general and regular paid circulation, (B) radio, (C) television, or (D) telecommunication (including electronic display and the Internet) and not make use of any green sheet or other internal marketing document without the consent of the Company, such consent to be promptly considered and not to be unreasonably withheld, delayed or conditioned; and
- (f) it will use its commercially reasonable efforts to complete the distribution of the Offered Units pursuant to the Final Prospectus as early as practicable and the Underwriters shall advise the Company in writing when, in the opinion of the Underwriters, they have completed the distribution of the Offered Units and, if required for regulatory compliance purposes, promptly, and in any event, within 30 days after the Closing Date and any Over-Allotment Closing Date, provide a breakdown of the number of Offered Units distributed and proceeds received (A) in each of the Qualifying Jurisdictions, and (B) in any other jurisdiction in which the Offered Units are offered or sold.

It is agreed that no Underwriter will be liable for any act, omission, default or conduct by any other Underwriter or another Underwriter’s U.S. Affiliate or any Selling Firm appointed by another Underwriter under the foregoing Section 2.

3. Deliveries on Filing, Marketing Materials and Related Matters.

- (a) Concurrently with the filing of each of the Preliminary Prospectus and the Final Prospectus, as the case may be, the Company shall deliver, or cause to be delivered, to each of the Underwriters, a copy of each of the Preliminary Prospectus and Final
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Prospectus, as the case may be, signed by the Company as required by Canadian Securities Laws.

- (b) The Company shall deliver without charge to the Underwriters, at those delivery points in the Qualifying Jurisdictions as the Underwriters may reasonably request, as soon as practicable and in any event in the City of Toronto no later than 12:00 p.m. (Toronto time) on the first Business Day after, and to other cities no later than the second Business Day after, each of the Preliminary Receipt and the Final Receipt as applicable, are obtained in each of the Qualifying Jurisdictions under the Passport System, and thereafter from time to time during the distribution of the Offered Units, in such cities as the Underwriters shall notify the Company, as many commercial copies of the Preliminary Prospectus, the Final Prospectus and the U.S. Memorandum (and in the event of any amendment to a Prospectus or U.S. Memorandum, such amendment) as the Underwriters may reasonably request for the purposes contemplated under Securities Laws. The Company will similarly cause to be delivered to the Underwriters, in such cities as the Underwriters may reasonably request, commercial copies of any Supplementary Material required to be delivered to Purchasers or prospective Purchasers. Each delivery of the Preliminary Prospectus, the Final Prospectus, the U.S. Memorandum or any Supplementary Material will have constituted and constitute the Company's consent to the use of the Preliminary Prospectus, the Final Prospectus, the U.S. Memorandum and any Supplementary Material by the Underwriters for the distribution of the Offered Units in compliance with the provisions of this Agreement and Securities Laws.
 - (c) The Company shall deliver to the Underwriters the private placement memorandum incorporating the Prospectus prepared for use in connection with the sale of the Offered Units in the United States (the "**U.S. Memorandum**"), and, forthwith after preparation, any amendment to the U.S. Memorandum.
 - (d) Concurrently with the filing of the Final Prospectus with the Canadian Securities Commissions, the Company shall deliver to the Underwriters and their counsel one or more "long form" comfort letters dated the date of the Final Prospectus, in form and substance satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters and the directors of the Company from the Company's Auditors with respect to financial and accounting information relating to the Company contained in the Final Prospectus, which letter shall be based on a review by the Company's Auditors within a cut-off date of not more than two Business Days prior to the date of the letter, which letter shall be in addition to the consent letter of the Company's Auditors addressed to the Canadian Securities Commissions.
 - (e) Prior to the filing of the Final Prospectus with the Canadian Securities Commissions, the Company shall deliver to the Underwriters copies of all correspondence from the CSE and OTCQX indicating that the applications for the listing and posting for trading on the CSE and OTCQX of the Unit Shares, Warrant Shares Warrants, Compensation Option Shares, Compensation Option Warrants and Compensation Option Warrant Shares has been approved.
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- (f) If applicable, the Company shall also prepare and deliver promptly to the Underwriters signed copies of all Supplementary Material. Concurrently with the delivery of any Supplementary Material, the Company shall deliver to the Underwriters, with respect to such Supplementary Material, opinions substantially similar to the opinions referred to in Section 7 and comfort letters from the Company's Auditors substantially similar to the letters referred to in Section 3(d).
- (g) Delivery of the Preliminary Prospectus, the Final Prospectus, the U.S. Memorandum and any Supplementary Material by the Company shall constitute the representation and warranty of the Company to the Underwriters that, as at their respective dates:
 - (i) all information and statements (except Underwriters' Information) contained in the Preliminary Prospectus, the Final Prospectus, the U.S. Memorandum or any Supplementary Material, as the case may be, are true and correct as at the respective dates of filing, and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Company and the Offered Securities;
 - (ii) no material fact or information (except Underwriters' Information) has been omitted therefrom which is required to be stated in such disclosure or is necessary to make the statements or information contained in such disclosure not misleading in light of the circumstances under which they were made; and
 - (iii) such documents (except Underwriters' Information) comply with the requirements of Securities Laws.

Such deliveries shall also constitute the Company's consent to the Underwriters' and any Selling Firm's use of the Offering Document in connection with the distribution of the Offered Units in compliance with this Agreement.

- (h) During the period commencing on the date hereof and until completion of the distribution of the Offered Units, the Company will use its commercially reasonable best efforts to promptly provide to the Underwriters drafts of any press releases of the Company for review by the Underwriters and the Underwriters' counsel prior to issuance, and will not publish those press releases (unless otherwise required by Securities Laws) except with the prior approval of the Co-Lead Underwriters, on behalf of the Underwriters, which approval will not be unreasonably withheld or delayed.
 - (i) During the distribution of the Offered Units, the Company and the Co-Lead Underwriters shall approve in writing (prior to such time that marketing materials are provided to potential Purchasers) any marketing materials reasonably requested to be provided by the Underwriters to any potential Purchaser, such marketing materials shall comply with Securities Laws. The Company shall file a template version of such marketing materials with the Canadian Securities Commissions as soon as reasonably practicable after such marketing materials are so approved in writing by the Company and the Co-Lead Underwriters, on behalf of the Underwriters, and in any event on or before the day such approved marketing materials are first provided to any potential Purchaser, and such
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filing shall constitute the Underwriters' authority to use such marketing materials in connection with the Offering. Any comparables shall be redacted from the template version in accordance with NI 44-101 prior to filing such template version with the Canadian Securities Commissions and a complete template version containing such comparables and any disclosure relating to the comparables, if any, shall be delivered to the Canadian Securities Commissions by the Company.

- (j) The Company and each of the Underwriters, on a several basis, covenant and agree:
 - (i) not to provide any potential Purchaser with any marketing materials unless a template version of such marketing materials has been approved in writing and filed by the Company with the Canadian Securities Regulators on or before the day such marketing materials are first provided to any potential Purchaser; and
 - (ii) other than the Marketing Materials (or such other materials as are required to be delivered to a potential Purchaser under Securities Laws), not to provide any potential Purchaser with any materials or information in relation to the distribution of the Offered Securities or the Company other than (A) such marketing materials that have been approved and filed in accordance with subsection 3(j)(i), (B) the Preliminary Prospectus and the Final Prospectus, and (C) any standard term sheets approved in writing by the Company and the Co-Lead Underwriters.

4. Material Changes.

- (a) During the period from the date hereof until the Underwriters notify the Company of the completion of the distribution of the Offered Securities in accordance with their obligations in subsection 2(f), the Company shall promptly inform the Underwriters (and if requested by the Underwriters, confirm such notification in writing) of the full particulars of:
 - (i) any material change (actual, anticipated, contemplated, threatened, proposed, financial or otherwise) in the assets (including intangible assets), liabilities (contingent or otherwise), business, financial condition, affairs, operations, prospects or capital or ownership of the Company or any Subsidiary;
 - (ii) any material fact which has arisen or has been discovered or any new material fact that would have been required to have been stated in the Offering Documents had that fact arisen or been discovered on or prior to the date of any of the Offering Documents;
 - (iii) any change in any material fact (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact) contained or incorporated by reference in the Offering Documents or whether any event or state of facts has occurred after the date hereof, which, in any case, is, or may be, of such a nature as to render any of the Offering Documents untrue or misleading in any material respect or to result in any misrepresentation in any of
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the Offering Documents, including as a result of any of the Offering Documents containing or incorporating by reference therein an untrue statement of a material fact or omitting to state a material fact required to be stated therein or necessary to make any statement therein not false or not misleading in the light of the circumstances in which it was made, or which could result in any of the Offering Documents not complying with the Securities Laws; or

- (iv) any notice by any governmental, judicial or regulatory authority requesting any material information, or meeting or hearing, relating to the Company or any Subsidiary or the Offering.
- (b) The Company covenants to comply with section 57 of the Ontario Act and with the comparable provisions of the other Canadian Securities Laws, and the Company will prepare and file promptly any Supplementary Material which may be necessary.
- (c) During the period commencing on the date hereof until the Underwriters notify the Company of the completion of the distribution of the Offered Securities, the Company will promptly inform the Underwriters in writing of the full particulars of:
- (i) any request of any Securities Commission for any amendment to any Offering Document or for any additional information in respect of the Offering or the Company;
 - (ii) the receipt by the Company of any material communication, whether written or oral, from any Securities Commission, the CSE, OTCQX or any other competent authority, relating to the Preliminary Prospectus, the Prospectus, the distribution of the Offered Securities or the Company;
 - (iii) any notice or other correspondence received by the Company from any Governmental Authority and any requests from such bodies for information, a meeting or a hearing relating to the Company, any Subsidiary, the Offering, the issue and sale of the Offered Securities or any other event or state of affairs that could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; or
 - (iv) the issuance by any Securities Commission, the CSE, OTCQX or any other competent authority, including any other Governmental Authority, of any order to cease or suspend trading or distribution of any securities of the Company (including the Offered Units, Unit Shares, Warrants, Warrant Shares, Compensation Options, Compensation Option Units, Compensation Option Shares, Compensation Option Warrants and Compensation Option Warrant Shares issuable upon the exercise of the Compensation Option Warrants) or of the institution, threat of institution of any proceedings for that purpose or any notice of investigation that could potentially result in an order to cease or suspend trading or distribution of any securities of the Company (Offered Units, Unit Shares, Warrants, Warrant Shares, Compensation Options, Compensation Option Units, Compensation Option Shares, Compensation Option Warrants and
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Compensation Option Warrant Shares issuable upon the exercise of the
Compensation Option Warrants).

- (d) In addition to the provisions of subsections 4(a), 4(b) and 4(c), the Company shall in good faith discuss with the Underwriters any change, event or fact contemplated in subsections 4(a), 4(b) and 4(c) which is of such a nature that there is or could be reasonable doubt as to whether notice should be given to the Underwriters under subsection 4(a) and shall consult with the Underwriters with respect to the form and content of any amendment or other Supplementary Material proposed to be filed by the Company, it being understood and agreed that no such amendment or other Supplementary Material shall be filed with any securities regulatory authority prior to the review thereof by the Underwriters and the Underwriters' counsel, acting reasonably and without delay (unless otherwise required by Securities Laws).
- (e) If during the period of distribution of the Offered Units there shall be any change in Securities Laws which, in the opinion of the Underwriters, acting reasonably, requires the preparation or filing of any Supplementary Material, upon written notice from the Underwriters, the Company shall, to the satisfaction of the Underwriters, acting reasonably, promptly prepare and file any such Supplementary Material with the appropriate securities regulatory authority where such filing is required under Securities Laws.

Representations and Warranties of the Company. The Company represents and warrants to the Underwriters, and acknowledges that each of them is relying upon such representations and warranties in connection with the completion of the Offering, that as of the date hereof:

- (a) each of the Company and the Subsidiaries: (A) is a corporation duly incorporated, continued or amalgamated and validly existing in good standing under the laws of the jurisdiction in which it was incorporated, continued or amalgamated, as the case may be; (B) has all requisite corporate power and authority and is duly qualified and holds all necessary permits, licences and authorizations necessary or required to carry on its business as now conducted to own, lease or operate its properties (including the Owned Real Property) and assets; (C) where required, has been duly qualified as an extra-provincial corporation or foreign corporation for the transaction of business and is in good standing under the laws of each jurisdiction in which it owns or leases property, or conducts business unless, in each case, the failure to do so would not individually or in the aggregate, have a Material Adverse Effect; and (D) no steps or proceedings have been taken by any person, voluntary or otherwise, requiring or authorizing its dissolution or winding up;
 - (b) to the knowledge of the Company, each Portfolio Company is an entity formed and validly existing in good standing under the laws of its jurisdiction of formation and has all requisite power and authority and is duly qualified to carry on its business as now conducted in each of the jurisdictions it carries on business and to own, lease or operate its assets and properties. To the knowledge of the Company, no person has taken any steps or proceedings, voluntary or otherwise, requiring or authorizing any Portfolio Company's dissolution or winding up;
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- (c) the Company has and will at the Closing Time have all requisite power and authority to invest in accordance with its investment objectives and strategies as set out in the Prospectus and conduct its business as contemplated thereby;
 - (d) the Company has all requisite corporate power, authority and capacity to enter into each of the Transaction Documents and to perform the transactions contemplated herein and therein, including, without limitation, to issue the Offered Securities and the Compensation Options and all securities issuable upon exercise of such securities;
 - (e) Schedule “A” sets out each Subsidiary of the Company and each other entity controlled by the Company, directly or indirectly, and the Company’s direct and indirect holdings in each such Subsidiary are as set out on Schedule “A”. The Company beneficially owns, directly or indirectly, the percentage indicated therein of the issued and outstanding shares or other securities in the capital of the Subsidiaries free and clear of all Liens (other than as disclosed in writing to the Underwriters), all of such shares or other securities have been duly authorized and validly issued and are outstanding as fully paid securities and subject to no further call for contribution and no person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the purchase from the Company or the Subsidiaries of any interest in any of such securities or for the issue or allotment of any unissued securities in the capital of any of the Subsidiaries or any other security convertible into or exchangeable for any such securities;
 - (f) each of the Company and its Subsidiaries, as applicable, has good, valid and marketable title to and has all necessary rights in respect of all equity and other interests it holds in Portfolio Companies as described in the Offering Documents, free and clear of all Liens other than as disclosed in writing to the Underwriters;
 - (g) each of the Company, the Subsidiaries and, to the knowledge of the Company, the Portfolio Companies has conducted and is conducting its business in compliance with all applicable laws and regulations of each jurisdiction in which it carries on business (other than the Controlled Substances Act (CSA) (21 U.S.C. 811) and other federal laws in the United States that make cannabis illegal), and each of the Company, the Subsidiaries and, to the knowledge of the Company, the Portfolio Companies holds all material requisite licences, registrations, qualifications, permits and consents necessary or appropriate for carrying on its business as currently carried on and all such licences, registrations, qualifications, permits and consents are valid and subsisting and in good standing in all material respects. Without limiting the generality of the foregoing, neither Company nor any Subsidiary nor, to the knowledge of the Company, the Portfolio Companies has received a written notice of noncompliance, nor does the Company know of, nor have reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations or permits;
 - (h) the Company is in compliance in all material respects with all of the rules, policies and requirements of the CSE and OTCQX and the Common Shares are currently listed on the CSE and OTCQX and on no other stock exchange or public market;
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- (i) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Company has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of the Company, are pending, contemplated or threatened by any regulatory authority;
 - (j) the Company is currently a “reporting issuer” in the provinces of British Columbia and Ontario and is in compliance, in all material respects, with all of its obligations as a reporting issuer and since incorporation has not been the subject of any investigation by any stock exchange or any Securities Commission, is current with all material filings required to be made by it under Securities Laws and other laws, is not aware of any material deficiencies in the filing of any documents or reports with any Securities Commissions and there is no material change relating to the Company which has occurred and with respect to which the requisite news release or material change report has not been filed with the Securities Commissions, except to the extent that the Offering constitutes a material change;
 - (k) the Company has not filed any confidential material change report with the Securities Commissions since April 24, 2020;
 - (l) the Company is qualified under NI 44-101 to file a short form prospectus in each of the Qualifying Jurisdictions pursuant to Canadian Securities Laws;
 - (m) the Company has not completed any “significant acquisition” within the meaning of NI 51-102) and is not proposing any “probable acquisitions” (within the meaning of such term under NI 44-101F1) that would require the inclusion or incorporation by reference of any additional financial statements or pro forma financial statements in the Prospectus or the filing of a business acquisition report pursuant to Canadian Securities Laws;
 - (n) neither the Company nor its Subsidiaries has any investment in any person or any agreement, option or commitment to acquire any such investment, except as disclosed in the Offering Documents;
 - (o) other than the Leased Premises and any Intellectual Property that they licence from third parties, each of the Company and the Subsidiaries is the absolute legal and beneficial owner of, and has good and marketable title to, all of the material properties and assets thereof, and no other property or assets are necessary for the conduct of the business of the Company and the Subsidiaries as currently conducted. Any and all of the agreements and other documents and instruments pursuant to which each of the Company or the Subsidiaries holds the property and assets thereof (including any interest in, or right to earn an interest in, any Intellectual Property) are valid and subsisting agreements, documents and instruments in full force and effect, enforceable in accordance with the terms thereof, and such properties and assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, and all material leases, licences and other agreements pursuant to which the Company or any Subsidiary derives the interests thereof in such property are in good standing. The Company does not know of any claim or the basis for any claim that might or could materially and adversely
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affect the right of the Company or any Subsidiary to use, transfer or otherwise exploit their respective assets, none of the properties (or any interest in, or right to earn an interest in, any property) of the Company or any Subsidiary is subject to any right of first refusal or purchase or acquisition right, and neither the Company nor any Subsidiary has a responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property and assets thereof;

- (p) no legal or governmental proceedings or inquiries are pending to which the Company or any Subsidiary is a party or to which the property thereof is subject that would result in the revocation or modification of any certificate, authority, permit or licence necessary to conduct the business now owned or operated by the Company or any Subsidiary and, to the knowledge of the Company, no such legal or governmental proceedings or inquiries have been threatened against or are contemplated with respect to the Company or any Subsidiary or with respect to the properties or assets thereof;
 - (q) there are no material actions, suits, judgments, investigations or proceedings of any kind whatsoever outstanding or, to the best of the Company's knowledge, pending or threatened against or affecting the Company, any Subsidiary or the directors, officers or employees of the Company or the Subsidiaries, at law or in equity or before or by any commission, board, bureau or agency of any kind whatsoever and, to the best of the Company's knowledge, there is no basis therefor and neither the Company nor any Subsidiary is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority, which, either separately or in the aggregate, may have a Material Adverse Effect or that would materially adversely affect the ability of the Company to perform its obligations under the Transaction Documents;
 - (r) none of the Company or its Subsidiaries or, to the knowledge of the Company, the Portfolio Companies, is in violation of its respective constating documents or in default in any material respect in the performance or observance of any material obligation, Material Agreement, covenant or condition contained in any contract, indenture, trust deed, mortgage, loan agreement, note, lease, licence or other agreement or instrument to which it is a party or by which it or its property or assets may be bound;
 - (s) to the knowledge of the Company, no counterparty to any material obligation, Material Agreement, covenant or condition contained in any contract, indenture, trust deed, mortgage, loan agreement, note, lease or other agreement or instrument to which the Company or any Subsidiary is a party is in default in the performance or observance thereof;
 - (t) there are no judgments against the Company or any Subsidiary which are unsatisfied, nor are there any consent decrees or injunctions to which the Company or any Subsidiary is subject;
 - (u) neither of the Company, its Subsidiaries or, to the knowledge of the Company, a Portfolio Company, has committed an act of bankruptcy or sought protection from the creditors thereof before any court or pursuant to any legislation, proposed a compromise or arrangement to the creditors thereof generally, taken any proceeding with respect to a
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compromise or arrangement, taken any proceeding to be declared bankrupt or wound up, taken any proceeding to have a receiver appointed of any of the assets thereof, had any person holding any Lien or receiver take possession of any of the property thereof, had an execution or distress become enforceable or levied upon any portion of the property thereof or had any petition for a receiving order in bankruptcy filed against it;

- (v) at the Closing Time and any Over-Allotment Closing Time, all consents, approvals, permits, authorizations or filings as may be required to be made or obtained by the Company under Securities Laws and the policies of the CSE and OTCQX necessary for the execution and delivery of the Transaction Documents and the creation, issuance and sale, as applicable, of the Offered Securities and the Compensation Options and the securities issuable upon exercise thereof, and the consummation of the transactions contemplated thereby, will have been made or obtained, as applicable (other than the filing of post-Closing reports required under Securities Laws within the prescribed time periods, the filing of standard documents with the CSE, which documents shall be filed as soon as practicable after the Closing Date and the Over-Allotment Closing Date and, in any event, within 10 calendar days of the Closing Date, the Over-Allotment Closing Date or within such other deadline imposed by Canadian Securities Laws or the policies of the CSE);
 - (w) the Offered Securities and the Compensation Options, Warrant Shares, Compensation Option Shares, Compensation Option Warrants and Compensation Option Warrant Shares issuable upon exercise thereof, as applicable, have been authorized and reserved and allotted for issuance, as applicable;
 - (x) at the Closing Time and any Over-Allotment Closing Time, the Offered Securities and the Compensation Options will be duly and validly issued and created, and in the case of the Unit Shares will be issued as fully paid and non-assessable Common Shares, on payment of the purchase price therefor;
 - (y) upon the due exercise of the Compensation Options in accordance with the provisions thereof, the Compensation Option Shares and Compensation Option Warrants issuable upon the exercise thereof will be duly and validly issued and, in the case of the Compensation Option Shares will be issued as fully paid and non-assessable Common Shares, on payment of the purchase price therefor;
 - (z) upon the due exercise of the Compensation Option Warrants in accordance with the provisions thereof, the Compensation Option Warrant Shares issuable upon the exercise thereof will be duly and validly issued as fully paid and non-assessable Common Shares, on payment of the purchase price therefor;
 - (aa) upon the due exercise of the Warrants in accordance with the provisions thereof, the Warrant Shares issuable upon the exercise thereof will be duly and validly issued as fully paid and non-assessable Common Shares, on payment of the purchase price therefor;
 - (bb) the execution and delivery of each of the Transaction Documents, the performance by the Company of its obligations hereunder or thereunder, the issue and sale of the Offered
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Securities and the issue of the Compensation Options hereunder and the consummation of the transactions contemplated in this Agreement, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, (whether after notice or lapse of time or both): (A) any laws applicable to the Company including, without limitation, Securities Laws; (B) the constating documents, by-laws or resolutions of the Company which are in effect at the date hereof; (C) any Material Agreement, contract, agreement, instrument, lease or other document to which the Company is a party or by which it is bound which, either separately or in the aggregate, may have a Material Adverse Effect; or (D) any judgment, decree or order binding the Company or the property or assets of the Company;

- (cc) at the Closing Time and any Over-Allotment Closing Time, the Company shall have duly authorized and (other than the Warrant Share certificates, Compensation Option Share certificates, Compensation Option Warrant certificates and Compensation Option Warrant Share certificates) executed and delivered the Transaction Documents and upon such execution and delivery (and subsequent execution and delivery of the Warrant Share certificates, Compensation Option Share certificates, Compensation Option Warrant certificates and Compensation Option Warrant Share certificates) each shall constitute a valid and binding obligation of such Company and each shall be enforceable against such Company in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law;
 - (dd) the outstanding Common Shares are listed and posted for trading on the CSE and OTCQX, and all necessary notices and filings have been made with, and all necessary filings have been made by the Company with the CSE and OTCQX to ensure that the Unit Shares, Warrants, Warrant Shares, Compensation Option Shares, Compensation Option Warrants and Compensation Option Warrant Shares will be listed and posted for trading on the CSE and OTCQX upon their issuance other than the filing of certain standard documents with the CSE which documents shall be filed as soon as possible after the Closing Date and in any event within any deadline imposed by the CSE;
 - (ee) the Financial Statements (including the notes thereto) contained or incorporated by reference in the Preliminary Prospectus, and the consolidated Financial Statements (including the notes thereto) that will be contained or incorporated by reference in the Final Prospectus, including, for the avoidance of doubt, the unaudited condensed consolidated interim financial statements of the Company for the period ending June 30, 2020 will, (i) present fairly, in all material respects, the financial position, results of operations, cash flows and all of the assets and liabilities of the Company, in each case on a consolidated basis, for the periods ended on, and as at, the dates indicated therein, (ii) have been prepared in accordance with IFRS consistently applied throughout the periods involved and applicable Canadian Securities Laws, (iii) be, in all material respects, consistent with the books and records of the Company, (iv) contain and reflect all material adjustments for the fair presentation of the results of operations and the financial
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position of the business of the Company for the periods covered thereby and (v) contain and reflect adequate provision or allowance for all reasonably anticipated liabilities, expenses and losses of the Company and the Company is not aware of any fact or circumstance presently existing which would render any of the financial information contained therein materially incorrect;

- (ff) the Financial Data contained or incorporated by reference in the Preliminary Prospectus is, and the Financial Data that will be contained or incorporated by reference in the Final Prospectus or any Supplementary Material will be, presented fairly in all material respects, and such Financial Data contains or will contain, as the case may be, no misrepresentation and was or will be, as the case may be, compiled on a basis consistent with that of the audited or unaudited, as applicable, consolidated financial statements of the incorporated by reference in the Final Prospectus from which they were derived;
 - (gg) there are no material liabilities of the Company or the Subsidiaries whether direct, indirect, absolute, contingent or otherwise required to be disclosed in the Financial Statements which are not disclosed or reflected in the Financial Statements, except those incurred in the ordinary course of business or disclosed in the Disclosure Documents since July 31, 2019;
 - (hh) there are no off-balance sheet transactions, arrangements or obligations (including contingent obligations) of the Company or the Subsidiaries with unconsolidated entities or other persons that may have a material current or future effect on the financial condition, changes in financial condition, results of operations, earnings, cash flow, liquidity, capital expenditures, capital resources, or significant components of revenues or expenses of the Company or any Subsidiary or that would reasonably be expected to be material to an investor in making a decision to purchase the Offered Securities;
 - (ii) all forward-looking information and statements of the Company contained in the Offering Documents and the assumptions underlying such information and statements, subject to any qualifications contained therein, are reasonable in the circumstances as at the date on which such assumptions were made;
 - (jj) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, sales taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, reassessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable by the Company and the Subsidiaries have been paid or accrued, except where the failure to pay such Taxes would not constitute an adverse material fact in respect of the Company or the Subsidiaries or have a Material Adverse Effect. All tax returns, declarations, remittances and filings required to be filed by the Company and the Subsidiaries have been filed with all appropriate Governmental Authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading, except where the failure to file such documents would not constitute an adverse material fact in respect of the Company or the Subsidiaries or have a Material Adverse Effect. To the knowledge of the Company,
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no examination of any tax return of the Company is currently in progress and there are no issues or disputes outstanding with any Governmental Authority respecting any Taxes that have been paid, or may be payable, by the Company or the Subsidiaries, in any case except where such examinations, issues or disputes would not constitute an adverse material fact in respect of the Company or have a Material Adverse Effect;

- (kk) to the knowledge of the Company, the Company's Auditors are independent public accountants as required under Canadian Securities Laws and there has never been a reportable event (within the meaning of NI 51-102) between the Company and such auditors or, to the knowledge of the Company, any former auditors of the Company;
 - (ll) the responsibilities and composition of the Company's audit committee comply with NI 52-110;
 - (mm) the Company maintains a system of internal accounting controls which is sufficient to provide reasonable assurance that in all material respects:
 - (i) transactions are executed in accordance with management's general or specific authorization;
 - (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with international financial reporting standards and to maintain accountability for assets; and
 - (iii) access to assets is permitted only in accordance with management's general or specific authorization;
 - (nn) other than as disclosed in the Financial Statements, the Company is not party to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument and does not have any loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at arm's length with the Company (as such term is defined in the Tax Act). Except as disclosed in the Disclosure Documents, the Company has not guaranteed the obligations of any person;
 - (oo) during the previous 12 months, the Company has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities of any class, or, directly or indirectly, redeemed, purchased or otherwise acquired any of its Common Shares or securities or agreed to do any of the foregoing;
 - (pp) no legal or governmental proceedings or inquiries are pending to which the Company or any of the Subsidiaries is a party or to which their property or assets are subject that would result in the revocation or modification of any certificate, authority, permit or licence necessary to conduct the business now owned or operated by the Company or any of the Subsidiaries which, if the subject of an unfavourable decision, ruling or finding could reasonably be expected to have a Material Adverse Effect and, to the knowledge of the Company, no such legal or governmental proceedings or inquiries have been
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threatened against or are contemplated with respect to the Company, the Subsidiaries or their property or assets;

- (qq) the assets of each of the Company and the Subsidiaries and their businesses and operations are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and such coverage is in full force and effect, and none of the Company or the Subsidiaries has breached the terms of any policies in respect thereof or failed to promptly give any notice or present any material claim thereunder;
 - (rr) other than as disclosed in writing to the Underwriters, each of the Company, its Subsidiaries either owns or has a licence to use all proprietary rights provided in law and at equity to all patents, trademarks, copyrights, industrial designs, software, trade secrets, know-how, concepts, information and other intellectual and industrial property (collectively, “**Intellectual Property**”) necessary to permit the Company, the Subsidiaries to conduct their respective businesses as currently conducted. None of the Company or the Subsidiaries has received any notice nor does the Company or any Subsidiary have knowledge of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances that would render any Intellectual Property invalid or inadequate to protect the interests of the Company or the Subsidiaries therein and which infringement or conflict (if subject to an unfavourable decision, ruling or finding) or invalidity or inadequacy would have a Material Adverse Effect;
 - (ss) the Company and each of the Subsidiaries has taken all reasonable steps to protect its owned Intellectual Property in those jurisdictions where, in the reasonable opinion of the Company, the Company and/or each Subsidiary carries on a sufficient business to justify such filings;
 - (tt) to the knowledge of the Company, there are no material restrictions on the ability of the Company or any of the Subsidiaries to use or exploit all rights in the Intellectual Property required in the ordinary course of the business of the Company or the Subsidiaries, as applicable. None of the rights of the Company or the Subsidiaries in the Intellectual Property will be impaired or affected in any way by the transactions contemplated by this Agreement;
 - (uu) other than as disclosed in writing to the Underwriters as to those matters which would not be reasonably expected to have a Material Adverse Effect on the Company or its Subsidiaries, neither the Company nor any Subsidiary has received any notice or claim (whether written or oral) challenging its ownership or right to use of any Intellectual Property or suggesting that any other person has any claim of legal or beneficial ownership or other claim or interest with respect thereto;
 - (vv) none of the rights of the Company or any Subsidiary in the Intellectual Property will be impaired or affected in any way by the transactions contemplated by this Agreement;
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- (ww) all registrations of Intellectual Property are in good standing and are recorded in the name of the Company or one of the Subsidiaries, or in the name of the parties that have licensed that Intellectual Property to the Company or the Subsidiaries, as applicable, in the appropriate offices to preserve the rights thereto. Other than as would not have a Material Adverse Effect, all such registrations have been filed, prosecuted and obtained in accordance with all applicable legal requirements and are currently in effect and in compliance with all applicable legal requirements. No registration of Intellectual Property has expired, become abandoned, been cancelled or expunged, or has lapsed for failure to be renewed or maintained, except where such expiration, abandonment cancellation, expungement or lapse would not have a Material Adverse Effect;
 - (xx) all of the Material Agreements of the Company and of the Subsidiaries have been disclosed in the Disclosure Documents and each is valid, subsisting, in good standing in all material respects and in full force and effect, enforceable in accordance with the terms thereof. The Company and the Subsidiaries have performed all obligations (including payment obligations) in a timely manner under, and are in material compliance with, all terms, conditions and covenants (including all financial maintenance covenants) contained in each Material Agreement. None of the Company or the Subsidiaries is in material violation, breach or default and none has received any notification from any party claiming that the Company or the Subsidiaries is in breach, violation or default under any Material Agreement and no other party, to the knowledge of the Company, is in material breach, violation or default of any term under any Material Agreement. None of the properties (or any interest in, or right to earn an interest in, any property) of the Company or a Subsidiary is subject to any right of first refusal or purchase or acquisition right;
 - (yy) other than disclosed in the Disclosure Documents, none of the directors, officers or employees of the Company or the Subsidiaries, any person who owns, directly or indirectly, more than 10% of any class of securities of the Company or any associate or affiliate of any of the foregoing, had or has any material interest, direct or indirect, in any transaction or any proposed transaction (including, without limitation, any loan made to or by any such person) with the Company which, as the case may be, materially affects, is material to or will materially affect the Company or the Subsidiaries, except as disclosed in the Financial Statements or related management's discussion and analysis;
 - (zz) the Company is not party to any agreement, nor is the Company aware of any agreement, which in any manner affects the voting control of any of the securities of the Company or the Subsidiaries;
 - (aaa) none of the Company or any of the Subsidiaries is a party to, bound by or, to the knowledge of the Company, affected by any commitment, agreement or document containing any covenant which expressly and materially limits the freedom of the Company or the Subsidiaries to compete in any line of business, transfer or move any of its respective assets or operations or which adversely materially affects the business practices, operations or condition of the Company or the Subsidiaries;
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- (bbb) each of the Company and its Subsidiaries and, to the knowledge of the Company, each Portfolio Company, is currently in compliance, in all material respects, with all Environmental Laws, including all material reporting and monitoring requirements thereunder, and there are no pending or, to the knowledge of the Company, threatened material administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws. Neither the Company nor its Subsidiaries nor, to the knowledge of the Company, any Portfolio Company, has ever received any notice of any material non-compliance in respect of Environmental Laws, there are no events or circumstances that might reasonably be expected to form the basis of a material order for clean up or remediation under Environmental Laws or relating to any Hazardous Materials and there are no material permits required under Environmental Laws for the conduct of the business of the Company or its Subsidiaries or, to the knowledge of the Company, the Portfolio Companies. The facilities and operations of the Company and its Subsidiaries and, to the knowledge of the Company, the Portfolio Companies, are currently being conducted, and have been conducted, in all material respects in accordance with all applicable material workers' compensation and health and safety and workplace laws, regulations and policies;
 - (ccc) the authorized capital of the Company consists of an unlimited number of Common Shares, an unlimited number of Series I Preferred Shares with no par value and an unlimited number of Series II Preferred Shares with no par value of which, as at the date hereof (prior to the completion of the Offering), 151,921,886 Common Shares, 3,181,250 Series I Preferred Shares and 112,540,549 Series II Preferred Shares are issued and outstanding as fully paid and non-assessable shares in the capital of the Company are outstanding. Other than as disclosed in the Financial Statements (and subsequent Disclosure Documents and publicly available filings of the Company available on the CSE website) and other than stock options issued under the Company's stock option plan, there are no outstanding rights, warrants, options, convertible debt or any other securities or rights capable of being converted into, or exchanged or exercised for, any Common Shares;
 - (ddd) National Securities Administrators Ltd., at its principal offices in Vancouver, British Columbia, has been duly appointed as registrar and transfer agent for the Common Shares;
 - (eee) the Warrant Agent will be, as of the Closing Date, duly appointed as Warrant Agent under the Warrant Indenture;
 - (fff) the issue of the Offered Securities and the Compensation Options and issuance and delivery of the Unit Shares, Warrants, Warrant Shares, Compensation Option Shares, Compensation Option Warrants and Compensation Option Warrant Shares, as applicable, will not be subject to any pre-emptive right or other contractual right to purchase securities granted by the Company or to which the Company is subject that has not been waived. No holder of outstanding shares in the capital of the Company is at the Closing Time or will be following the Closing Time entitled to any pre-emptive or any similar rights to subscribe for any Common Shares or other securities of the Company;
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- (ggg) with respect to each of the Leased Premises, the Company and the Subsidiaries, as applicable, occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Company or any Subsidiary, as applicable, occupies the Leased Premises is in good standing and in full force and effect. The performance of obligations pursuant to and in compliance with the terms of this Agreement and the completion of the transactions described herein by the Company, will not afford any of the parties to such leases or any other person the right to terminate such leases or result in any additional or more onerous obligations under such leases;
 - (hhh) no real property is owned by the Company or the Subsidiaries other than the Owned Real Property;
 - (iii) none of the Company or the Subsidiaries is and has ever been in violation of, in connection with the ownership, use, maintenance or operation of the property (including the Owned Real Property) and assets thereof, any Environmental Laws which could reasonably be expected to have a Material Adverse Effect;
 - (jjj) each of the Company and the Subsidiaries has all Environmental Permits and is in compliance with any material requirements thereof;
 - (kkk) there are no pending or, to the knowledge of the Company, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, Liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws against the Company or any Subsidiary, which if determined adversely, would reasonably be expected to have a Material Adverse Effect;
 - (lll) none of the Company or the Subsidiaries has used the Owned Real Property, the Leased Premises or any facility which it previously owned or leased, to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any Hazardous Materials except in accordance with applicable Environmental Laws;
 - (mmm) as of the date hereof, there are no past unresolved, pending or (to the knowledge of the Company) threatened claims, complaints, notices or requests for information with respect to any alleged violation of any law and no conditions exist at, on or under the Owned Real Property or any Leased Premises which, with the passage of time, or the giving of notice or both, would give rise to liability under any applicable law that, individually or in the aggregate, has or may reasonably be expected to have a Material Adverse Effect with respect to the Company or the Subsidiaries;
 - (nnn) there are no environmental audits, evaluations, assessments, studies or tests relating to the Owned Real Property;
 - (ooo) the Company and its Subsidiaries have good registered and marketable title to the Owned Real Property free of all Liens (other than as disclosed in writing to the Underwriters), and property rights (including access rights) as are necessary for the conduct of the business of the Company and its Subsidiaries as currently conducted or contemplated to
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be conducted, and there are no outstanding options or rights of first refusal to purchase the Owned Real Property or any portion thereof or interest therein;

- (ppp) the Company does not have knowledge of any claim or basis for any claim that might or could adversely affect the right of the Company to use, transfer or otherwise exploit the Owned Real Property in accordance with the Licences (as defined below);
 - (qqq) other than as publicly disclosed or publicly available, the Company is not aware of any licensing or legislation, regulation, by-law or other lawful requirement of any Governmental Authority having lawful jurisdiction over the Company presently in force or, to its knowledge, proposed to be brought into force, or any pending or contemplated change to any licensing or legislation, regulation, by-law or other lawful requirement of any Governmental Authority having lawful jurisdiction over the Company or any Subsidiary presently in force, that the Company anticipates the Company or any Subsidiary will be unable to comply with or which could reasonably be expected to materially adversely affect the business of the Company or any Subsidiary or the business environment or legal environment under which such entity operates;
 - (rrr) each of the Company and the Subsidiaries is in compliance with all laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages, except where non-compliance with such laws could not reasonably be expected to have a Material Adverse Effect;
 - (sss) all information which has been prepared by the Company relating to the Company, the Subsidiaries and their respective business, properties and liabilities and made available to the Underwriters was, as of the date of such information and is as of the date hereof, true and correct in all material respects, taken as a whole, does not contain a misrepresentation and no fact or facts have been omitted therefrom which would make such information materially misleading;
 - (ttt) the Company has not withheld from the Underwriters any material fact relating to the Company, any Subsidiary or to the Offering;
 - (uuu) the minute books and corporate records of the Company and the Subsidiaries for the period from incorporation to the date hereof made available to the Underwriters contain copies of all proceedings (or certified copies thereof or drafts thereof pending approval) of the shareholders and the directors (or any committee thereof) thereof and there have been no other meetings, resolutions or proceedings of the shareholders or directors of the Company or the Subsidiaries to the date hereof not reflected in such corporate records, other than those which are not material to the Company or the Subsidiaries (or related to the board meeting for the approval of the Offering, which minutes have not been formalized), as the case may be;
 - (vvv) there is no person acting or purporting to act at the request or on behalf of the Company that is entitled to any brokerage or finder's fee or other compensation in connection with the transactions contemplated by this Agreement;
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- (www) other than the Company, there is no person that is or will be entitled to demand the proceeds of this Offering under the terms of any agreement or instrument to which the Company is party (including any Debt Instrument or Material Agreement) or otherwise;
- (xxx) the Company has provided the Underwriters with copies of all documents and correspondence relating to the licences issued pursuant to the Cannabis Laws or any predecessor legislation to the Company, any Subsidiary or any Portfolio Company (collectively, the “**Licences**”). The Company, its Subsidiaries and, to the knowledge of the Company, its Portfolio Companies are, and at all times have been, in compliance in all material respects with the terms and conditions of all such Licences and all other licences required in connection with their respective businesses. The Company does not anticipate any variations or difficulties in obtaining, maintaining or renewing such Licences or any other required licence. The transactions contemplated herein (including the proposed use of proceeds from the Offering) will not have any adverse impact on the Licences or require the Company, any Subsidiary, any Portfolio Company or any entity in which the Company has an interest to obtain any new licence under the Cannabis Laws or any other applicable law;
- (yyy) to the knowledge of the Company, the disclosure in the Offering Documents regarding the Licences granted to the Portfolio Companies is true and correct;
- (zzz) the Company and its Subsidiaries and, to the knowledge of the Company, the Portfolio Companies, own or have the right to use all material assets and properties currently owned or used by them in the conduct of their businesses, including: (i) all contracts that are material to their businesses; and (ii) all assets and properties necessary to enable any of them to carry on their businesses as now conducted. The Company knows of no claim or basis for any claim that might or could have a Material Adverse Effect on the rights of the Company, its Subsidiaries or any Portfolio Company to use, transfer, lease, licence, operate, sell or otherwise exploit such material assets and properties;
- (aaaa) there are no outstanding notices or communications from any customer or any applicable regulatory authority in the United States, Canada or abroad alleging a defect or claim in respect of any products supplied or sold by the Company, any Subsidiary or any Portfolio Company to a customer that is material to the Company, any Subsidiary or, to the knowledge of the Company, any Portfolio Company and, to the Company’s knowledge, there are no circumstances that would give rise to any reports, recalls, public disclosure, announcements or customer communications that are required to be made by the Company, any Subsidiary or any Portfolio Company in respect of any products supplied or sold by the Company, any Subsidiary or any Portfolio Company that is material to the Company, any Subsidiary or any Portfolio Company;
- (bbbb) neither the Company nor any Subsidiary nor any Portfolio Company is required to obtain any permits or licences other than the Licences pursuant to the Cannabis Laws or any other permits from any federal, provincial, state or municipal regulatory body or self-regulatory body in connection with the conduct of their respective businesses as currently conducted;
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- (cccc) all product research and development activities, including quality assurance, quality control, testing, and research and analysis activities, conducted by the Company and the Subsidiaries in connection with their business is being conducted in compliance, in all material respects, with all industry, laboratory safety, management and training standards applicable to its current and proposed business, and all such processes, procedures and practices, required in connection with such activities are in place as necessary and are being complied with, in all material respects;
 - (dddd) each of the Company and its Subsidiaries has security measures and safeguards in place to protect personal information it collects from customers and other parties from illegal or unauthorized access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of third parties. The Company and the Subsidiaries have complied, in all material respects, with all applicable privacy and consumer protection legislation and none has collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by privacy laws, whether collected directly or from third parties, in an unlawful manner. The Company and the Subsidiaries have taken all reasonable steps to protect personal information against loss or theft and against unauthorized access, copying, use, modification, disclosure or other misuse;
 - (eeee) neither the Company nor its subsidiaries nor, to the knowledge of the Company, the Portfolio Companies, nor any director, officer, employee, consultant, representative, affiliate or agent of the Company or its subsidiaries or, to the knowledge of the Company, any Portfolio Company, has: (i) violated the *Corruption of Foreign Public Officials Act* (Canada) (the “**CFPOA**”) or the *U.S. Foreign Corrupt Practices Act of 1977*, as amended, or the rules and regulations promulgated thereunder (the “**FCPA**”) or other applicable anti-corruption laws, or (ii) offered, paid, promised to pay or authorized the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any “foreign official” (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA, the CFPOA or other applicable anti-corruption law;
 - (ffff) the Company and its subsidiaries and, to the knowledge of the Company, the Portfolio Companies, have conducted their businesses in compliance with the FCPA, the CFPOA and other applicable anti-corruption laws. Neither the Company nor its subsidiaries nor, to the knowledge of the Company, the Portfolio Companies, nor any director, officer, employee, consultant, representative, affiliate or agent of the Company or its subsidiaries or, to the knowledge of the Company, any Portfolio Company, has: (i) conducted or initiated any review, audit, or internal investigation that concluded the Company, any subsidiary, any Portfolio Company, or any director, officer, employee, consultant, representative, affiliate or agent of the Company, any subsidiary or any Portfolio Company violated such laws or committed any material wrongdoing; or (ii) made a voluntary, directed, or involuntary disclosure to any Governmental Authority responsible for enforcing anti-bribery or anti-corruption laws, in each case with respect to any alleged act or omission arising under or relating to noncompliance with any such laws, or
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received any notice, request, or citation from any person alleging non-compliance with any such laws;

- (gggg) neither the Company nor its subsidiaries nor, to the knowledge of the Company, any Portfolio Company, nor any director, officer, employee, consultant, representative, affiliate or agent of the Company or any subsidiary or, to the knowledge of the Company, any Portfolio Company, is a person (“**Sanctioned Person**”) currently the target of any sanctions administered or enforced by the United States government, including, the U.S. Department of the Treasury’s Office of Foreign Assets Control (“**OFAC**”), the Financial Transactions Reports Analysis Centre of Canada or other relevant sanctions authority (collectively, “**Sanctions**”), and the Company will not directly or indirectly use the proceeds of the Offering, or lend, contribute or otherwise make available such proceeds to any Sanctioned Person, to fund any activities of or business with any Sanctioned Person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions or in any other manner that will result in a violation by any Sanctioned Person (including any Sanctioned Person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions;
 - (hhhh) except as disclosed in the Offering Documents, the operations of the Company and its Subsidiaries and, to the knowledge of the Company, the Portfolio Companies, are and have been conducted at all times in compliance with any applicable financial recordkeeping and reporting requirements of the *Currency and Foreign Transactions Reporting Act of 1970*, as amended, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and international money laundering statutes, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any Governmental Authority (collectively, the “**Money Laundering Laws**”) and no action, suit or proceeding by or before any court or Governmental Authority, authority or body or any arbitrator involving the Company or its subsidiaries or, to the knowledge of the Company, the Portfolio Companies, with respect to the Money Laundering Laws is pending, or, to the knowledge of the Company, threatened;
 - (iiii) all information and statements which have been prepared or furnished by the Company relating to the Company, its Subsidiaries and their respective business, property and liabilities and made available to the Underwriters, including the Offering Documents and all financial, marketing, sales and operational information with respect to the Company and its Subsidiaries provided to the Underwriters was, as of the date of such information or statements, true and correct in all material respects, taken as a whole, and no fact or facts have been omitted therefrom which is or would have been necessary to make such information or statements not misleading in light of the circumstances under which such information was provided or statements were made, and such information and statements did not contain any misrepresentation;
 - (jjjj) the attributes of the Offered Securities conform, in all material respects, with the description thereof contained under the heading “Description of Securities Being Distributed” in the Offering Documents;
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- (kkkk) no Offering Document contains a misrepresentation;
- (llll) the Company is not, and as a result of the sale of the Offered Securities contemplated hereby will not be, registered or required to be registered as an “investment company” under the United States Investment Company Act of 1940, as amended;
- (mmmm) no action, suit or proceeding by or before any U.S. court or governmental agency, authority or body or any arbitrator involving the Company, its Subsidiaries or, to the knowledge of the Company, any Portfolio Company, with respect to U.S. federal or state criminal laws is pending or threatened;
- (nnnn) there is no judicial, regulatory, arbitral or other legal or government proceeding, investigation or other litigation or arbitration, at law or in equity, before any Governmental Authority, domestic or foreign, in progress, pending or, to the knowledge of the Company, threatened against, or involving the assets, properties or business of, the Company or its Subsidiaries or, to the knowledge of the Company, the Portfolio Companies, nor are there any matters under discussion outside of the ordinary course of business with any Governmental Authority relating to taxes, governmental charges, orders or assessments asserted by any such authority, and to the knowledge of the Company there are no facts or circumstances that would reasonably be expected to form the basis for any such litigation, governmental or other proceeding or investigation, taxes, governmental charges, orders or assessments; to the knowledge of the Company, no such proceeding, investigation, litigation or arbitration is threatened or contemplated;
- (oooo) the Company’s Owned Real Property and, to the knowledge of the Company, the Portfolio Companies’ facilities and real property used for the cultivation or processing of cannabis or related products and research and development activities comply in all material respects with applicable good practices, processes, standards and procedures as required by any applicable Governmental Authority;
- (pppp) the Company, its Subsidiaries and, to the knowledge of the Company, the Portfolio Companies, have not received any inspection report, notice of adverse finding, warning letter, untitled letter or other correspondence with or notice from any federal, provincial, territorial, state, municipal, local or foreign governmental or regulatory authority or court or arbitrator in the United States or any other country, alleging or asserting non-compliance with any applicable laws that has not been resolved or that otherwise would not, singularly or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as disclosed in the Offering Documents, the Company, its Subsidiaries, any person acting on behalf of the Company or its Subsidiaries and, to the Company’s knowledge, the Portfolio Companies, are and have been in material compliance with applicable laws, including applicable health care, cannabis, privacy and personal health information laws and the regulations promulgated pursuant to such laws and all other federal, provincial, territorial, state, municipal, local or foreign laws, manual provisions, policies and administrative guidance relating to the regulation of the Company, its Subsidiaries or the Portfolio Company in the United States or any other country. To the knowledge of the Company, no Portfolio Company has, either voluntarily or involuntarily, initiated, conducted or issued or caused to be initiated, conducted or issued,
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any recall, market withdrawal or replacement, safety alert, post-sale warning or other notice or action relating to the alleged safety or efficacy of any product or any alleged product defect or violation and there is no basis for any such notice or action; and

(qqqq) the acquisitions of Platinum Vape and PharmaCo Inc. are not and will not be significant acquisitions as defined in NI 51-102.

6. Closing Deliveries. The closing of the purchase and sale of the Offered Securities shall be completed at the offices of Gowling WLG (Canada) LLP in Toronto, Ontario at the Closing Time on the Closing Date or at such other times or times or on such other date or dates as the Company and the Co-Lead Underwriters, on behalf of the Underwriters, may agree upon in writing.

At the Closing Time:

(i) the Company will deliver to PI Financial, or as PI Financial may direct, (i) via electronic deposit, the Unit Shares and the Warrants comprising the Offered Units, in each case registered in the name of "CDS & Co." or in such other name or names as PI Financial may notify the Company in writing of not less than two Business Days prior to the Closing Time for deposit into the electronic book based system for clearing depository and entitlement services operated by CDS, or will be made and settled in CDS under the non-certificated inventory system, and (ii) all further documentation as may be contemplated in this Agreement or as counsel to the Underwriters may reasonably require; against payment by the Underwriters to the Company (in accordance with their respective entitlements) of the aggregate Offering Price for the Offered Units being issued and sold under this Agreement, net of the Underwriters' Commission and the Underwriters' expenses contemplated in Section 14 of this Agreement, by certified cheque, bank draft or wire transfer payable to or as directed by the Company not less than two Business Days prior to the Closing Time; and

(ii) the Company will deliver to PI Financial, on behalf of the Underwriters, certificate(s) representing the aggregate number of Compensation Options issuable pursuant to the Offering.

7. Underwriters' Obligation to Purchase. The obligation of the Underwriters under this Agreement to purchase the Offered Securities at the Closing Time and at any Over-Allotment Closing shall be subject to the satisfaction of each of the following conditions (it being understood that the Underwriters may waive in whole or in part or extend the time for compliance with any of such terms and conditions without prejudice to their rights in respect of any other of the following terms and conditions or any other or subsequent breach or non-compliance of the Company, provided that to be binding on the Underwriters any such waiver or extension must be in writing and signed by each of them):

(a) the Underwriters shall have received an opinion, dated as of the Closing Date and subject to customary qualifications, of Gowling WLG (Canada) LLP, Canadian counsel to the Company, or from local counsel in the Qualifying Jurisdictions (it being understood that such counsel may rely to the extent appropriate in the circumstances, (i) as to matters of fact, on certificates of the Company executed on its behalf by a senior officer of the Company and on certificates of the Transfer Agent as to the issued capital of the

Company; and (ii) as to matters of fact not independently established, on certificates of the Company's Auditors or a public official) with respect to the following matters:

- (i) that the Company is a "reporting issuer" under Canadian Securities Laws in each of the Qualifying Jurisdictions and it is not listed as in default of applicable Canadian Securities Laws in any of the Qualifying Jurisdictions which maintain such a list;
 - (ii) as to the incorporation and valid existence of the Company;
 - (iii) as to the authorized and issued capital of the Company;
 - (iv) that the Company has the corporate power and capacity to own or lease its properties and assets, to invest in accordance with the investment objectives and strategies set out in the Prospectus, to carry on its business as it is currently conducted, to own or lease its properties and assets as described in the Prospectus, and to execute, deliver and perform its obligations under the Transaction Documents, and to issue and sell the securities as contemplated by this Agreement;
 - (v) that all necessary corporate action has been taken by the Company to authorize the execution and delivery of the Transaction Documents and the performance of the Company's obligations hereunder and thereunder and the issuance of the securities as contemplated by this Agreement;
 - (vi) that all necessary corporate action has been taken by the Company to authorize the execution and delivery of the Preliminary Prospectus, the Final Prospectus, the U.S. Memorandum and any Supplementary Material and the filing of such documents, as applicable, under Canadian Securities Laws;
 - (vii) that the Company has duly authorized, executed and delivered the Transaction Documents and authorized the performance of its obligations hereunder and thereunder, including the offering, creation (as applicable), issue, sale and delivery of the Unit Shares and the Warrants comprising the Offered Units, the grant of the Over-Allotment Option, the offering, creation (as applicable) issue, sale and delivery of the Additional Shares and Additional Warrants comprising the Additional Units upon exercise of the Over-Allotment Option, the issue of the Compensation Options and the Compensation Option Shares and Compensation Option Warrants upon the exercise of the Compensation Options, the issue, sale and delivery of the Warrant Shares upon the exercise of the Warrants, and the issue of the Compensation Option Warrant Shares upon the exercise of the Compensation Option Warrants, and each of the Transaction Documents constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject to appropriate qualifications that are customary of an offering of this nature;
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- (viii) that the execution and delivery of the Transaction Documents, the performance by the Company of its obligations hereunder and thereunder and the issuance and sale of the Offered Securities and the Compensation Options and the consummation by it of the transactions contemplated hereby and thereby does not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, whether after notice or lapse of time or both, (A) any laws of any of the Qualifying Jurisdictions applicable to the Company, including Canadian Securities Laws, the CSE policies and the BCBCA; (B) the resolutions of the board of directors or shareholders of the Company; or (C) the constating documents of the Company;
 - (ix) that the Unit Shares, Warrants and Compensation Options have been duly and validly created and issued;
 - (x) that the Unit Shares have been validly issued as fully paid and non-assessable securities in the capital of the Company;
 - (xi) that the Warrant Shares have been authorized and allotted for issuance and, upon the issuance of the Warrant Shares following due exercise of the Warrants in accordance with the terms thereof, the Warrant Shares will be validly issued as fully paid and non-assessable securities in the capital of the Company;
 - (xii) that the Compensation Option Shares have been authorized and allotted for issuance and, upon the issuance of the Compensation Option Shares following due exercise of the Compensation Options in accordance with the terms thereof, the Compensation Option Shares will be validly issued as fully paid and non-assessable securities in the capital of the Company;
 - (xiii) that the Compensation Option Warrants have been authorized and allotted for issuance;
 - (xiv) that the Compensation Option Warrant Shares have been authorized and allotted for issuance and, upon the issuance of the Compensation Option Warrant Shares following due exercise of the Compensation Option Warrants in accordance with the terms thereof, the Compensation Option Warrant Shares will be validly issued as fully paid and non-assessable securities in the capital of the Company;
 - (xv) that the Over-Allotment Option has been duly and validly authorized and granted by the Company and the Additional Shares and Additional Warrants issuable upon the exercise of the Over-Allotment Option have been duly and validly created, allotted and reserved for issuance by the Company and, upon the exercise of the Over-Allotment Option including receipt by the Company of payment in full therefor, the Additional Shares and the Additional Warrants will be duly and validly created, authorized, issued and outstanding as fully paid shares or securities (as the case may be) and, in the case of the Additional Shares, are non-assessable;
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- (xvi) that all approvals, permits, consents, orders and authorizations have been obtained, all necessary documents have been filed, all requisite proceedings have been taken and all other legal requirements have been fulfilled under Canadian Securities Laws of the Qualifying Jurisdictions to qualify the distribution of the Offered Securities to the public in each of the Qualifying Jurisdictions through dealers duly and properly registered under the applicable laws of each of the Qualifying Jurisdictions who have complied with the relevant provisions of such laws and the terms of their registration;
 - (xvii) subject to the qualifications, assumptions, limitations and understandings set out therein, the statements set out in the Final Prospectus under the headings “Eligibility for Investment” and “Canadian Federal Income Tax Considerations” are true and correct as at the date of the Final Prospectus;
 - (xviii) that the attributes of the Offered Securities and the Compensation Options conform in all material respects with the description thereof contained in the Final Prospectus;
 - (xix) that the form of certificate representing the Unit Shares, the Warrants and the Compensation Options have been duly approved and adopted by the Company and complies in all material respects with the constating documents of the Company, the BCBCA and the CSE policies;
 - (xx) that National Securities Administrators Ltd., at its principal offices in Vancouver, British Columbia, has been duly appointed as registrar and transfer agent for the Common Shares;
 - (xxi) that the Warrant Agent will be, as of the Closing Date, duly appointed as Warrant Agent under the Warrant Indenture;
 - (xxii) that the Unit Shares, the Warrants, the Warrant Shares, the Compensation Option Shares, the Compensation Option Warrants and the Compensation Option Warrant Shares have been approved for listing on the CSE; and
 - (xxiii) as to such other matters as may reasonably be requested by the Underwriters, in a form acceptable to the Underwriters, acting reasonably;
- (b) the Underwriters shall have received, at the Closing Time, a legal opinion dated the Closing Date, addressed to the Underwriters and the Purchasers, in form and substance acceptable to the Underwriters, from counsel to each Subsidiary, with respect to the following matters: (i) the incorporation and subsistence in good standing of the Subsidiary; (ii) the corporate power, capacity and authority of the Subsidiary to carry on its business as presently carried on and to own, lease and operate its properties and assets; (iii) the authorized and issued capital of the Subsidiary; and (iv) the ownership of the issued and outstanding securities of the Subsidiary;
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- (c) if any Offered Units are sold in the United States, the Underwriters shall have received, at the Closing Time, a legal opinion dated the Closing Date, to be addressed to the Underwriters and the Purchasers, in form and substance acceptable to the Underwriters, of N.I. Jacobs & Associates, United States legal counsel to the Company (who may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of Company officers, the Underwriters, public and exchange officials or of the auditors of the Company or Transfer Agent), to the effect that the offer and sale of the Offered Securities in the United States and the issuance of the Unit Shares and Warrants thereunder are not required to be registered under the U.S. Securities Act, provided such offers and sales are made in accordance with Schedule “B” hereto;
 - (d) the Underwriters shall have received a certificate of status (or the equivalent thereof pursuant to the relevant governing legislation) dated within one Business Day prior to the Closing Date from the Company and each Subsidiary;
 - (e) the Underwriters shall have received a certificate from the Company, dated as of the Closing Date and addressed to the Underwriters, signed by an officer of such person with respect to the constating documents of the Company, all resolutions of the Company’s board of directors relating to the Offering Documents, this Agreement, the Warrant Indenture and the certificates representing the Compensation Options, and the transactions contemplated hereby and thereby, the incumbency and specimen signatures of signing officers, and such other matters as the Underwriters may reasonably request;
 - (f) the Underwriters shall have received a certificate, dated as of the Closing Date, of the Chief Executive Officer and the Chief Financial Officer of the Company (or such other officer or officers of the Company acceptable to the Underwriters, acting reasonably), to the effect that, to the best of their knowledge, information and belief, after due enquiry, that:
 - (i) the representations and warranties of the Company in this Agreement are true and correct in all material respects (other than those subject to materiality, which shall be true and correct in all respects) as if made at and as of the Closing Time and the Company has performed in all material respects all covenants and agreements and satisfied in all material respects all conditions on its part to be performed or satisfied at or prior to the Closing Time;
 - (ii) no order, ruling or determination having the effect of suspending the sale or ceasing, suspending or restricting the trading of the Common Shares in the Qualifying Jurisdictions has been issued or made by any stock exchange, securities commission or regulatory authority and is continuing in effect and no proceedings, investigations or enquiries for that purpose have been instituted or are pending or threatened;
 - (iii) since the beginning of the current financial year of the Company, (A) there has been no adverse change (financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Company and the Subsidiaries (taken as a whole); and (B) other than as disclosed in the
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Offering Documents, no transaction has been entered into by the Company or any Subsidiary which is or would be material to such person other than in the ordinary course of business;

- (iv) the minutes or resolutions or other records of various proceedings and actions of the Company's board of directors relating to the Offering and delivered at Closing are full, true and correct copies thereof and have not been modified or rescinded as of the date thereof; and
 - (v) subsequent to the respective dates as at which information is given in the Prospectus, there has been no material adverse change, material change or event or occurrence that would reasonably be expected to result in a material adverse change or material change in the business affairs, operations, assets, liabilities or capital of the Company and the Subsidiaries taken as a whole;
 - (g) the Underwriters shall have received a letter dated as of the Closing Date, in form and substance satisfactory to the Underwriters, acting reasonably, from the Company's Auditors confirming the continued accuracy of the comfort letter to be delivered to the Underwriters pursuant to subsection 3(c) with such changes as may be necessary to bring the information in such letter forward to a date not more than two Business Days prior to the Closing Date, which changes shall be acceptable to the Underwriters, acting reasonably. For the avoidance of doubt, a comfort letter from each of Smythe LLP and Manning Elliott LLP shall be required;
 - (h) the Underwriters shall have received lock-up agreements duly executed by the directors and officers of the Company providing that, for a period of 90 days following the Closing Date, such persons or companies will not, directly or indirectly, offer, sell, dispose of or otherwise monetize the economic value of any securities in the Company beneficially owned by such shareholder, without the prior written consent of the Co-Lead Underwriters, subject to the following exceptions: (i) if the Company receives an offer, which has not been withdrawn, to enter into a transaction or arrangement, or proposed transaction or arrangement, pursuant to which, if entered into or completed substantially in accordance with its terms, a party could, directly or indirectly acquire an interest (including an economic interest) in, or become the holder of, 100% of the total number of Common Shares, whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buyback, securities issue, reverse takeover, dual-listed company structure or other synthetic merger, transaction or arrangement; (ii) in respect of sales to affiliates of such shareholder; and (iii) as a result of the death of any individual shareholder. The definitive terms of such lock-up agreement shall be negotiated between the Company and the Co-Lead Underwriters in good faith and contain customary provisions;
 - (i) the Underwriters shall have received satisfactory evidence that all requisite approvals and consents have been obtained by the Company in order to complete the Offering and that the Company has obtained all necessary approvals for the issuance of the Unit Shares, the Warrants, the Compensation Options, the Compensation Option Shares and the Compensation Option Warrants issuable upon the exercise of the Compensation Options
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and the Compensation Option Warrant Shares issuable upon the exercise of the Compensation Option Warrants, and the listing of the Unit Shares, Warrants, Warrant Shares, Compensation Option Shares, Compensation Option Warrants and Compensation Option Warrant Shares on the CSE, subject only to the standard listing conditions;

- (j) the Underwriters shall have received a certificate from the Transfer Agent as to the number of Common Shares issued and outstanding as at a date no more than two Business Days prior to the Closing Date;
- (k) the representations and warranties of the Company contained in this Agreement will be true and correct in all material respects (except for those that are qualified by materiality or Material Adverse Effect which shall be true and correct in all respects) at and as of the Closing Time on the Closing Date, and, if applicable, the closing date of the Over-Allotment Option, as if such representations and warranties were made at and as of such time and all agreements, covenants and conditions required by this Agreement to be performed, complied with or satisfied by the Company at or prior to the Closing Time on the Closing Date or the closing date of the Over-Allotment Option, as applicable, will have been performed, complied with or satisfied prior to that time;
- (l) there shall not be any misrepresentation in the Offering Documents or any undisclosed material change or undisclosed material facts relating to the Company or the Offered Units;
- (m) the Company shall have received a Preliminary Receipt and a Final Receipt qualifying the Offered Units and the Compensation Options for distribution in the Qualifying Jurisdictions, and neither the Preliminary Receipt nor the Final Receipt shall be invalid or have been revoked or rescinded by any Securities Commission;
- (n) the Underwriters shall have received the definitive certificate or certificates, as the case may be, evidencing the Compensation Options;
- (o) the Underwriters shall not have exercised any rights of termination set forth in this Agreement; and
- (p) the Underwriters shall have received at the Closing Date such further certificates, opinions of counsel and other documentation from the Company contemplated herein, provided, however, that the Underwriters or their counsel shall request any such certificate or document within a reasonable period prior to the Closing Time that is sufficient for the Company to obtain and deliver such certificate, opinion or document.

The Company agrees that the aforesaid legal opinions and certificates to be delivered at the Closing Time will be addressed to the Underwriters and the Underwriters' counsel.

8. Exercise of Over-Allotment Option.

- (a) The Over-Allotment Option shall be exercisable, in whole or in part, and from time to time, by the Underwriters by giving written notice to the Company on or before a date
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that is not later than 30 days following the Closing Date. Any such election to purchase Additional Units, Additional Shares and/or Additional Warrants may be exercised only by written notice from the Co-Lead Underwriters, on behalf of the Underwriters, to the Company (the “**Over-Allotment Option Notice**”) by 9:00 a.m. (Toronto time) on or before the 30th day following the Closing Date, such notice to set forth: (i) the aggregate number of Additional Units, Additional Shares and/or Additional Warrants to be purchased; and (ii) the date for the purchase of the Additional Units, Additional Shares and/or Additional Warrants (the “**Over-Allotment Closing Date**”), provided that such date shall not be less than two Business Days (as defined herein) following the date of such notice. Pursuant to the Over-Allotment Option Notice, the Underwriters shall severally, and not jointly, nor jointly and severally, purchase in their respective percentages set out in Section 16 of this Agreement, and the Company shall deliver and sell, the number of Additional Units, Additional Shares and/or Additional Warrants indicated in such notice, in accordance with the provisions of this Agreement.

- (b) The obligation of the Underwriters to purchase the Additional Units, Additional Shares and/or Additional Warrants at the Over-Allotment Option Closing Time (in the event that the Over-Allotment Option is exercised by the Co-Lead Underwriters) shall be subject to the accuracy in all material respects of the representations and warranties of the Company contained in this Agreement (other than those subject to materiality, which should be true and correct in all respects) as of the Over-Allotment Closing Date and the performance in all material respects by the Company of its obligations under this Agreement. Any such closing shall be referred to as an “**Over-Allotment Closing**” and shall be conducted in the same manner as the Closing. At any Over-Allotment Closing, the Company and the Underwriters shall make all necessary payments and the Company shall, at its sole expense, deliver all of the certificates, opinions and other documents to be delivered by it on the Closing Date, each updated to the date of any such Over-Allotment Closing.

9. All Terms to be Conditions. The Company agrees that the conditions contained in Section 7 will be complied with insofar as the same relate to acts to be performed or caused to be performed by the Company and that it will use its best efforts to cause all such conditions to be complied with. Any breach or failure to comply with any of them (including those in Section 7) will entitle the Underwriters (or any one of them) to terminate their obligations to purchase the Offered Securities by written notice to that effect given to the Company at or prior to the Closing Time. It is understood that the Underwriters may waive, in whole or in part, or extent the time for compliance with, any of such terms and conditions without prejudice to the rights of the Underwriters in respect of such terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Underwriters, any such waiver or extension must be in writing.

10. Termination Rights. The Underwriters (or any one of them) shall be entitled to terminate their obligations hereunder by written notice to that effect given to the Company and the Co-Lead Underwriters at or prior to the Closing Time if:

- (a) there should occur or be discovered any material change or development (actual, anticipated or threatened) in the operations, capital or condition (financial or otherwise), results of operations, business or business prospects of the Company or the properties, assets, prospects, liabilities or obligations (absolute, accrued, contingent or otherwise) of
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the Company, or any previously undisclosed material fact, in each case, required to be disclosed in the Preliminary Prospectus, the Final Prospectus, the U.S. Memorandum or any Supplementary Material, which, in the opinion of the Underwriters, acting reasonably, has or could reasonably be expected to have a material adverse effect on the market price, value, investment quality or marketability of the Common Shares or Offered Units;

- (b) there should develop, occur or come into effect or existence any event, action, state, or condition or any action, law or regulation, inquiry, including, without limitation, terrorism, accident, pandemic (including any material escalation in the severity of the COVID-19 Outbreak), natural disaster, public protest, or major financial, political or economic occurrence of national or international consequence, or any action, government, law, regulation, inquiry or other occurrence of any nature, which, in the reasonable opinion of the Underwriters (or any one of them), materially adversely affects or involves, or may materially adversely affect or involve, the financial markets in Canada or the U.S. or the business, operations or affairs of the Company or the marketability of the Offered Units, Unit Shares or Warrants;
- (c) any inquiry, action, suit, proceeding or investigation (whether formal or informal) is commenced, announced or threatened in relation to the Company or any of its material subsidiaries or any one of their officers or directors or any of their Principal Securityholders or any of the material subsidiaries where wrong-doing is alleged or any order is made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including without limitation the CSE or securities commission which involves a finding of wrong-doing and which in the reasonable opinion of the Underwriters (or any one of them), seriously adversely affects or may seriously adversely affect, the business, operations or affairs of the Company and the Subsidiaries taken as a whole or the market price or value of the securities of the Company;
- (d) any order to cease or suspend trading in any securities of the Company or prohibiting or restricting the distribution of any securities of the Company, including the, Offered Units, Unit Shares, Warrants, Warrant Shares, Compensation Options or Compensation Option Shares and Compensation Option Warrants issued upon exercise of the Compensation Options, or Compensation Option Warrant Shares issued upon the exercise of the Compensation Option Warrants, is made, or proceedings are announced, commenced or threatened for the making of any such order, by any securities commission or similar regulatory authority, the CSE or any other competent authority, and which order has not been rescinded, revoked or withdrawn; or
- (e) the Company is in breach of a material term, condition or covenant of this Agreement or any material representation or warranty given by the Company in this Agreement becomes or is false.

11. Exercise of Termination Right. If this Agreement is terminated by any of the Underwriters pursuant to Section 10, there shall be no further liability to the Company on the part of such Underwriter or of the Company to such Underwriter, except in respect of any liability which may have arisen or may

thereafter arise under Sections 13 and 14. The right of the Underwriters (or any one of them) to terminate their respective obligations under this Agreement is in addition to such other remedies as they may have in respect of any default, act or failure to act of the Company in respect of any of the matters contemplated by this Agreement. A notice of termination given by one Underwriter under Section 10 shall not be binding upon the other Underwriters.

12. Survival of Representations, Warranties and Covenants. The representations, warranties, covenants and indemnities of the Company and the Underwriters contained in this Agreement and in any certificate delivered pursuant to this Agreement or in connection with the purchase and sale of the Offered Units shall survive the purchase by the Underwriters of the Offered Units for a period ending on the date that is three years following the Closing Date regardless of any investigation by or on behalf of the Underwriters with respect thereto.

13. Indemnity and Contribution.

- (a) The Company shall indemnify and hold the Underwriters, each of their subsidiaries and affiliates (collectively, the “**Indemnified Parties**” and individually, an “**Indemnified Party**”) and each of the directors, officers, employees, shareholders, unitholders, advisors and agents of the Indemnified Parties (the “**Personnel**”) harmless from and against any and all expenses, losses (other than loss of profits), fees, claims, actions (including shareholder actions, derivative actions or otherwise), damages, obligations or liabilities, whether joint or several, and the reasonable fees and expenses of their counsel, that may be incurred in advising with respect to and/or defending any actual or threatened claims, actions, suits, investigations or proceedings to which any Indemnified Party and/or its Personnel may become subject or otherwise involved in any capacity under any statute or common law or otherwise, insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Company by the Indemnified Party and its Personnel or otherwise in connection with the matters referred to in this Agreement (including the aggregate amount paid in reasonable settlement of any such actions, suits, investigations, proceedings or claims that may be made against an Indemnified Party and/or its Personnel), unless such actual or threatened claim, action, suit, investigation or proceeding has been caused solely by or is the result of the gross negligence, wilful misconduct or fraud of the Indemnified Party or its Personnel. Without limiting the generality of the foregoing, this indemnity shall apply to all expenses (including reasonable legal expenses), losses, claims and liabilities that the Indemnified Parties and/or their Personnel may incur as a result of any action or litigation that may be threatened or brought against an Indemnified Party and/or its Personnel.
 - (b) If for any reason the foregoing indemnification is unavailable to an Indemnified Party or its Personnel or insufficient to hold an Indemnified Party or its Personnel harmless, then the Company shall contribute to the amount paid or payable by an Indemnified Party and/or its Personnel as a result of such expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Company on the one hand and the Indemnified Party and/or its Personnel on the other hand but also the relative fault of the Company and the Indemnified Party and/or its Personnel, as well as any relevant equitable considerations; provided that the Company
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shall, in any event, contribute to the amount paid or payable by the Indemnified Party and/or its Personnel as a result of such expense, loss, claim, damage or liability, any excess of such amount over the amount of the fees received by the Indemnified Party pursuant to this Agreement.

- (c) The Company agrees that in case any legal proceeding shall be brought against the Company and/or an Indemnified Party and/or its Personnel by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, or shall investigate the Company and/or the Indemnified Party and/or its Personnel, and/or where an Indemnified Party and/or its Personnel is required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Company by the Indemnified Party and/or its Personnel, the Indemnified Party shall have the right to employ its own counsel in connection therewith, provided the Indemnifying Party acts reasonably in selecting such counsel, and the fees and expenses of such counsel as well as the costs (including an amount to reimburse the Indemnified Party for time spent by it and its Personnel in connection therewith) at their per diem rates unless such proceeding has been caused solely by or is the result of the gross negligence or fraud of the Indemnified Party (or any of its Personnel) and out-of-pocket expenses incurred by the Indemnified Party or its Personnel in connection therewith shall be paid by the Company as they occur.
 - (d) Promptly after receipt of notice of the commencement of any legal proceeding against an Indemnified Party and/or any of its Personnel or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Company, the Indemnified Parties (or any one of them) will notify the Company in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Company, will keep the Company advised of the progress thereof and will discuss with the Company all significant actions proposed. However, the failure by the Indemnified Parties to notify the Company will not relieve the Company of its obligations to indemnify the Indemnified Party and/or its Personnel. The Company shall on behalf of itself and the Indemnifying Parties and/or its Personnel be entitled (but not required) to assume the defence of any suit brought to enforce such legal proceeding; provided, however that the defence shall be conducted through legal counsel acceptable to the Indemnified Parties and/or its Personnel, acting reasonably, that no settlement of any such legal proceeding may be made by the Company without the prior written consent of the Indemnifying Parties and/or its Personnel, acting reasonably, and none of the Indemnified Parties and/or its Personnel shall be liable for any settlement of any such legal proceeding unless it has consented in writing to such settlement, such consent not to be unreasonably withheld. The Indemnified Party and its Personnel shall have the right to appoint their own separate counsel at the Company's cost provided such persons act reasonably in selecting such counsel.
 - (e) The indemnity and contribution obligations of the Company shall be in addition to any liability which the Company may otherwise have, shall extend upon the same terms and
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conditions to the Indemnified Parties and its Personnel who are not signatories to this Agreement and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Company and the Indemnified Parties and its Personnel. The foregoing provisions shall survive the completion of professional services rendered under this Agreement and/or the termination of this Agreement.

- (f) With respect to any party who may be indemnified by the above indemnity is not a party to this Agreement, the Underwriters shall obtain and hold the rights and benefits of this indemnity in trust for and on behalf of such person.

14. Expenses. The Company shall pay all expenses and fees in connection with the Offering, including, (i) all expenses of or incidental to the creation, issue, sale or distribution of the Offered Securities and the filing of the Prospectus; (ii) the fees and expenses of the Company's legal counsel and of local counsel to the Company; (iii) all costs incurred in connection with the preparation of documentation relating to the Offering; (iv) the reasonable out-of-pocket expenses of the Underwriters (including applicable taxes); and (v) the fees and disbursements of the Underwriters' legal counsel up to a maximum set forth in the Bid Letter, exclusive of disbursements and applicable taxes. All reasonable fees and expenses (plus applicable Taxes) incurred by the Underwriters or on their behalf shall be payable by the Company promptly upon receiving an invoice therefor from the Underwriters and shall be payable whether or not the Offering is completed. At the option of the Co-Lead Underwriters, such fees and expenses may be deducted from the gross proceeds otherwise payable to the Company on the Closing Date and any Over-Allotment Closing Date.

15. Advertisements. Neither the Company nor any of the Underwriters shall make any public announcement in connection with the Offering, except if the other party (provided that PI Financial shall represent the Underwriters in this regard) has consented to such announcement or the announcement is required by applicable laws or stock exchange rules. In such event, the party proposing to make the announcement will provide the other party with a reasonable opportunity, in the circumstances, to review a draft of the proposed announcement and to provide comments thereon.

16. Underwriters' Obligations. The Underwriters' obligations under this Agreement shall be several and not joint, and the Underwriters' respective obligations and rights and benefits hereunder shall be as to the following percentages:

PI Financial Corp.	45%
Eight Capital	30%
Canaccord Genuity Corp.	20%
Echelon Wealth Partners Inc.	5%

If an Underwriter (a "**Refusing Underwriter**") shall not complete the purchase and sale of the Offered Securities which such Underwriter has agreed to purchase hereunder for any reason whatsoever, the other Underwriters (the "**Continuing Underwriters**") shall be entitled, at their option, to purchase all but not less than all of the Offered Securities which would otherwise have been purchased by such Refusing Underwriter *pro rata* according to the number of Offered Securities to have been acquired by the Continuing Underwriters hereunder or in such proportion as the Continuing Underwriters shall agree in writing. If the Continuing Underwriters do not elect to purchase the balance of the Offered Securities pursuant to the foregoing:

- (a) the Continuing Underwriters shall not be obliged to purchase any of the Offered Securities that any Refusing Underwriter is obligated to purchase;
- (b) the Company shall not be obliged to sell less than all of the Offered Securities; and
- (c) the Company shall be entitled to terminate its obligations under this Agreement arising from its acceptance of this offer, in which event there shall be no further liability on the part of the Company or the Continuing Underwriters, except pursuant to the provisions of Sections 13 and 14. Notwithstanding the foregoing, the Refusing Underwriter shall not be entitled to the benefit of the provisions of Sections 13 and 14 following such termination.

17. Underwriters' Authority. The Company shall be entitled to and shall act on any notice, request, direction and other communication given or agreement entered into by or on behalf of the Underwriters by the Co-Lead Underwriters who shall represent the Underwriters and have authority to bind the Underwriters hereunder, except for any matters pursuant to Sections 9, 10, 11 or 13.

18. Over-Allotment. In connection with the distribution of the Offered Units, the Underwriters and members of their selling group (if any) may over-allot or effect transactions which stabilize or maintain the market price of the Common Shares at levels above those which might otherwise prevail in the open market, in compliance with applicable Securities Laws. Those stabilizing transactions, if any, may be discontinued at any time.

19. Notices. All notices or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery or by facsimile delivered or electronic delivery to such other party as follows:

- (a) to the Company:

Red White & Bloom Brands Inc.

789 West Pender Street, Suite 810

Vancouver, BC V6C 1H2

Attention: Brad Rogers

Email: brad.rogers@redwhitebloom.com

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

Gowling WLG (Canada) LLP

1 First Canadian Place

100 King St W Suite 1600

Toronto, ON M5X 1G5

Attention: Jason A. Saltzman

Email: Jason.Saltzman@gowlingwlg.com

- (b) to the Co-Lead Underwriters:
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PI Financial Corp.
40 King Street West, Suite 3401
Toronto, ON M5H 3Y2

Attention: Vay Tham
Email: vtham@pifinancial.com

and

Eight Capital
100 Adelaide St. East, Suite 2900
Toronto, ON M5H 1S3

Attention: Patrick McBride
Email: pmcbride@viiicapital.com

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

Borden Ladner Gervais LLP
22 Adelaide Street West
Toronto, Ontario M5H 4E3

Attention: Philippe Tardif and Cameron MacDonald
Email: ptardif@blg.com / cmacdonald@blg.com

The Company and the Underwriters may change their respective addresses for notice by notice given in the manner aforesaid. Any such notice or other communication shall be in writing, and unless delivered personally to the addressee or to a responsible officer of the addressee, as applicable, shall be given by electronic transmission and shall be deemed to have been given when: (i) in the case of a notice delivered personally to a responsible officer of the addressee, when so delivered; and (ii) in the case of a notice delivered or given by electronic transmission on the first Business Day following the day on which it is sent. Notice transmitted by email shall be deemed given on the day of transmission.

20. Time of the Essence. Time shall, in all respects, be of the essence hereof.

21. Entire Agreement. This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings, including the Bid Letter. This Agreement may be amended or modified in any respect by written instrument only.

22. Assignment. Except as contemplated herein, no party hereto may assign this Agreement or any part hereof without the prior written consent of the other parties hereto. Subject to the foregoing, this Agreement shall enure to the benefit of, and shall be binding upon, the Company and the Underwriters and their successors and legal representatives, and nothing expressed or mentioned in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement, or any provisions contained in this Agreement, this Agreement and all conditions and provisions of this Agreement being intended to be and being for the sole and exclusive

benefit of such persons and for the benefit of no other person except that the covenants and indemnities of the Company set out under the heading "Indemnity and Contribution" shall also be for the benefit of the Indemnified Parties.

23. Severability. If one or more provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

24. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The parties irrevocably attorn to the jurisdiction of the courts of the Province of Ontario, which will have non-exclusive jurisdiction over any matter arising out of this Agreement.

25. Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Company and the Underwriters and their respective successors and assigns.

26. Further Assurances. Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

27. Counterparts and Electronic or Facsimile Copies. This Agreement may be executed in any number of counterparts and by facsimile or other electronic transmission (in PDF), each of which so executed will constitute an original and all of which taken together shall form one and the same agreement.

28. Conflict. The Company acknowledges that the Underwriters and their affiliates carry on a range of businesses, including providing stockbroking, investment advisory, research, investment management and custodial services to clients and trading in financial products as agent or principal. It is possible that the Underwriters and other entities in their respective groups that carry on those businesses may hold long or short positions in securities of companies or other entities, which are or may be involved in the transactions contemplated in this Agreement and effect transactions in those securities for their own account or for the account of their respective clients. The Company agrees that these divisions and entities may hold such positions and effect such transactions without regard to the Company's interests under this Agreement.

29. No Fiduciary Duty. The Company hereby acknowledges that the Underwriters are acting solely as underwriters in connection with the purchase and sale of the Offered Securities. The Company further acknowledges that the Underwriters are acting pursuant to a contractual relationship created solely by this Agreement entered into on an arm's length basis, and in no event do the parties intend that the Underwriters act or be responsible as a fiduciary to the Company, its management, shareholders or creditors or any other person in connection with any activity that the Underwriters may undertake or have undertaken in furtherance of such purchase and sale of the Company's securities, either before or after the date hereof. The Underwriters hereby expressly disclaim any fiduciary or similar obligations to the Company, either in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions, and the Company hereby confirms its understanding and agreement to

that effect. The Company and the Underwriters agree that they are each responsible for making their own independent judgments with respect to any such transactions and that any opinions or views expressed by the Underwriters to the Company regarding such transactions, including any opinions or views with respect to the price or market for the Company's securities, do not constitute advice or recommendations to the Company. The Company and the Underwriters agree that the Underwriters are acting as principal and not the agent or fiduciary of the Company and no Underwriter has assumed, and no Underwriter will assume, any advisory responsibility in favour of the Company with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether any Underwriter has advised or is currently advising the Company on other matters). The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against the Underwriters with respect to any breach or alleged breach of any fiduciary, advisory or similar duty to the Company in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions.

31. **Underwriters' Advice.** The Company acknowledges and agrees that all written and oral opinions, advice, analyses and materials provided by the Underwriters in connection with this Agreement and their engagement hereunder are intended solely for the Company's benefit and the Company's internal use only with respect to the Offering and the Company agrees that no such opinion, advice, analysis or material will be used for any other purpose whatsoever or reproduced, disseminated, quoted from or referred to in whole or in part at any time, in any manner or for any purpose, without the Underwriters' prior written consent in each specific instance. Any advice or opinions given by any of the Underwriters hereunder will be made subject to, and will be based upon, such assumptions, limitations, qualifications, and reservations as such Underwriter(s), in its/their sole judgment, deems necessary or prudent in the circumstances. The Underwriters expressly disclaim any liability or responsibility by reason of any unauthorized use, publication, distribution of or reference to any oral or written opinions or advice or materials provided by the Underwriters or any unauthorized reference to any of the Underwriters or this Agreement.

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If the Company is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this Agreement where indicated below and returning one executed copy to the Underwriters.

Yours very truly,

PI FINANCIAL CORP.

Per: *signed "Vay Tham"*
Authorized Signing Officer

EIGHT CAPITAL

Per: *signed "Patrick McBride"*
Authorized Signing Officer

CANACCORD GENUITY CORP.

Per: *signed "Graham Saunders"*
Authorized Signing Officer

ECHELON WEALTH PARTNERS INC.

Per: *signed "Peter Graham"*
Authorized Signing Officer

The foregoing is hereby accepted and agreed to by the undersigned as of the date first written above.

RED WHITE & BLOOM BRANDS INC.

Per: *signed "Brad Rogers"*
Authorized Signing Officer

**SCHEDULE “A”
SUBSIDIARIES**

Name	Governing Jurisdiction	Percentage of Issued and Outstanding Securities	Holder of Issued and Outstanding Securities
Michicann Medical Inc.	Ontario	100%	Red White & Bloom Brands Inc.
Mid-American Growers, Inc.	Delaware	100%	Michicann Medical Inc.
RWB Licensing Inc.	British Columbia	100%	Red White & Bloom Brands Inc.
RWB Illinois, Inc.	Delaware	100%	Michicann Medical Inc.
RLTY USA Corp.	Delaware	100%	Red White & Bloom Brands Inc.
RLTY Development MA 1 LLC	Delaware	100%	RLTY USA Corp.
RLTY Development Springfield LLC	Massachusetts	100%	RLTY Development MA 1 LLC
RLTY Development Orange LLC	Massachusetts	100%	RLTY Development MA 1 LLC
RLTY Beverage 1 LLC	Delaware	100%	RLTY USA Corp.

SCHEDULE “B”

TERMS AND CONDITIONS FOR UNITED STATES OFFERS AND SALES

As used in this Schedule “B” and related exhibits, the following terms shall have the meanings indicated:

“**Affiliate**” means an “affiliate” as that term is defined in Rule 405 under the U.S. Securities Act;

“**Directed Selling Efforts**” means “directed selling efforts” as that term is defined in Rule 902 (c) of Regulation S;

“**Foreign Private Issuer**” means a “foreign private issuer” as that term is defined in Rule 405 under the U.S. Securities Act;

“**General Solicitation**” or “**General Advertising**” means “general solicitation or general advertising”, as used in Rule 502(c) under the U.S. Securities Act, including any advertisement, article, notice or other communication published in any newspaper, magazine, on the internet or similar media or broadcast over radio or television or on the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

“**Offshore Transaction**” means an “offshore transaction” as that term is defined in Rule 902(h) of Regulation S;

“**Regulation S**” means Regulation S adopted by the SEC under the U.S. Securities Act;

“**Securities**” means the Offered Units, the Unit Shares, the Warrants and the Warrant Shares; and

“**Substantial U.S. Market Interest**” means “substantial U.S. market interest” as that term is defined in Rule 902(j) of Regulation S.

All other capitalized terms used but not otherwise defined in this Schedule “B” shall have the meanings assigned to them in the Agreement to which this Schedule “B” is attached and of which this Schedule “B” forms a part.

Representations, Warranties and Covenants of the Company

The Company represents, warrants, acknowledges, covenants and agrees with the Underwriters that:

1. The Company is a Foreign Private Issuer and reasonably believes that there is no Substantial U.S. Market Interest with respect to the Securities.
 2. The Company is not, and after giving effect to the Offering and the application of the net proceeds thereof, will not be, registered or required to be registered as an “investment company” pursuant to the United States *Investment Company Act of 1940*, as amended.
 3. The Offered Securities are eligible for resale to a Qualified Institutional Buyer pursuant to Rule 144A(d)(3)(i).
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4. So long as any Offered Securities are outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and if it is not exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act nor subject to and in compliance with Section 13 or 15(d) of the U.S. Exchange Act, the Company shall furnish to any holder of the Offered Securities and any prospective purchaser of the Offered Securities designated by such holder, upon request of such holder, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act (so long as such requirement is necessary in order to permit holders of the Offered Securities to effect resales under Rule 144A).
 5. The Company acknowledges that the Offered Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws and may be offered and sold only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and applicable state securities laws. Except with respect to sales of the Offered Securities solicited by the Underwriters through a U.S. Affiliate to Qualified Institutional Buyers in reliance upon available exemptions from registration under the U.S. Securities Act and applicable state securities laws, neither the Company nor any of its affiliates, nor any person acting on any of their behalf (other than the Underwriters, the U.S. Affiliates, or any Selling Firm, as to whom the Company makes no representation, warranty, acknowledgement, covenant or agreement), has made or will make: (A) any offer to sell, or any solicitation of an offer to buy, any Offered Securities in the United States; or (B) any sale of Offered Securities unless, at the time the buy order was or will have been originated, the Purchaser is (i) outside the United States, or (ii) the Company, its affiliates, and any person acting on any of their behalf (other than the Underwriters, the U.S. Affiliates, or any Selling Firm, as to whom the Company makes no representation, warranty, acknowledgement, covenant or agreement) reasonably believe that the Purchaser is outside the United States.
 6. Neither the Company nor any of its affiliates, nor any person acting on any of their behalf (other than the Underwriters, the U.S. Affiliate, or any Selling Firm, as to whom the Company makes no representation, warranty, acknowledgement, covenant or agreement), has engaged or will engage in any Directed Selling Efforts in the United States, or has taken or will take any action that would cause the exemption afforded by Section 4(a)(2) of the U.S. Securities Act, Rule 506(b) of Regulation D, or the exclusion afforded by Rule 903 of Regulation S, to be unavailable for offers and sales of the Offered Securities.
 7. None of the Company, any of its affiliates or any person acting on any of their behalf (other than the Underwriters, the U.S. Affiliate, or any Selling Firm, as to whom the Company makes no representation, warranty, acknowledgement, covenant or agreement) has offered or will offer to sell, or has solicited or will solicit offers to buy, any of the Offered Securities in the United States, by means of any form of General Solicitation or General Advertising in connection with the offer and sale of the Offered Securities in the United States.
 8. The preliminary U.S. Memorandum and the final U.S. Memorandum (and any other material or document prepared or distributed by or on behalf of the Company used in connection with offers and sales of the Offered Securities) include, or will include, statements to the effect that the Offered Securities have not been registered under the U.S. Securities Act and may not be offered or sold in the United States unless an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws is available. Such statements have appeared,
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or will appear, (i) on the cover page of the preliminary U.S. Memorandum and the final U.S. Memorandum; (ii) in the “Notice to Investors on Transfer Restrictions” section of the preliminary U.S. Memorandum and the final U.S. Memorandum; and (iii) in any press release or other public statement made or issued by the Company or anyone acting on the Company’s behalf.

9. The Company will, within prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or applicable state securities laws in connection with the Offering in the United States.
10. Neither the Company nor any of its affiliates either directly or through a person acting on its or their behalf has taken or will take any action that would constitute a violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Offered Securities.

Representations, Warranties and Covenants of the Underwriters

Each Underwriter represents, warrants and covenants to and with the Company and its counsel on a several basis (and not joint nor joint and several) that:

1. It acknowledges that the Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws and may be offered and sold only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and applicable state securities laws. It has not offered for sale by the Company, and will not offer for sale by the Company, any Offered Securities except: (a) Offered Securities in an Offshore Transaction in accordance with Rule 903 of Regulation S; or (b) Offered Securities in the United States to, or for the account of benefit of, Qualified Institutional Buyers, in transactions that are exempt from the registration requirements of the U.S. Securities Act in compliance with Rule 144A thereunder and in compliance with state securities laws, as provided in this Schedule “B” and the Agreement to which it is annexed. Accordingly, neither the Underwriter, its U.S. Affiliate nor any of their affiliates nor any persons acting on behalf of any of them, has made or will make (except as permitted hereby) any: (x) offer to sell or any solicitation of an offer to buy, any Offered Securities in the United States; (y) arrangement for any sale of Offered Securities to any Purchaser unless, at the time the buy order was or will have been originated, the Purchaser was outside the United States, or such Underwriter, U.S. Affiliate, affiliate or person acting on any of their behalf reasonably believed that such Purchaser was outside the United States; or (z) Directed Selling Efforts.
 2. Neither the Underwriter, its U.S. Affiliate nor any of their affiliates either directly or through a person acting on its or their behalf has taken or will take any action that would constitute a violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Offered Securities.
 3. It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Offered Securities, except with its U.S. Affiliate, any Selling Firm or with the prior written consent of the Company. It shall require its U.S. Affiliate and each Selling Firm to agree, for the benefit of the Company, to comply with, and shall use its reasonable best efforts to ensure that its U.S. Affiliate and each Selling Firm complies with, the provisions of this Schedule
-

applicable to the Underwriter as if such provisions applied directly to its U.S. Affiliate and such Selling Firm.

4. All offers to sell and solicitations of offers to purchase Offered Securities in the United States shall be solicited and arranged by the Underwriter through its U.S. Affiliate, which on the dates of such offers and subsequent sales by the Company was and will be duly registered as a broker-dealer under the U.S. Exchange Act and under all applicable state securities laws (unless exempted therefrom) and a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc. (“FINRA”) in accordance with all applicable United States state and federal securities (including broker-dealer) laws. The U.S. Affiliate will arrange for all offers of Offered Securities for sale by the Company to be in compliance with all applicable United States federal and state broker-dealer requirements and this Schedule “B” and the Agreement to which it is annexed.
 5. The Underwriter and its U.S. Affiliate and their respective affiliates, either directly or through a person acting on behalf of any of them, have not solicited and will not solicit offers for, and have not offered to sell and will not offer to sell, any of the Offered Securities in the United States by any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act in connection with the offer and sale of the Securities in the United States.
 6. Any offer, or solicitation of an offer to buy, Offered Securities that has been made or will be made in the United States, was or will be made only to Qualified Institutional Buyers.
 7. Immediately prior to soliciting any person in the United States, the Underwriter, the U.S. Affiliate, their respective affiliates, and any person acting on behalf of any of them, had reasonable grounds to believe and did believe that each such offeree was a Qualified Institutional Buyer, and at the time of completion of each sale by the Company to a person in the United States, the Underwriter, the U.S. Affiliate, their respective affiliates, and any person acting on behalf of any of them will have reasonable grounds to believe and will believe, and have no reason not to believe, that each such Purchaser is a Qualified Institutional Buyer.
 8. Each offeree of Offered Securities, in the United States, who is acting for the account or benefit of a person in the United States has been or shall be provided with a copy of the final U.S. Memorandum, in the form agreed to by the Company and the Underwriters, including the Prospectus. Prior to any sale of Offered Securities, to, or for the account or benefit of, a person in the United States or to a person who was offered such securities in the United States, each such Purchaser shall be provided with a copy of the final U.S. Memorandum, including the Prospectus, and no other written material was used in connection with the offer or sale of the Offered Securities to, or for the account or benefit of, persons in the United States.
 9. Prior to the completion of any sale by the Company of Offered Securities in the United States or to, or for the account or benefit of, persons in the United States, each such Purchaser that is a Qualified Institutional Buyer thereof will be required to execute a Qualified Institutional Buyer Letter in the form attached to the final U.S. Memorandum.
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10. It acknowledges that until a minimum of 40 days after the Closing, an offer or sale of the Offered Securities within the United States by any dealer (whether or not participating in this offering) may violate the registration requirement of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirement of the U.S. Securities Act.
 11. At least one Business Day prior to the applicable Closing Date, the Transfer Agent will be provided with a list of the names and addresses of all Purchasers in the United States.
 12. At the Closing, each Underwriter and its U.S. Affiliate that has offered or solicited offers of Offered Securities in the United States will provide a certificate, substantially in the form of Exhibit I, relating to the manner of the offer and sale of the Offered Securities in the United States, or will be deemed to represent and warrant that it did not make any offers or solicitations to purchase Offered Securities in the United States.
-

**EXHIBIT I TO SCHEDULE “B”
(TERMS AND CONDITIONS OF U.S. SALES)**

UNDERWRITERS’ CERTIFICATE

In connection with the offer and sale in the United States of units (the “**Offered Units**”) of Red White & Bloom Brands Inc. (the “**Company**”) pursuant to an underwriting agreement (the “**Underwriting Agreement**”) dated August 25, 2020 between the Company and the Underwriters named in the Underwriting Agreement, the undersigned each hereby certify as follows:

1. [●] is, on the date hereof, and was at the time of each offer and sale of the Offered Units made by it, a duly registered broker-dealer with the United States Securities and Exchange Commission, and a member of and in good standing with FINRA;
2. prior to the purchase of any Offered Units, each offeree in the United States was provided with a copy of the U.S. Placement Memorandum, and no other written material, other than the U.S. Preliminary Placement Memorandum and any Supplementary Material approved by the Company for use in presentations to prospective purchasers, was used by us in connection with the Offering of the Offered Units in the United States;
3. immediately prior to transmitting such U.S. Placement Memorandum to such offerees, we had reasonable grounds to believe and did believe and had no reason to disbelieve that each offeree purchasing Offered Units from us was a Qualified Institutional Buyer and, on the date hereof, we continue to believe that each person purchasing Offered Units in the United States is a Qualified Institutional Buyer;
4. no form of General Solicitation or General Advertising was used by us, including advertisements, articles, notices or other communications published in any newspaper, magazine, on the internet or similar media or broadcast over radio, television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising, in connection with the offer or sale of the Offered Units in the United States;
5. all offers and sales of Offered Units in the United States have been effected by [●] in accordance with all applicable U.S. federal and state broker-dealer requirements and FINRA rules;
6. all offers and sales of the Offered Units have been conducted by us in accordance with the terms of the Underwriting Agreement, including Schedule “B” thereto; and
7. prior to any sale of the Offered Units in the United States, we caused each purchaser to execute a Qualified Institutional Buyer Letter in the form attached as Exhibit I to the U.S. Placement Memorandum.

Terms used in this certificate have the meanings given to them in the Underwriting Agreement unless otherwise defined in this Exhibit.

Dated this _____ day of _____, 2020.

[INSERT NAME OF UNDERWRITER]

[INSERT NAME OF U.S. AFFILIATE]

By:

Name:

Title:

By:

Name:

Title:

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Red White & Bloom Brands Inc. (formerly, Tidal Royalty Corp.) (the “Company” or “RWB”)
810-789 West Pender Street
Vancouver, B.C. V6C 1H2

Item 2 Date of Material Change

August 19, 2020 and August 21, 2020

Item 3 News Release

The new releases were filed on SEDAR, disseminated through the facilities of GlobeNewswire and posted to the Issuer’s disclosure hall with the Canadian Securities Exchange (the “CSE”).

Item 4 Summary of Material Change

On August 19, 2020 the Company announced that it has entered into an agreement with PI Financial Corp. and Eight Capital to act as co-lead underwriters, on behalf of a syndicate of underwriters (collectively, the “Underwriters”), pursuant to which the Underwriters agreed to purchase, on a bought deal basis pursuant to a short form prospectus offering, an aggregate of 20,000,000 units of RWB (the “Units”) at a price of \$0.75 per Unit (the “Offering Price”) for aggregate gross proceeds of \$15,000,000 (the “Offering”).

On August 21, 2020, the Company announced that, in connection with its previously announced bought deal offering, RWB and the Underwriters have agreed to increase the size of the Offering (the “Upsized Offering”). The Underwriters will now place, on an underwritten bought deal basis, 29,000,000 Units at the Offering Price for aggregate gross proceeds of \$21.75 million. In connection with Upsized Offering, the Company granted the Underwriters an option (the “Upsized Over-Allotment Option”), exercisable in whole or in part at any time for a period of 30 days following the closing date of the Upsized Offering, to increase the Upsized Offering by up to an additional 15% of the Upsized Offering for additional gross proceeds of up to \$3.26 million for total aggregate gross proceeds of \$25.01 million, assuming the full exercise of the Upsized Over-Allotment Option. The Upsized Over-Allotment Option may be exercised in whole or in part at any time up to 30 days following the closing date of the Upsized Offering, for any number of Units, Unit Shares (as defined below), Warrants (as defined below), or any combination thereof at a price equal to the Offering Price for a Unit and a price to be agreed upon for the Unit Shares and / or Warrants.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On August 19, 2020, the Company announced the Offering.

Each Unit shall consist of one common share of the Company (each, a "Unit Share") and one transferable common share purchase warrant (each such warrant, a "Warrant"). Each Warrant shall be exercisable into one common share at an exercise price of \$1.00 per common share for a period of 24 months from the closing date (the "Warrant Shares" or together with the Unit Shares, "Shares"). Following the closing date, if the daily volume weighted average trading price of the common shares of the Company on the CSE for any 10 consecutive days equals or exceeds \$1.50, the Company may, upon providing written notice to the holders of the Warrants, accelerate the expiry date of the Warrants to the date that is 30 days following the date of such written notice.

In light of the Offering, the Company no longer intends to rely on the blanket exemption order set out in BCI 51-517 – *Temporary Exemption from Certain Corporate Finance Requirements with Deadlines during the Period from June 2 to August 31, 2020* of the British Columbia Securities Commission (and similar exemptions provided by the securities commissions of other provincial and territorial regulators) with respect to the filing of the Company's interim financial statements and management's discussion and analysis for the period ended June 30, 2020. The Company anticipates it will file such financial information in the normal time frame.

On August 21, 2020, the Company announced the Upsized Offering and Upsized Over-Allotment Option.

The Company agreed to pay a cash commission of 6.0% of the gross proceeds of the Upsized Offering and will issue to the Underwriters Compensation Options equal to 6.0% of the aggregate number of Units sold under the Upsized Offering (in each case including any exercise of the Upsized Over-Allotment Option). The Compensation Options will be exercisable into Units at a price per Compensation Option equal to the Offering Price for a period of 24 months from the closing of the Upsized Offering.

The Company intends to use the net proceeds of the Upsized Offering for working capital and general corporate purposes.

The Units will be offered by way of a short-form prospectus in all provinces of Canada except Quebec, and such other additional jurisdictions as agreed to by the Company and the Underwriters. The Upsized Offering is expected to close on or about September 15, 2020, or such other date as agreed between the Company and the Underwriter, and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals including the approval of the CSE.

The press releases containing this information shall not constitute an offer to sell or the solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the

United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Theo van der Linde, Chief Financial Officer
Phone: 604-687-2038

Item 9 Date of Report

August 28, 2020

Schedule "A"

Red White & Bloom and Avicanna enter into exclusive partnership for the
distribution and commercialization of Pura H&W CBD-based Topical Products in
the United States

**Red White & Bloom Secures USD \$20 Million Dollar Supply Agreement with Critical
39 for Fiscal 2020**

RED WHITE & BLOOM BRANDS EXERCISES RIGHT TO ACQUIRE PHARMACO OF
ISCHIGAN

RED WHITE & BLOOM BRANDS SIGNS BINDING LETTER OF INTENT TO
ACQUIRE 100% OF PLATINUM VAPE

Schedule "E"

**RED WHITE & BLOOM APPOINTS CNBC MARKET ANALYST STEVEN GRASSO
AS BUSINESS ADVISOR**



Red White & Bloom Brands Inc.
(Formerly Tidal Royalty Corp.)

Condensed Interim Consolidated Financial Statements
For the Three and Six Month Periods Ended June 30, 2020 and 2019
(Unaudited - Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the condensed interim consolidated financial statements. The accompanying unaudited condensed interim financial statements of the Red White & Bloom (formerly Tidal Royalty Corp.) (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

Red White & Bloom Brands Inc.
(Formerly Tidal Royalty Corp.)

For the Three and Six Month Periods Ended June 30, 2020 and 2019

Management's Responsibility for Financial Reporting	1
Condensed Interim Consolidated Financial Statements	
Condensed Interim Consolidated Statements of Financial Position	2
Condensed Interim Consolidated Statements of Comprehensive Loss	3
Condensed Interim Consolidated Statements of Changes in Equity	4
Condensed Interim Consolidated Statements of Cash Flows	5
Notes to the Condensed Interim Consolidated Financial Statements	6 - 28

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Shareholders of Red White & Bloom Brands Inc.:

Management is responsible for the preparation and presentation of the accompanying condensed interim consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the condensed interim consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of the condensed interim consolidated financial statements.

The Board of Directors is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board is also responsible for recommending the appointment of the Company's external auditors.

August 31, 2020

/s/ Michael Marchese

Michael Marchese, Director

/s/ Brad Rogers

Brad Rogers, Director

Red White & Bloom Brands Inc.**(Formerly Tidal Royalty Corp.)**

Condensed Interim Consolidated Statements of Financial Position
As at June 30, 2020 (Unaudited) and December 31, 2019 (Audited)
(Expressed in Canadian dollars)

		June 30, 2020	December 31, 2019
ASSETS	Notes	\$	\$
Current assets			
Cash		2,599,154	1,378,687
Prepaid expenses		447,755	124,140
Accounts receivable	7	2,196,476	1,463,388
Biological assets	8	8,635,812	-
Inventory	9	12,022,264	-
Loans receivable	11	44,852,544	36,504,397
		70,754,005	39,470,612
Non-current assets			
Property, plant and equipment	10	83,361,192	10,847
Deposits	11, 21	381,345	12,530,659
Loans receivable	11	45,310,060	36,419,594
Call option	11	19,828,224	19,547,757
Right-of-use assets		67,092	-
Intangible assets	12	21,978,000	-
		170,925,913	68,508,857
Total assets		241,679,918	107,979,469
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	17	6,803,649	1,334,370
Contingent liabilities	6	14,889,600	-
Convertible debentures	13	-	17,597,600
Current loan payable	14	1,095,706	-
Lease liabilities		71,531	-
Credit facility	14	-	36,610,075
		22,860,486	55,542,045
Non-current liabilities			
Credit facility	14	67,799,300	-
Loan payable	14	1,441,118	-
Total liabilities		92,100,904	55,542,045
Shareholders' equity			
Common shares	15	104,174,967	61,366,160
Convertible series I preferred shares	15	3,664,799	-
Convertible series II preferred shares	15	63,399,626	-
Contributed surplus	15	11,380,862	5,748,889
Cumulative translation adjustment		1,922,925	-
Deficit		(34,964,165)	(14,677,625)
Total shareholders' equity		149,579,014	52,437,424
Total liabilities and shareholders' equity		241,679,918	107,979,469

Approved and authorized for issuance on behalf of the Board of Directors on August 31, 2020 by:

/s/ Michael Marchese
Michael Marchese, Director

/s/ Brad Rogers
Brad Rogers, Director

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

Red White & Bloom Brands Inc.**(Formerly Tidal Royalty Corp.)**

Condensed Interim Consolidated Statements of Comprehensive Loss

For the three and six month periods ended June 30, 2020 and 2019

(Unaudited)

(Expressed in Canadian dollars)

		Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
	Notes	\$	\$	\$	\$
Sales		1,512,050	-	1,512,050	-
Cost of Sales		272,745	-	272,745	-
Gross profit before fair value adjustments		1,239,305	-	1,239,305	-
Fair value adjustment on biological assets	8	(8,274,760)	-	(8,274,760)	-
Gross profit		9,514,065	-	9,514,065	-
Expenses					
Commissions	14	52,134	2,404,888	2,021,062	2,404,888
Interest expense	14	2,080,625	-	4,042,577	-
Share-based compensation	15	153,153	967,280	1,275,228	2,425,730
Consulting fees	17	434,256	-	755,744	-
Marketing		628,422	-	900,652	174,025
Professional fees		572,577	-	830,144	-
Salaries and wages	17	536,781	-	740,963	-
General and administration		609,575	1,203,601	639,298	1,637,946
Depreciation	10	1,321,184	-	1,322,246	-
Foreign exchange loss (gain)		3,724,549	1,593,599	(4,380,521)	1,741,600
		10,133,256	6,343,393	8,147,393	8,384,189
(Income) loss before other items		599,191	6,343,393	(1,366,672)	8,384,189
Other expenses (income)					
Interest income	11	(1,194,523)	(1,165,818)	(2,344,483)	(1,864,340)
Accretion of loans receivable	11	(758,603)	(464,230)	(1,440,946)	(1,124,015)
Management fees	7	-	-	(425,610)	-
Loss (gain) on revaluation of call option	11	(58,246)	839,937	1,420,001	2,008,403
Gain on disposal	10	(149,947)	-	(149,947)	-
Write off of deposit	21	1,853,059	-	1,853,059	-
Revaluation of investment		(91,143)	-	(91,143)	-
Listing expense	5	22,832,281	-	22,832,281	-
		22,432,878	(790,111)	21,653,212	(979,952)
Net loss for the period		23,032,069	5,553,282	20,286,540	7,404,237
Translation adjustment on consolidation of foreign subsidiaries		1,922,925	-	1,922,925	-
Net loss and comprehensive loss for the period		24,954,994	5,553,282	22,209,465	7,404,237
Net loss per share, basic and diluted		0.20	0.07	0.18	0.10
Weighted average shares outstanding		123,933,850	80,962,182	123,497,344	76,993,071

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

Red White & Bloom Brands Inc.
(Formerly Tidal Royalty Corp.)

Condensed Interim Consolidated Statements of Changes in Equity

For the six month period ended June 30, 2020 and 2019

(Unaudited)

(Expressed in Canadian dollars)

	Convertible series I preferred shares		Convertible series II preferred shares		Common shares		Subscriptions receivable	Contributed surplus	Translation adjustment	Deficit	Total
	#	\$	#	\$	#	\$					
Balance, December 31, 2018	-	-	-	-	74,222,182	35,111,680	(125,000)	1,952,794	-	(2,163,725)	34,775,749
Shares issued, net	-	-	-	-	6,740,000	10,083,646	125,000	-	-	-	10,208,846
Share-based compensation	-	-	-	-	-	-	-	2,425,730	-	-	2,425,730
Net loss for the period	-	-	-	-	-	-	-	-	-	(6,519,849)	(6,519,849)
Balance, June 30, 2019	-	-	-	-	80,962,182	45,195,326	-	4,378,524	-	(8,683,574)	40,890,276
Balance, December 31, 2019	-	-	-	-	84,211,770	61,366,160	-	5,748,889	-	(14,677,625)	52,437,424
Shares issued for acquisition	-	-	-	-	17,133,579	37,693,874	-	-	-	-	37,693,874
Preferred shares issued on RTO	-	-	101,345,349	51,089,073	-	(51,089,073)	-	-	-	-	-
Deemed shares issued	3,181,250	3,664,799	-	-	23,464,462	27,031,060	-	-	-	-	30,695,859
Replacement warrants issued	-	-	-	-	-	-	-	133,476	-	-	133,476
Replacement options issued	-	-	-	-	-	-	-	133,826	-	-	133,826
Shares issued for asset acquisition	-	-	-	-	15,300,000	16,983,000	-	-	-	-	16,983,000
Warrants issued for asset acquisition	-	-	-	-	-	-	-	4,995,000	-	-	4,995,000
Finders' shares issued	-	-	7,381,000	8,646,842	7,381,000	8,119,100	-	-	-	-	16,765,942
Share-based compensation	-	-	-	-	-	-	-	1,275,228	-	-	1,275,228
Shares issued	-	-	2,339,200	3,555,584	2,339,200	2,292,416	-	-	-	-	5,848,000
Warrants exercised	-	-	-	-	616,875	588,930	-	(95,430)	-	-	493,500
Stock options exercised	-	-	975,000	108,127	975,000	1,189,500	-	(810,127)	-	-	487,500
Currency translation adjustment	-	-	-	-	-	-	-	-	1,922,925	-	1,922,925
Net loss for the period	-	-	-	-	-	-	-	-	-	(20,286,540)	(20,286,540)
Balance, June 30, 2020	3,181,250	3,664,799	112,040,549	63,399,626	151,421,886	104,174,967	-	11,380,862	1,922,925	(34,964,165)	149,579,014

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

Red White & Bloom Brands Inc.**(Formerly Tidal Royalty Corp.)**

Condensed Interim Consolidated Statements of Cash Flows

For the six month period ended June 30, 2020 and 2019

(Unaudited)

(Expressed in Canadian dollars)

		2020	2019
	Notes	\$	\$
Operating activities			
Net loss for the period		(20,286,540)	(7,404,237)
Items not affecting cash:			
Share-based compensation	15	1,275,228	2,425,730
Accrued interest receivable	11	(2,334,483)	(1,864,340)
Accretion of loans receivable	11	(1,440,946)	(1,124,015)
Unrealized foreign exchange (gain) loss		335,405	(180,347)
Revaluation of call option	11	1,420,001	2,008,403
Fair value adjustment on biological assets	8	(8,274,760)	-
Depreciation	10	1,322,246	-
Listing expense	5	22,832,281	-
Write off of deposit	21	1,853,059	-
Interest on lease		2,665	-
Gain on disposal of property, plant and equipment	10	(149,947)	-
Changes in non-cash operating working capital:			
Prepaid expenses		470,923	(3,126,371)
Accounts receivable	7	(406,345)	(129,639)
Accounts payable and accrued liabilities	15	(3,639,512)	316,723
Biological assets	8	(1,183,493)	-
Inventory	9	(546,110)	-
Deposits		38,905	-
Net cash used in operating activities		(8,771,423)	(9,078,093)
Investing activities			
Disposition of property, plant and equipment	10	770,684	-
Acquisition of Mid-American Growers, Inc.	6	(22,155,328)	-
Purchase of equipment	8	-	(10,713)
Loans receivable	11	(268,218)	(74,500,074)
Net cash used in investing activities		(21,652,862)	(74,510,787)
Financing activities			
Issuance of share capital, net	15	-	10,208,646
Exercise of warrants	15	493,500	-
Exercise of stock options	15	487,500	-
Reverse takeover transaction	5	1,772,141	-
Convertible debentures	13	-	15,000,000
Lease payments		(49,253)	-
Credit facility	14	28,880,864	36,422,647
Net cash provided by financing activities		31,584,752	61,631,293
Decrease in cash		1,220,467	(21,245,428)
Cash, beginning of the period		1,378,687	24,377,286
Cash, end of the period		2,599,154	2,419,699

Supplemental disclosure of cash flow information (Note 19)

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

Red White & Bloom Brands Inc.

(Formerly Tidal Royalty Corp.)

Notes to the condensed interim consolidated financial statements
For the three and six month periods ended June 30, 2020 and 2019
(Unaudited)
(Expressed in Canadian dollars)

1. Background and Nature of Operations

Red White & Bloom Brands Inc. (formerly Tidal Royalty Corp.) (the “Company” or “RWB”) was incorporated on March 12, 1980 pursuant to the *Business Corporations Act*, British Columbia.

The Company’s head office and registered office is located at Suite 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

On April 24, 2020, Tidal Royalty Corp. (“Tidal”) and a private Ontario company named MichiCann Medical Inc. (“MichiCann”) completed an amalgamation structured as a three-corned amalgamation whereby MichiCann was amalgamated with a newly incorporated subsidiary of Tidal, forming the Company.

Immediately prior to the amalgamation, Tidal completed a consolidation of the Tidal common shares on the basis of one post- consolidated Tidal share for every sixteen pre-consolidation Tidal common shares and changed its name from “Tidal Royalty Corp.” to “Red White & Bloom Brands Inc.”. The shares of Tidal were exchanged for shares of MichiCann on a 2:1 basis. Due to the terms of the exchange ratio, the previous shareholders of MichiCann acquired a controlling interest in Tidal and as such, the amalgamation has been accounted for as a reverse takeover transaction with MichiCann being the resulting issuer for financial reporting purposes.

The amalgamation resulted in all the issued and outstanding shares of MichiCann being exchange for one common share and one convertible series II preferred share of the Company. Holders of MichiCann common share purchase warrants and MichiCann stock options received one replacement warrant or stock option, as applicable, with each exercisable for units consisting of one common share and one convertible series II preferred share.

All convertible series II preferred shares are convertible into common shares, on a one for one basis, at any time between seven months and twenty-four months after their initial issuance date.

An aggregate 101,345,349 common shares, 101,345,349 convertible series II preferred shares, 595,430 share purchase warrants and 7,962,679 stock options were issued to the former holders of MichiCann common shares, MichiCann warrants and MichiCann stock options, respectively. Refer to Note 5 for further details on the amalgamation.

Certain shareholders have entered into voluntary escrow and/or escrow and leak out agreements totaling 36,844,823 Common shares and the underlying shares for 3,000,000 Options. The escrow agreements carry various release terms between 6 and 18 months.

As a result of the completion of this transaction, the former holders of MichiCann Shares now hold approximately 82.25% of the issued and outstanding common shares and former holders of Tidal shares now hold 17.75% of the Common Shares, in each case, on a non-diluted basis. A new board and new management assumed control of the Company on June 5, 2020, the shares of the Company resumed trading on the Canadian Stock Exchange under the new trading symbol “RWB”.

Prior to the amalgamation, Tidal’s primary business was investing in conventional equity, debt and other forms of investments in private and public companies in Canada and the United States.

PharmaCo Inc. Agreements

On January 4, 2019, MichiCann entered into a put/call option agreement (the “Put/Call Option Agreement”) with PharmaCo Inc. (“PharmaCo”) and its shareholders (“PharmaCo Shareholders”) pursuant to which the PharmaCo Shareholders granted MichiCann the call right to acquire 100% of the issued and outstanding shares of PharmaCo from the PharmaCo Shareholders, and MichiCann granted all of the PharmaCo Shareholders the put right to sell 100% of the issued and outstanding

Red White & Bloom Brands Inc.**(Formerly Tidal Royalty Corp.)**

Notes to the condensed interim consolidated financial statements
For the three and six month periods ended June 30, 2020 and 2019
(Unaudited)
(Expressed in Canadian dollars)

shares of PharmaCo to MichiCann, in exchange for the issuance of 37,000,000 MichiCann common shares in aggregate (subject to standard anti-dilution protections) subject to all state and local regulatory approvals including the approval of the Medical Marihuana Licensing Board and/or the Bureau of Medical Marihuana Regulation within the Department of Licensing and Regulatory Affairs ("LARA") in the State of Michigan. Each PharmaCo Shareholder shall have the right, but not the obligation, as its sole direction, to sell to MichiCann all, but not less than all, of the PharmaCo common shares held by it. As at June 30, 2020, the call option was determined to have a fair value of \$19,828,224 (December 31, 2019 - \$19,547,757) using level 3 inputs of the fair value hierarchy.

On January 4, 2019, MichiCann entered into a debenture purchase agreement (the "Debenture Purchase Agreement") with PharmaCo pursuant to which MichiCann agreed to purchase up to \$114,734,209 United States dollars ("USD") of an 8% senior secured convertible debenture of PharmaCo (the "Opco Debenture"). The Opco Debenture is secured by all real and personal property and interests in the real and personal property of PharmaCo, whether now owned or subsequently acquired. The Opco Debenture has a maturity date of January 4, 2023 (the "Maturity Date").

The principal amount of the Opco Debenture is convertible into common shares of PharmaCo at a conversion price equal to the then outstanding balance of the Opco Debenture divided by the total number of PharmaCo common shares then outstanding (the "Conversion Shares"). The principal amount and accrued interest of the Opco Debenture outstanding is convertible at any time on or prior to the earlier of the business day immediately preceding: (i) the Maturity Date; and (ii) the date that is 30 days after the Company received LARA's written approval of the Holder Application (application seeking permission to convert the Opco Debenture and own the Conversion Shares).

Notwithstanding the foregoing, the conversion of the Opco Debenture is subject to PharmaCo and MichiCann having obtained all required permits from governmental authorities in connection with MichiCann's ownership of PharmaCo common shares, including, without limitation, all required cannabis licenses or related permits issued by LARA (but excluding any permit or other requirement which arises or may arise under any excluded law).

2. Going Concern

These condensed interim consolidated financial statements have been prepared under the assumption of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at June 30, 2020, the Company's working capital was \$47,893,519 (December 31, 2019 - working capital deficiency of \$16,071,433) and has accumulated losses of \$34,964,165 (December 31, 2019 - \$14,677,625) since inception.

These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not include adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. If the going concern assumption were not appropriate for these condensed interim consolidated financial statements then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses and the condensed interim statements of financial position classifications used. Such adjustments could be material.

COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the

Red White & Bloom Brands Inc.**(Formerly Tidal Royalty Corp.)**

Notes to the condensed interim consolidated financial statements

For the three and six month periods ended June 30, 2020 and 2019

(Unaudited)

(Expressed in Canadian dollars)

length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

3. Basis of presentation**(a) Statement of Compliance**

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”) using accounting principles consistent with International Financial Reporting Standards (“IFRS”) as issued by the IASB. These condensed interim consolidated financial statements do not include all of the information required for full annual consolidated financial statements. These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2019.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on August 31, 2020.

(b) Basis of Presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for financial assets classified as fair value through profit or loss, which are measured at fair value, as detailed in Note 16. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

(c) Basis of Consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly and indirectly, to govern the financial and operating policies of an entity and be exposed to the variable returns from its activities. The financial statements of subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases. All inter-company transactions, balances, income and expenses are eliminated in full upon consolidation. These condensed interim consolidated financial statements include the accounts of the following active entities:

Name of Subsidiary	Jurisdiction	Percentage Ownership
Mid-American Growers, Inc.	Illinois, USA	100%
Mid-American Cultivation LLC	Illinois, USA	100%
1251881 B.C. Ltd.	British Columbia, Canada	100%
Tidal Royalty Corp.	British Columbia, Canada	100%
Royalty USA Corp.	Delaware, USA	100%
RLTY Development Orange LLC	Massachusetts, USA	100%
RLTY Development Springfield LLC	Massachusetts, USA	100%

(d) Functional and Presentation Currency

The Company’s functional currency, as determined by management, is the Canadian dollar. Management has determined that the functional currency of its Canadian subsidiaries is the Canadian dollar and the functional currency of its United States subsidiaries is the United States dollar. These condensed interim financial statements are presented in Canadian dollars unless otherwise specified.

Red White & Bloom Brands Inc.

(Formerly Tidal Royalty Corp.)

Notes to the condensed interim consolidated financial statements
For the three and six month periods ended June 30, 2020 and 2019
(Unaudited)
(Expressed in Canadian dollars)

4. Significant Accounting Policies

The following outlines use of estimates and judgements in the preparation of these condensed interim consolidated financial statements, and significant accounting policies of the Company which have not been included in the Company's annual audited consolidated financial statements for the year ended December 31, 2019:

(a) Use of Estimates and Judgments

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In preparing these condensed interim consolidated financial statements, management has made significant assumptions which are applied in determining the fair values of the various instruments at the reporting date. Should any of the assumptions be incorrect, it would result in a material adjustment to the carrying amount of certain assets and liabilities.

Other significant assumptions about the future and other sources of estimation uncertainty that management has made as at the condensed interim statement of financial position date that could result in a material adjustment to the carrying amount of assets and liabilities in the event that actual results differ from assumptions made, related to, but are not limited to, the following:

Valuation of the Fair Value Less cost to Sell of Biological Assets

Biological assets, consisting of cannabis plants and agricultural produce, are measured at fair value less costs to sell up to the point of harvest. The determination of the fair values of the biological assets requires the Company to make assumptions with respect to how market participants would estimate fair value, including selling value, costs of sale and costs to completion.

Share-based Compensation

The Company provides compensation benefits to its consultants, directors and officers through a stock option plan. The fair value of each option award is estimated using the Black-Scholes option pricing model which utilizes subjective assumptions such as expected price volatility and expected life of the option. Share-based compensation expense also utilizes subjective assumptions on forfeiture rate. Changes in these input assumptions can significantly affect the fair value estimate.

Convertible Debentures

In accordance with the substance of the contractual arrangement, convertible debentures are compound financial instruments that are accounted for separately by their components: a financial liability and an equity instrument. The fair value of any derivative feature embedded in the compound financial instrument (other than the equity component, such as an equity conversion feature) is presented as a liability instrument. The identification of convertible debenture components is based on interpretations of the substance of the contractual arrangement and therefore requires judgment from management. The separation of the components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest on the liability component. The determination of the fair value of the liability component is also based on a number of assumptions,

Red White & Bloom Brands Inc.**(Formerly Tidal Royalty Corp.)**

Notes to the condensed interim consolidated financial statements
For the three and six month periods ended June 30, 2020 and 2019
(Unaudited)
(Expressed in Canadian dollars)

including contractual future cash flows, discount factors and the presence of any derivative financial instruments.

Derivative Financial Instruments

A derivative is a financial instrument whose value is based on an underlying asset or set of assets. The Company has determined that its call option represents a derivative financial instrument and as such has been measured at fair value in accordance with level 3 of the fair value hierarchy. Accordingly, the fair value of derivative financial instruments was determined using inputs that are not based on observable market data and therefore requires judgment from management.

Convertible Preferred Share Units

The Company issues convertible preferred share units consisting of one common share and one series II convertible preferred shares. The fair value of the unit is determined using the value of goods or services received. The fair value is separated between the common share and preferred share component using the relative fair value of each instrument on the issuance date. The separation of the components is based on the conversion rate of the preferred shares, which requires management to estimate the amount of time that will lapse between the initial issuance of the preferred share and its conversion date.

Loans Receivable

Management applies judgment in the assessment of the collectability of the loans and interest receivable.

Assessment of the Transactions as an Asset Acquisition or Business Combination

Management has had to apply judgment relating to acquisitions with respect to whether the acquisition was a business combination or an asset acquisition. Management applied a three-element process to determine whether a business or an asset was purchased, considering inputs, processes and outputs of each acquisition in order to reach a conclusion.

Determination of Purchase Price Allocations and Contingent Consideration

Judgements are made in determining the fair value of assets and liabilities, including the valuation of separately identifiable intangibles acquired as part of an acquisition. Further, estimates are made in determining the value of contingent consideration payments that should be recorded as part of the consideration on the date of acquisition and changes in contingent consideration payable in subsequent reporting periods, if any. Contingent consideration payments are generally based on acquired businesses achieving certain performance targets. The estimates are based on management's best assessment of the related inputs used in the valuation models, such as future cash flows and discount rates. Future performance results that differ from management's estimates could result in changes to liabilities recorded, which are recorded as they arise through profit or loss.

Going Concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Red White & Bloom Brands Inc.**(Formerly Tidal Royalty Corp.)**

Notes to the condensed interim consolidated financial statements
For the three and six month periods ended June 30, 2020 and 2019
(Unaudited)
(Expressed in Canadian dollars)

(b) Property, plant and equipment

Property, plant and equipment is recorded at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation, based on the estimated useful lives of the assets, is provided using the following methods:

Computer	3	Straight-line
Office furniture and	5 years	Straight-line
Equipment and equipment	5 years	Straight-line
Building and improvements	10 years	Straight-line

Property, plant and equipment acquired during the period but not placed into use are not depreciated until they are placed into use.

(c) Share capital*Common shares*

Common shares are classified as equity. Transaction costs directly attributable to the issuance of common shares and share options are recognized as a reduction from equity.

Equity units

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the comparable issuance price of common shares issued without warrants. Any excess of proceeds is allocated to warrants. Transaction costs directly attributable to the issuance of units are recognized as a reduction from equity.

(d) Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency at the rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange in effect at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. All exchange differences are recorded in profit and loss.

The financial statements of subsidiaries that have a functional currency other than the Canadian dollar were translated into Canadian dollars as follows: assets and liabilities – at the closing rate at the date of the statements of financial position, and income and expenses – at the average rate for the period. All resulting changes are recognized in other comprehensive income (loss) as foreign currency translation adjustments.

(e) Intangible assets

The Company's intangible assets include Licensed IP acquired with the acquisition of 1251881 B.C. Ltd. (Note 6). Intangible assets acquired are recorded at cost less accumulated amortization and any impairment losses. Intangible assets are assessed for indicators of impairment at each reporting date, or more frequently if changes in circumstances indicate that the carrying value may be impaired. Amortization for intangible assets with finite lives is calculated on a straight-line basis over the life of the asset less its residual value. The Company's amortization policy for intangible assets with finite lives is as follows:

Red White & Bloom Brands Inc.**(Formerly Tidal Royalty Corp.)**

Notes to the condensed interim consolidated financial statements
For the three and six month periods ended June 30, 2020 and 2019
(Unaudited)
(Expressed in Canadian dollars)

Licensed IP	5	Straight-line
	years	

5. Reverse Takeover

On May 8, 2019, Tidal and MichiCann entered into a Business Combination Agreement (the "Combination Agreement"). The Combination Agreement was structured as a three-cornered amalgamation whereby MichiCann was combined with a newly incorporated subsidiary of Tidal, forming the Company. The amalgamation resulted in all the issued and outstanding shares of Tidal and MichiCann being exchanged for common shares and convertible series II preferred shares of the Company.

The amalgamation was considered a reverse takeover as the legal acquiree's former shareholders control the consolidated entity after completion of the amalgamation. Consequently, the legal acquiree is the accounting acquirer and the historical financial results presented in these condensed interim consolidated financial statements are those of MichiCann.

At the time of the amalgamation, Tidal's assets consisted primarily of cash and receivables and it did not have any processes capable of generating outputs; therefore, Tidal did not meet the definition of a business. Accordingly, as Tidal did not qualify as a business in accordance with IFRS 3 *Business Combinations*, the amalgamation did not constitute a business combination; however, by analogy it has been accounted for as a reverse takeover. Therefore, MichiCann, the legal subsidiary, has been treated as the accounting parent company, and Tidal, the legal parent, has been treated as the accounting subsidiary.

Upon completion of the amalgamation 375,431,661 Tidal common shares and 50,900,000 Tidal preferred shares were consolidated into 23,464,462 common shares and 3,181,250 convertible series I preferred shares of the Company on the basis of one post-consolidated share for every sixteen pre-consolidation shares. The fair value of these shares of \$27,031,060 and \$3,664,800, respectively was based on an estimated fair value of \$1.152 per share as at the transaction date as per the trading price of Tidal on April 24, 2020. In addition, the post-consolidation 1,186,711 Tidal common share purchase warrants and 1,799,110 Tidal stock options were fair valued on the acquisition date, determined using a Black-Scholes option pricing model, and included in the consideration paid by the Company.

In connection with the amalgamation, the Company issued 7,381,000 common shares and 7,381,000 convertible series II preferred shares as finder's fees to a third-party. The fair value of these shares of \$8,119,100 and \$8,646,842, respectively was based on an estimated fair value of \$1.10 per share as per the trading price of RWB common shares following the amalgamation, adjusted for any conversion ratios.

Red White & Bloom Brands Inc.**(Formerly Tidal Royalty Corp.)**

Notes to the condensed interim consolidated financial statements
For the three and six month periods ended June 30, 2020 and 2019
(Unaudited)
(Expressed in Canadian dollars)

As the acquisition was not considered a business combination, the excess of consideration paid over the net assets acquired together with any transaction costs incurred for the amalgamation is expensed as a transaction in accordance with IFRS 2 *Share-Based Payments*.

Common shares of MichiCann deemed issued	\$	27,031,060
Preferred shares of MichiCann deemed issued		3,664,799
Transaction costs – common shares		8,119,100
Transaction costs – convertible series II preferred shares		8,646,842
Fair value of Tidal warrants		133,476
Fair value of Tidal stock options		133,825
Total consideration paid		47,729,102
Cash and cash equivalents		1,772,141
Sales tax receivable		132,876
Prepaid expenses		794,538
Promissory note receivable		4,330,715
Right-of-use asset		111,820
Convertible loan receivable		18,418,437
Investments		347,750
Accounts payable		(893,337)
Lease liability		(118,119)
Net identifiable assets acquired		24,896,821
Total transaction expense	\$	22,832,281

The Company uses the Black-Scholes option pricing model to determine the fair value of the replacement warrants and stock options granted with the following weighted average assumptions:

Expected life in years	2.28
Volatility	100%
Risk-free rate	0.36%
Dividend yield	0.00%

6. Acquisitions

During the period ended June 30, 2020, the Company completed the following acquisitions:

Mid-American Growers, Inc.

On April 24, 2020, the Company acquired 100% of the issued and outstanding shares of Mid-American Growers, Inc. (“MAG”). MAG is a company that cultivates and sells hemp-based products throughout North American. Under the terms of the agreement, the Company paid \$33,316,284 in cash and issued 17,133,579 common shares with a fair value of \$37,693,874. Included in the agreement is a milestone payment of 2,640,000 common shares should the MAG sellers reasonably assist the Company in receiving a commercial cultivation license for its facility in Illinois (the “Milestone Event”). There is an additional milestone payment of USD \$5,000,000 should the Milestone Event be completed during calendar year 2020. Concurrently, the Company entered an earn-out agreement with the sellers of MAG whereby the Company will pay a 23% commission on hemp product sales during the period of April 1, 2020 to March 31, 2021. This has been accounted for as contingent consideration payable and added to the purchase price.

Concurrent with the closing of the MAG acquisition, MichiCann’s wholly owned subsidiary, RWB Illinois, Inc. acquired an additional 124 acres of land located in Illinois, together with the buildings, plant facilities, structures, building systems fixtures and improvements located thereon and related

Red White & Bloom Brands Inc.**(Formerly Tidal Royalty Corp.)**

Notes to the condensed interim consolidated financial statements
For the three and six month periods ended June 30, 2020 and 2019
(Unaudited)
(Expressed in Canadian dollars)

personal property and intangibles (together with the MAG owned property, the "Illinois Facility") for USD \$2,000,000 pursuant to a real estate purchase agreement made and entered into as of January 10, 2020 between RWB, VW Properties LLC, as seller, and each of the MAG Sellers.

The acquisition of MAG was accounted for as a business combination. The consideration and net identifiable assets acquired were recorded in the accounts of the Company at its fair value as follows:

Cash (Note 11(f))	\$	33,316,284
Common shares issued		37,693,874
Contingent consideration – earn-out		9,658,500
Contingent consideration – milestone		5,231,100
Total consideration paid		85,899,758
Cash		555,856
Accounts receivable		193,867
Inventory		4,153,076
Biological asset		6,500,637
Property, plant and equipment		85,248,600
Accounts payable		(2,042,473)
Other payables		(8,709,805)
Net identifiable assets acquired	\$	85,899,758

Since the acquisition of MAG on April 24, 2020, MAG has generated revenues of \$1,512,050 and incurred a net loss of \$1,004,470.

1251881 B.C. Ltd.

On June 10, 2020, the Company acquired 100% of the issued and outstanding shares of 1251881 B.C. Ltd. Under the terms of the agreement, the Company issued 13,500,000 common shares and 4,500,000 special warrants as consideration. The special warrants are automatically convertible into 4,500,000 common shares of the Company should the volume weighted average price of the Company's common shares be less than \$1.50 for the first 180 days following the acquisition date.

At the time of the acquisition, 1251881 B.C. Ltd.'s assets consisted solely of intangible assets and it did not have any processes capable of generating outputs; therefore 1251881 B.C. Ltd. did not meet the definition of a business and the acquisition was accounted for as an asset acquisition. The consideration paid and net identifiable assets acquired were recorded in the accounts of the Company at its fair value determined as follows:

Common shares	\$	14,985,000
Fair value of special warrants issued		4,995,000
Transaction costs		1,998,000
Total consideration paid		21,978,000
Intangible assets		21,978,000
Net identifiable assets acquired	\$	21,978,000

The transaction costs comprise 1,800,000 common shares of the Company issued to a finder with a fair value of \$1,998,000.

Red White & Bloom Brands Inc.**(Formerly Tidal Royalty Corp.)**

Notes to the condensed interim consolidated financial statements
For the three and six month periods ended June 30, 2020 and 2019
(Unaudited)
(Expressed in Canadian dollars)

Immediately prior to the acquisition, 1251881 B.C Ltd. entered into (i) a retail license agreement with High Times Retail Licensing, LLC ("HT") whereby 1251881 B.C. Ltd was granted the right to use certain intellectual property associated with retail dispensary and local delivery services for cannabis products, cannabis accessories and merchandise in the States of Michigan, Illinois and Florida; and (ii) a product licensing agreement with HT whereby 1251881 B.C. Ltd. was granted an exclusive license to use certain intellectual property related to the commercialization of cannabis products in Michigan, Illinois and Florida and CBD products nationally carrying HT brands.

Concurrently, the Company entered into an definitive agreement (the "Licensing Agreement") to acquire the licensing rights for the branding of High Times dispensaries and High Times cannabis-based CBD and THC products in the States of Michigan, Illinois and Florida and branding of High Times hemp derived CBD products nationally in the United States carrying the Culture brand.

Under the terms of the Licensing Agreement, the Company has acquired the rights to exclusively brand both medical and recreational dispensaries and cannabis products within the States of Michigan, Illinois and Florida. The Licensing Agreement includes the Company securing the rights from HT to Culture for the branding of CBD and whole hemp flower products nationally in the United States.

7. Accounts Receivable

Accounts receivable is comprised of:

	June 30, 2020 \$	December 31, 2019 \$
Trade receivables	1,746,018	1,111,637
Sales tax receivable	450,458	351,751
Total accounts receivable	2,196,476	1,463,388

Trade receivables relate to management fees charged to PharmaCo. During the period ended June 30, 2020, \$425,610 in management fees were charged to PharmaCo.

Sales tax receivable represents input tax credits arising from sales tax levied on the supply of goods purchased or services provided in Canada.

8. Biological Assets

The Company's biological assets consist of 673,769 plants as at June 30, 2020. The continuity of biological assets is as follows:

Carrying amount, December 31, 2019	\$ -
Acquired from MAG acquisition	6,500,637
Fair value adjustment	8,274,760
Transferred to inventories upon harvest	(6,139,585)
Carrying amount, June 30, 2020	\$ 8,635,812

The Company's estimates, by their nature, are subject to changes that could result from volatility of market prices, unanticipated regulatory changes, harvest yields, loss of crops, changes in estimates and other uncontrollable factors that could significantly affect the future fair value of biological assets.

Red White & Bloom Brands Inc.**(Formerly Tidal Royalty Corp.)**

Notes to the condensed interim consolidated financial statements

For the three and six month periods ended June 30, 2020 and 2019

(Unaudited)

(Expressed in Canadian dollars)

These estimates include the following assumptions:

- (a) Selling prices are determined by estimating the Company's expected average selling price and mix of product strains;
- (b) Cost incurred and remaining costs to complete were estimated by calculating the average production costs up to the point of harvest over the total production period;
- (c) The percentage of costs incurred for each stage of plant growth;
- (d) The stage of plant growth at which point of harvest is determined;
- (e) Costs to sell and other fulfillment costs were determined by estimating the Company's average cost per pound; and
- (f) Expected yields of harvested plants are estimated and risk adjusted at each stage of growth.

9. Inventory

The Company's inventory of dry hemp is internally produced inventory. The Company's inventory is comprised of the following items:

	June 30, 2020 \$	December 31, 2019 \$
Finished goods	1,343,835	-
Work in process	8,317,113	-
Raw materials, supplies and consumables	2,361,316	-
	12,022,264	-

Red White & Bloom Brands Inc.
(Formerly Tidal Royalty Corp.)

Notes to the condensed interim consolidated financial statements
For the three and six month periods ended June 30, 2020 and 2019
(Unaudited)
(Expressed in Canadian dollars)

10. Property, Plant and Equipment

The changes in the Company's property, plant and equipment for the period ended June 30, 2020 are as follows:

	Land	Building and improvements	Machinery and equipment	Office furniture and equipment	Total
Cost					
Balance, December 31, 2019	-	-	-	12,745	12,745
Acquired from MAG acquisition	2,392,511	82,559,032	297,057	-	85,248,600
Disposal	-	(620,737)	-	-	(620,737)
Balance, June 30, 2020	-	-	-	12,745	84,640,608
Accumulated depreciation					
Balance, December 31, 2019	-	-	-	1,898	1,898
Change for the period	-	1,265,492	9,902	2,124	1,277,518
Balance, June 30, 2020	-	1,265,492	9,902	4,022	1,279,416
Carrying value					
December 31, 2019	-	-	-	10,847	10,847
June 30, 2020	2,392,511	80,672,803	287,155	8,723	83,361,192

11. Loans Receivable

(a) Debenture with PharmaCo

During the year ended December 31, 2018, the Company advanced a series of funds, totalling \$5,700,400, to PharmaCo, an arms-length party, in the form of a debenture. The debenture was non-interest bearing, unsecured and is due on demand. On January 4, 2019, the debenture totalling \$5,700,400 was transferred into the OpCo Debenture, which is discussed below.

(b) Debt settlement on behalf of PharmaCo

During the year ended December 31, 2018, the Company issued 4,810,000 common shares to a third-party as consideration to settle \$4,810,000 owed by PharmaCo to the third-party.

During the period ended June 30, 2020, the Company issued 2,339,200 common shares and 2,339,200 convertible series II preferred shares to a third-party as consideration to settle \$5,848,000 owed by PharmaCo to a third-party.

The amount due from PharmaCo to the Company of \$10,658,000 (December 31, 2019 - \$4,810,000) is non-interest bearing, unsecured and has no fixed terms of repayment. This debenture is included in current loans receivable as of June 30, 2020.

(c) OpCo Debenture

On January 4, 2019, the Company entered a Debenture Purchase Agreement with PharmaCo. Under the terms of this agreement, the Company will advance a principal amount of up to USD \$114,734,209. As of December 31, 2019, the Company has advanced \$53,217,122 (December 31, 2019 - \$48,502,029) plus the \$5,700,400 debenture that was transferred to the OpCo Debenture for a total advance of \$58,917,522 (December 31, 2019 - \$54,202,429). The OpCo Debenture earns

Red White & Bloom Brands Inc.**(Formerly Tidal Royalty Corp.)**

Notes to the condensed interim consolidated financial statements
For the three and six month periods ended June 30, 2020 and 2019
(Unaudited)
(Expressed in Canadian dollars)

interest at 8% per annum and is secured by all real and personal property and interests in the real and personal property of PharmaCo, whether now owned or subsequently acquired. The OpCo Debenture including all accrued interest has a maturity date of January 4, 2023. As of June 30, 2020, there is \$6,220,762 (December 31, 2019 - \$3,832,577) of accrued interest relating to the OpCo Debenture.

Concurrent with the OpCo Debenture, the Company entered a Put/Call Option Agreement with PharmaCo, as described in Note 1. Both the OpCo Debenture and the call option are financial instruments measured at fair value through profit or loss. As at June 30, 2020, the fair value of the OpCo Debenture was determined to be \$37,648,352 (December 31, 2019 - \$30,246,853) and the fair value of the call option was determined to be \$19,828,224 (December 31, 2019 - \$19,547,757). During the period ended June 30, 2020, the Company recorded a revaluation of call option of \$1,420,001 (2019 - \$2,008,403). Subsequent to period-end, the Company exercised the Put/Call Option, as further discussed in Note 22.

During the period ended June 30, 2020, the Company recorded accretion income of \$1,440,946 (2019 - \$1,124,015) on the OpCo Debenture. As of June 30, 2020, the value of the OpCo Debenture of \$39,089,298 (December 31, 2019 - \$32,587,017) is included in non-current loans receivable.

(d) Promissory note with PharmaCo

On June 7, 2019, the Company entered a Promissory Note Agreement ("Promissory Note") with PharmaCo. Under the terms of this agreement, the Company advanced a principal amount of \$30,648,517. The Promissory Note is non-interest bearing, unsecured, and matured on January 2, 2020. On January 2, 2020, the Company entered a Promissory Note Extension Agreement with PharmaCo. The Promissory Note is non-interest bearing, unsecured, and matures on January 2, 2021. The funds advanced under the Promissory Note were received from the Bridging Finance Inc. under the credit facility (Note 14). The Promissory Note is included in current loans receivable as of June 30, 2020.

(e) Other amounts with PharmaCo

During the period ended June 30, 2020, \$696,890 (2019 - \$nil) of expenditures were paid by PharmaCo on behalf of the Company. The cumulative value of these advances of \$696,890 (December 31, 2019 - \$912,328 owing to the Company) are non-interest bearing, unsecured, and have no fixed terms of repayment and are included in current loans receivable as of June 30, 2020.

(f) Other amounts with Mid-American Growers

During the year ended December 31, 2019, \$10,605,100 was paid to MAG as a deposit for the acquisition of MAG and the Illinois Facility and is included in deposits. During the period ended June 30, 2020, the Company completed the acquisition of MAG (Note 6) and this amount is included in the consideration paid.

12. Intangible Assets

The changes in the Company's intangible assets for the period ended June 30, 2020 are as follows:

Balance, December 31, 2019	\$	-
Acquired from 1251881 B.C. Ltd. acquisition		21,978,000
Balance, June 30, 2020	\$	21,978,000

The Company's intangible assets consist of Licensed IP acquired with the acquisition of 1251881 B.C. Ltd. on June 10, 2020 (Note 6).

13. Convertible Debentures

Red White & Bloom Brands Inc.**(Formerly Tidal Royalty Corp.)**

Notes to the condensed interim consolidated financial statements
For the three and six month periods ended June 30, 2020 and 2019
(Unaudited)
(Expressed in Canadian dollars)

A continuity of the liability portion of the convertible debentures is as follows:

Balance, December 31, 2018	\$	-
Issuance of convertible debentures		17,650,000
Revaluation of foreign currency balances		(52,400)
Balance, December 31, 2019		17,597,600
Issuance of convertible debentures		-
Revaluation of foreign currency balances		820,837
Cancellation		(18,418,437)
Balance, June 30, 2020	\$	-

14. Non-Current LiabilitiesCredit Facility

On January 10, 2020, the credit facility was amended (the "Amended Facility") pursuant to an amended and restated agreement between the Lender, the Company (as guarantor) and PharmaCo, RWB Illinois, Inc. and MAG (collectively as borrowers).

The Amended Facility increased the Facility Limit to USD \$49,750,000 in the aggregate of which USD \$27,000,000 was to refinance the existing Facility and USD \$22,750,000 was used to complete the MAG Acquisition (Note 6) and for general corporate and operating purposes.

The obligations under the Amended Facility are due and payable on the earlier of:

- (a) the termination date (being July 10, 2021 subject to the right of the Borrowers to extend the termination date by paying a 1% fee for two additional six-month periods for a total of 30 months); and
- (b) the acceleration date (being the earlier of the date of an insolvency event or that a demand notice is delivered pursuant to the terms of the Amended Facility).

In respect of the advance made by the Lender to the Borrowers under the Facility, the Borrowers agreed to pay the Lender:

- (a) Interest at the prime rate plus 12% per annum calculated and compounded monthly, payable monthly in arrears on the last day of each month; and
- (b) A work fee equal to \$1,492,500 (the "Amended Work Fee") (paid by the Company).

Loan Payable

The Company's loan payable consists of a loan with a commercial lender acquired with the acquisition of Mid-American Growers, Inc. (Note 6). The principal of USD \$1,676,000 bears interest at 1% per annum. The Company is required to make monthly repayments of USD \$89,335 until April 6, 2022 at which point the loan will be fully repaid. As of June 30, 2020, \$1,095,706 of the loan is payable within 12 months and is classified as a current liability on the condensed interim statements of financial position. The remaining \$1,441,118 payable is classified as a non-current liability.

Red White & Bloom Brands Inc.**(Formerly Tidal Royalty Corp.)**

Notes to the condensed interim consolidated financial statements
For the three and six month periods ended June 30, 2020 and 2019
(Unaudited)
(Expressed in Canadian dollars)

15. Share CapitalAuthorized Share Capital

Unlimited number of common shares without par value.

Unlimited number of convertible series I preferred shares without par value, participating, each share convertible into one common share by the holder, and non-voting.

Unlimited number of convertible series II preferred shares without par value, participating, each share convertible into one common share by the holder, and voting. The holder receives 5% additional common shares for each 12-month period up to 24 months.

Common Shares

On April 24, 2020, the Company issued 17,133,579 common shares to MAG Sellers on closing of the MAG acquisition (Note 6).

On April 24, 2020, as a result of the completion of the reverse takeover transaction, the Company issued 23,464,462 common shares to holders of Tidal common shares (Note 5).

On April 24, 2020, as a result of the completion of the reverse takeover transaction, the Company issued 7,381,000 common shares to finders (Note 5).

On April 30, 2020, the Company issued 429,375 common shares pursuant to the exercise of 429,375 warrants for gross proceeds of \$343,500.

On May 25, 2020, the Company issued 187,500 common shares pursuant to the exercise of 187,500 warrants for gross proceeds of \$150,000.

On June 8, 2020, the Company issued 975,000 common shares pursuant to the exercise of 975,000 stock options for gross proceeds of \$487,500.

On June 10, 2020, the Company issued 13,500,000 common shares pursuant to High Times Licensing Agreement (Note 6).

On June 10, 2020, the Company issued 1,800,000 common shares to finder pursuant to High Times Licensing Agreement (Note 6).

On June 30, 2020, the Company issued 2,339,200 common shares to investor to settle outstanding advances of \$5,848,000 (Note 11(b)).

Convertible Series I Preferred Shares

On April 24, 2020, as a result of the completion of the reverse takeover transaction, the Company issued 3,181,250 convertible series I preferred shares to Tidal shareholders (Note 5).

Convertible Series II Preferred Shares

On April 24, 2020, the Company issued 101,345,349 to holders of MichiCann convertible series II preferred shares pursuant to Amended Agreement of the reverse takeover transaction (Note 5).

On April 24, 2020, as a result of the completion of the reverse takeover transaction, the Company issued 7,381,000 convertible series II preferred shares to finders (Note 5).

On June 8, 2020, the Company issued 975,000 convertible series II preferred shares pursuant to the exercise of 975,000 stock options for gross proceeds of \$487,500.

Red White & Bloom Brands Inc.**(Formerly Tidal Royalty Corp.)**

Notes to the condensed interim consolidated financial statements
For the three and six month periods ended June 30, 2020 and 2019
(Unaudited)
(Expressed in Canadian dollars)

On June 30, 2020, the Company issued 2,339,200 convertible series II preferred shares to investor to settle outstanding advances of \$5,848,000 (Note 11(b)).

Warrants

During the year ended December 31, 2018, the Company issued 595,430 finders' warrants with an exercise price of \$1.00 per common share of the Company for a period of two years. During the six months ended June 30, 2020, the Company issued 1,186,711 warrants related to the reverse takeover transaction (Note 5) and 4,500,000 special warrants related to the 1251881 B.C. Ltd. acquisition (Note 6). No warrants were issued during the six months ended 2019.

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance at December 31, 2018	595,430	\$ 1.00
Issued	-	-
Exercised	-	-
Cancelled	-	-
Balance at December 31, 2019	595,430	\$ 1.00
Issued	5,686,711	0.42
Exercised	(616,875)	(0.80)
Cancelled	(569,836)	(3.35)
Balance at June 30, 2020	5,095,340	\$ 0.12

The following warrants were outstanding and exercisable at June 30, 2020:

Issue Date	Expiry Date	Exercise Price	Number of Warrants Outstanding	Number of Warrants Exercisable
December 19, 2018	December 19, 2020	\$ 1.00	595,340	595,340
June 10, 2020	December 6, 2020	\$ 0.00	4,500,000	-
			5,095,340	595,340

Options

On January 11, 2020, the Company granted 100,000 stock options to an employee of the Company. These options vested 100% on January 11, 2020.

On January 11, 2020, the Company granted 271,429 stock options to an employee of the Company. These options vest 12.5% on April 11, 2020, 12.5% on July 11, 2020, 12.5% on October 11, 2020, 12.5% on January 11, 2021, 12.5% on April 11, 2021, 12.5% on July 11, 2021, 12.5% on October 11, 2021 and the remaining 12.5% on January 11, 2022.

On April 1, 2020, the Company granted 161,250 stock options to employees of the Company. These options vest 8.3% on July 1, 2020, 8.3% on October 1, 2020, 8.3% on January 1, 2021, 8.3% on April 1, 2021, 8.3% on July 1, 2021, 8.3% on October 1, 2021, 8.3% on January 1, 2022, 8.3% on April 1, 2022, 8.3% on July 1, 2022, 8.3% on October 1, 2022, 8.3% on January 1, 2023 and 8.3% on April 1, 2023. These stock options have an exercise price of \$1.00 and expire on April 1, 2025.

The options granted during the period ended June 30, 2020 have a fair value of \$1,789,891 (2019 - \$1,997,115) estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

Red White & Bloom Brands Inc.**(Formerly Tidal Royalty Corp.)**

Notes to the condensed interim consolidated financial statements

For the three and six month periods ended June 30, 2020 and 2019

(Unaudited)

(Expressed in Canadian dollars)

	2020	2019
Risk-free interest rate	0.59%	2.27%
Expected term (in years)	4.04	5.00
Estimated dividend yield	0%	0%
Estimated volatility	100.00%	100.00%

During the six months ended June 30, 2020, the Company recognized \$1,275,228 (2019 - \$2,425,730) in share-based compensation under graded vesting.

Options transactions and the number of options outstanding are summarized as follows:

	Number of Stock Options	Weighted Average Exercise Price
Balance at December 31, 2018	4,500,000	\$ 0.50
Granted	2,930,000	1.26
Exercised	-	-
Cancelled	-	-
Balance at December 31, 2019	7,430,000	\$ 0.80
Granted	2,331,789	4.36
Exercised	(975,000)	0.50
Cancelled	(187,500)	1.00
Balance at June 30, 2020	8,599,289	\$ 1.79

Red White & Bloom Brands Inc.**(Formerly Tidal Royalty Corp.)**

Notes to the condensed interim consolidated financial statements

For the three and six month periods ended June 30, 2020 and 2019

(Unaudited)

(Expressed in Canadian dollars)

The following options were outstanding and exercisable at June 30, 2020:

Grant Date	Expiry Date	Exercise Price	Number of Options Outstanding	Number of Options Exercisable
June 22, 2018	June 22, 2023	\$5.28	468,045	468,045
September 14, 2018	September 14, 2023	USD \$3.84	6,250	5,469
October 1, 2018	October 1, 2023	\$0.50	3,525,000	2,400,000
December 12, 2018	December 12, 2023	USD \$1.84	45,000	33,750
January 15, 2019	January 15, 2024	\$1.00	500,000	500,000
January 15, 2019	January 15, 2024	\$2.50	600,000	600,000
February 1, 2019	February 1, 2024	\$1.00	400,000	250,000
April 1, 2019	April 1, 2024	\$1.00	400,000	300,000
April 15, 2019	April 15, 2024	\$1.00	12,500	4,250
April 26, 2019	April 26, 2024	\$5.44	1,279,815	1,279,815
April 29, 2019	April 29, 2024	\$1.00	500,000	500,000
May 13, 2019	May 13, 2024	\$1.00	175,000	109,375
May 21, 2019	May 21, 2024	\$1.00	30,000	18,750
November 13, 2019	November 13, 2024	\$1.00	100,000	16,667
November 22, 2019	November 22, 2024	\$1.00	25,000	4,167
January 11, 2020	January 11, 2025	\$1.00	371,429	133,929
April 1, 2020	April 1, 2025	\$1.00	161,250	-
Balance at June 30, 2020			8,599,289	6,624,217

16. Financial Instruments and Risks**(a) Fair Value**

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's condensed interim statements of financial position as at June 30, 2020 and December 31, 2019 as follows:

	Fair Value Measurements Using			Balance \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
June 30, 2020				
Cash	2,599,154	-	-	2,599,154
Accounts receivable	2,196,476	-	-	2,196,476
Loans receivable	90,162,604	-	-	90,162,604
Refundable deposits	340,700	-	-	340,700
Call option	-	-	19,828,224	19,828,224

Red White & Bloom Brands Inc.**(Formerly Tidal Royalty Corp.)**

Notes to the condensed interim consolidated financial statements

For the three and six month periods ended June 30, 2020 and 2019

(Unaudited)

(Expressed in Canadian dollars)

Total	95,298,934	-	19,828,224	115,127,158
Accounts payable and accrued liabilities	6,803,649	-	-	6,803,649
Credit facility	67,799,300	-	-	67,799,300
Loan payable	2,536,824	-	-	2,536,824
Total	77,139,773	-	-	77,139,773
December 31, 2019				
Cash	1,378,687	-	-	1,378,687
Accounts receivable	1,463,388	-	-	1,463,388
Loans receivable	72,923,991	-	-	72,923,991
Refundable deposits	10,605,100	-	-	10,605,100
Call option	-	-	19,547,757	19,547,757
Total	86,371,166	-	19,547,757	105,918,923
Accounts payable and accrued liabilities	1,334,370	-	-	1,334,370
Convertible debentures	17,597,600	-	-	17,597,600
Credit facility	36,610,075	-	-	36,610,075
Total	55,542,045	-	-	55,542,045

The fair values of other financial instruments, which include accounts payable and accrued liabilities, loans receivable, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash, accounts receivable and loans receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. The Company is exposed to significant credit risk on its loans receivable. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Risk

The Company has cash and loans receivable denominated in United States dollars and, as a consequence, the financial results of the Company's operations as reported in Canadian dollars are subject to changes in the value of the Canadian dollar relative to the US dollar. Therefore, exchange rate movements in the United States dollar can have a significant impact on the Company's operating results due to the translation of monetary assets.

At June 30, 2020, a 5% (2019 – 4%) strengthening (weakening) of the Canadian dollar against the US dollar would have increased (decreased) the Company's net income/loss by approximately \$368,000 (2019 - \$2,064,000).

(d) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates, and therefore the Company does not consider interest rate risk for cash to be significant.

Red White & Bloom Brands Inc.**(Formerly Tidal Royalty Corp.)**

Notes to the condensed interim consolidated financial statements
For the three and six month periods ended June 30, 2020 and 2019
(Unaudited)
(Expressed in Canadian dollars)

As at June 30, 2020, the interest rate on loans receivable and convertible debentures is fixed based on the contracts in place. As such, the Company is exposed to interest rate risk to the extent as stated on these financial assets and liabilities.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities.

As at June 30, 2020, the Company had a cash balance of \$2,599,154 (December 31, 2019 - \$1,378,687) available to apply against short-term business requirements and current liabilities of \$22,860,486 (December 31, 2019 - \$55,542,045). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of June 30, 2020.

17. Related Party Transactions

The following is a summary of related party transactions that occurred during the six months ended June 30, 2020:

- (a) Included in accounts payable and accrued liabilities is \$605,906 (December 31, 2019 - \$377,157) payable to officers and a director of the Company. Amounts due to related parties have no stated terms of interest and/or repayment and are unsecured.
- (b) Key management personnel include the directors and officers of the Company. Key management compensation consists of the following:

	June 30, 2020 \$	June 30, 2019 \$
Consulting fees paid or accrued to a company controlled by the director of the Company	98,850	27,000
Salary paid to management of the Company	248,812	-
Share-based compensation	115,913	301,745

There were no post-employment benefits, termination benefits or other long-term benefits paid to key management personnel for the six months ended June 30, 2020 and 2019

18. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash, convertible debentures and equity, comprised of issued share capital.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. There were no changes to the Company's approach to capital management during the six months ended June 30, 2020.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains the same for the periods presented.

Red White & Bloom Brands Inc.**(Formerly Tidal Royalty Corp.)**

Notes to the condensed interim consolidated financial statements
For the three and six month periods ended June 30, 2020 and 2019
(Unaudited)
(Expressed in Canadian dollars)

19. Supplemental Disclosure of Cash Flow Information

	2020	2019
Additional Information		
Share issuance costs in accounts payable	\$ -	\$ 45,340
Shares issued for loans receivable	\$ 5,848,000	\$ -
Shares issued for intangible asset	\$ 16,983,000	\$ -
Warrants issued for intangible asset	\$ 4,995,000	\$ -
Cash consideration on acquisition included in deposits	\$ 10,605,100	\$ -
Interest paid	\$ 3,915,943	\$ 3,540,353
Taxes paid	\$ -	\$ -

20. Segmented Information

The Company has one operating segment, being the cultivation and sale of hemp, located in United states.

The Company currently has an investment in one company in the cannabis industry and operates in United states.

21. Proposed Transactions

On July 25, 2019, the Company entered a LOI with Kings Garden Inc. ("Kings Garden") pursuant to which the Company intended to acquire all of the issued and outstanding shares of Kings Garden

During the period ended June 30, 2020, the Company determine it would no longer pursue the acquisition of Kings Garden. The company is evaluating if any of the deposit could be recovered at a later date however determined that the \$1,853,059 deposit advanced to Kings Garden under the terms of this LOI should be written off and has recorded it as a loss in the condensed interim consolidated statements of comprehensive loss.

22. Subsequent EventsLetter of intent with Platinum Vape

On July 21, 2020, the Company entered a letter of intent ("LOI") with various entities operating under the Platinum Vape umbrella ("PV"). Under the terms of this LOI, the Company will acquire all of the issued and outstanding shares of PV for consideration is as follows:

- USD \$7,000,000 in cash paid on closing;
- USD \$13,000,000 in cash paid 120 days after the closing date;
- A USD \$15,000,000 convertible promissory note with a term of three years that may be converted into common shares of the Company at a price of \$1.16 per common share. The convertible promissory note shall be secured by the PV assets and ownership interests therein; and
- Cash or common shares of the Company with the equivalent value of USD \$25,000,000 payable based on achievement of the following milestones during the 12-month period immediately following the closing:
 - USD \$7,500,000 paid on PV achieving revenue of USD \$80,000,000;
 - USD \$7,500,000 paid on PV achieving revenue of USD \$90,000,000; and
 - USD \$10,000,000 paid on PV achieving revenue of USD \$100,000,000.

Notice of exercise for PharmaCo

Red White & Bloom Brands Inc.**(Formerly Tidal Royalty Corp.)**

Notes to the condensed interim consolidated financial statements
For the three and six month periods ended June 30, 2020 and 2019
(Unaudited)
(Expressed in Canadian dollars)

On July 24, 2020, the Company exercised its option to acquire all of the outstanding common shares of PharmaCo ("PharmaCo Common Shares"). As consideration for the PharmaCo Common Shares, the Company will issue 37,000,000 common share and 37,000,000 convertible series II preferred shares. At the time of acquisition, it was determined that PharmaCo has processes capable of generating outputs; therefore, PharmaCo does meet the definition of a business. Accordingly, as PharmaCo qualifies as a business in accordance with IFRS 3 Business Combinations, the acquisition will be accounts for as a business combination. The Company is in the process of assessing the financial implications of the business combination. The assets and liabilities acquired from PharmaCo cannot be disclosed at this time because the Company is still in the process of completing the valuation of assets and liabilities to be acquired and there can be no assurances that the Company will be able to complete the prerequisite licensing for the closing of the PharmaCo call option.

Growing and sales agreement with 39 Industries, LLC

On July 24, 2020, the Company entered a growing and sales agreement ("G&S Agreement") with 39 Industries, LLC ("39 Hemp"). Under the terms of the G&S Agreement 39 Hemp will provide deliveries of Purple Goliath Hemp Seeds (the "Seeds") throughout 2020 to 2022. The Company will cultivate the seeds and harvest and process or leave unprocessed the resulting hemp plants from the Seeds.

Partnership agreement with Avicanna Inc.

On August 11, 2020, the Company entered a distribution agreement with Avicanna Inc. ("Avicanna"). Under the terms of the distribution agreement, the Company will obtain the right to be the exclusive distributor of Avicanna's 'Pura H&W' branded cosmetic products and also have the right to purchase Avicanna's cosmetic products for distribution. As consideration for the distribution agreement, the Company shall pay Avicanna an upfront licensing fee of USD \$250,000 along with certain minimum purchase requirements.

Bought deal financing agreement

On August 25, 2020, the Company entered into an underwriting agreement with PI Financial Corp. and Eight Capital (the "Underwriters") to act as co-lead underwriters, on behalf of a syndicate of underwriters, pursuant to which the underwriters will purchase, on a bought-deal basis, units of the Company. Under the terms of the underwriting agreement, the Company will sell 29,000,000 units at a price of \$0.75 per unit for aggregate gross proceeds of \$21,750,000. Each unit shall consist of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$1.00 per share for a period of 24 months.

In connection with Offering, the Company has granted the Underwriters an option, exercisable in whole or in part at any time for a period of 30 days following the closing date of the offering, to increase the offering by up to an additional 4,350,000 units for additional gross proceeds of up to \$3,260,000 for total aggregate gross proceeds of \$25,010,000, assuming the full exercise of the over-allotment option.

The Company has agreed to pay a cash commission of 6.0 per cent of the gross proceeds of the offering and will issue to the underwriters' compensation options equal to 6.0 per cent of the aggregate number of units sold under the offering. The compensation options will be exercisable into units of the company at a price per compensation option equal to the offering price for a period of 24 months from the closing of the offering.



Red White & Bloom Brands Inc.

(Formerly Tidal Royalty Corp.)

Management's Discussion and Analysis

For the Three and Six Month Periods Ended June 30, 2020

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The following management discussion and analysis ("MD&A") may contain "forward-looking information" within the meaning of Canadian securities legislation ("forward-looking statements"). These forward-looking statements are made as of the date of this MD&A and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation. Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Certain forward-looking statements in this MD&A include, but are not limited to the following:

- the Company's expansion plans; and
- its expectations regarding production capacity and production yields

The above and other aspects of the Company's anticipated future operations are forward-looking in nature and, as a result, are subject to certain risks and uncertainties. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them as actual results may differ materially from the forward-looking statements. Such forward-looking statements are estimates reflecting the Company's best judgment based upon current information and involve a number of risks and uncertainties, and there can be no assurance that other factors will not affect the accuracy of such forward-looking statements. Such factors include but are not limited to the Company's ability to obtain the necessary financing and the general impact of financial market conditions, the yield from marihuana growing operations, product demand, changes in prices of required commodities, competition, government regulations and other risks.

For further information on the Company reference should be made to the Company's public filings which are available on SEDAR.

INTRODUCTION

The following MD&A of Red White & Bloom Brands Inc. (formerly Tidal Royalty Corp.) (the "Company" or "RWB") should be read in conjunction with the Company's condensed interim consolidated financial statements and notes thereto for the three and six month periods ended June 30, 2020 and 2019, which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

This document is intended to assist the reader in better understanding operations and key financial results as of the date of this MD&A. The consolidated financial statements and this MD&A have been approved by its Board of Directors. This MD&A is dated August 31, 2020.

All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

DESCRIPTION OF BUSINESS AND GOING CONCERN

Red White & Bloom Brands Inc. (formerly Tidal Royalty Corp.) (the "Company" or "RWB") was incorporated on March 12, 1980 pursuant to the Business Corporations Act, British Columbia.

The Company's head office and registered office is located at Suite 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

As at June 30, 2020, the Company's working capital was \$47,893,519 (December 31, 2019 – working capital deficiency of \$16,071,433) and has accumulated losses of \$34,964,165 (December 31, 2019 - \$14,677,625) since inception.

These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. If the going concern assumption were not appropriate, then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses and the statements of financial position classifications used. Such adjustments could be material.

OVERVIEW

Red White & Bloom Brands Inc. is an investment company with a focus on the United States cannabis industry. The Company's current investments are primarily in the investment in PharmaCo Inc. ("PharmaCo") which include the Debenture and its rights under the Put/Call Option Agreement (both described below) and the acquisition of Mid-American Growers Inc. ("MAG"), which completed on April 24, 2020 and is further described in the condensed interim consolidated financial statements for the three and six month periods ended June 30, 2020 and 2019.

The Company holds 8% senior secured convertible debenture (the "Debenture") and a put/call option agreement (the "Put/Call Option") to acquire all the issued and outstanding shares of its Michigan based investee PharmaCo, a private company incorporated under the laws of the State of Michigan. The Put/Call Option is subject to the Company completing the licensing requirements to operate in the State of Michigan. The Debenture is secured by all real and personal property and interests in the real and

personal property of PharmaCo, whether now owned or subsequently acquired. The Debenture has a maturity date of January 4, 2023 unless the Debenture becomes due earlier.

PharmaCo was granted a Step 1 prequalification by the Medical Marijuana Licensing Board of the State of Michigan in October of 2018, and has been awarded multiple municipal approvals for grower permits (cultivation), manufacturing (including extraction and derivative manufacturing) and provisioning centers (dispensaries).

Since its prequalification was issued in October 2018, PharmaCo expanded its operations through the acquisition of multiple assets that cover cultivation, processing/manufacturing and provisioning centers throughout the state of Michigan.

PharmaCo has purchased three indoor cultivation facilities with a cumulative 110,000 square feet and 10 acres of outdoor cultivation and control the assets of 18 provisioning centers (dispensaries).

RWB intends to roll out unified corporate branding to allow for greater efficiency and scaling upon completion of licensing in Michigan and, subsequent to the end of the Quarter, has provided notice to PharmaCo of its intention to exercise its call option to acquire 100% of PharmaCo, subject to MRA approvals.

The Company closed the acquisition of MAG on April 24, 2020. MAG owns and operates a 3.6 million square foot facility in Granville, Illinois and holds both a hemp grower and hemp processing license with the state of Illinois.

Initial hemp crops are in the facility and the company intends to grow, process and sell various hemp and CBD products through this facility.

Lastly, the Company has a strategy of expanding to a limited number of additional states as the opportunity presents itself with the intent of only entering markets that allow for the operation at scale to try and maximize operational efficiencies generally only available to those businesses that operate at scale.

PROPOSED TRANSACTION

On July 25, 2019, the Company entered a LOI with Kings Garden Inc. ("Kings Garden") pursuant to which the Company intended to acquire all of the issued and outstanding shares of Kings Garden

During the period ended June 30, 2020, the Company determine it would no longer pursue the acquisition of Kings Garden. The company is evaluating if any of the deposit could be recovered at a later date however determined that the \$1,853,059 deposit advanced to Kings Garden under the terms of this LOI should be written off and has recorded it as a loss in the condensed interim consolidated statements of comprehensive loss.

SELECTED QUARTERLY FINANCIAL INFORMATION

Selected Annual Information

The following selected financial information is derived from the audited consolidated financial statements of the Company:

	Periods Ended December 31, (audited)		
	2019	2018	2017
Total revenues	\$ -	\$ -	\$ -
Interest expense	3,540,353	-	-
Professional fees	1,952,329	53,522	-
Consulting fees	919,839	325,000	-
Salaries and wages	568,167	-	-
Net loss and comprehensive loss	12,513,900	2,131,039	32,686
Net loss per share – Basic & fully diluted	0.16	0.06	32,686
Totals assets	107,979,469	34,937,686	624,638
Total liabilities	55,542,045	161,937	586,373
Cash dividends declared per share	Nil	Nil	Nil

Selected Quarterly Information

	Quarters ended	
	June 30, 20	Mar 31, 20
	\$	\$
Sales	1,512,050	-
Cost of sales	272,745	-
Gross profit before fair value adjustments	1,239,305	-
Gross profit after fair value adjustment on biological assets	9,514,065	-
Interest expense	2,080,625	1,961,952
Professional fees	572,577	257,567
Consulting fees	434,256	321,489
Salaries and wages	536,781	204,182
Listing expense	22,832,281	-
Net loss and comprehensive loss	23,032,069	2,745,529
Net loss per share – Basic & fully diluted	0.19	0.03
Total assets	241,679,918	141,780,222
Total liabilities	92,100,904	85,475,194
Cash dividends declared per share	Nil	Nil

RESULTS OF OPERATIONS

For the six months period ended June 30, 2020 compared to the six months period ended June 30, 2019.

As a result of MAG acquisition, the Company began generating revenue on April 24, 2020. However, the Company still relies on external financings to generate capital. As a result, the Company has continued to incur losses since its inception including for the years ended December 31, 2019 and 2018.

The Company's ability to continue operations is dependent on management's ability to secure financing. Management is actively pursuing such additional sources of financing, and there can be no assurance it will be able to secure additional financing required for its operations. Accordingly, these factors indicate material uncertainties that may cause significant doubt as to the Company's ability to continue as a going concern. The Company is considering various financing options to fund its operations.

On August 19, 2020, the Company entered into an agreement with PI Financial Corp. and Eight Capital to act as co-lead underwriters, on behalf of a syndicate of underwriters, pursuant to which the underwriters will purchase, on a bought-deal basis, an aggregate of 20 million units of RWB at a price of 75 cents per unit for aggregate gross proceeds of \$15-million. On August 21, 2020, RWB and a syndicate of underwriters agreed to increase the size of the offering to 33.35 million units of RWB at a price of 75 cents per unit for aggregate gross proceeds of \$25 million.

During the six month period ended June 30, 2020, the Company incurred a net loss and comprehensive loss of \$20,286,540 (2019 - \$7,404,237). The increase in net loss and comprehensive loss of \$22,396,368 was mainly attributable to the net effect of:

- Increase of \$1,512,050 in sales, from \$Nil in 2019 to \$1,512,050 in 2020
- Increase of \$272,745 in cost of sales from \$Nil in 2019 to \$272,745 in 2020
- Increase of \$8,274,760 in fair value adjustment on biological assets from \$Nil in 2019 to \$8,274,760
- Decrease of \$383,826 in commission from \$2,404,888 to \$2,021,062 in 2020
- Increase of \$4,042,577 in interest expense from \$Nil in 2019 to \$4,042,577 in 2020
- Decrease of \$1,150,502 in share-based compensation from \$2,425,730 to \$1,275,228 in 2020
- Increase of \$755,744 in consulting fees from \$Nil in 2019 to \$755,744 in 2020
- Increase of \$726,617 in marketing from \$174,025 in 2019 to \$900,652 in 2020
- Increase of \$830,144 in professional fees from \$Nil in 2019 to \$830,144 in 2020
- Increase of \$740,963 in salaries and wages from \$Nil in 2019 to \$740,963 in 2020
- Decrease of \$998,648 in general and administration from \$1,637,946 in 2019 to \$639,298 in 2020
- Increase of \$1,322,246 in depreciation from \$Nil in 2019 to \$1,322,246 in 2020
- Increase of \$6,122,121 in foreign exchange gain from loss of \$1,741,600 in 2019 to gain of \$4,380,521 in 2020

- Increase of \$480,143 in interest income from \$1,864,340 in 2019 to \$2,344,483 in 2020
- Increase of \$316,931 in accretion of loans receivable from \$1,124,015 in 2019 to \$1,440,946 in 2020
- Increase of \$425,610 in management fees from \$Nil in 2019 to \$425,610 in 2020
- Decrease of \$588,402 in loss on revaluation of call option from \$2,008,403 in 2019 to \$1,420,001 in 2020
- Increase of \$149,947 in gain on disposal from \$Nil in 2019 to \$149,947 in 2020
- Increase of \$1,853,059 in write of deposit from \$Nil in 2019 to \$1,853,059 in 2020
- Increase of \$91,143 in revaluation of investment from \$Nil in 2019 to \$91,143 in 2020
- Increase of \$22,832,281 in listing expense from \$Nil in 2019 to \$22,832,281 in 2020

The increase in overall expenses during the six months period ended June 30, 2020 is in line with management expectation.

LIQUIDITY AND CAPITAL RESOURCES

The Company has a history of operating losses and of negative cash flow from operations. The Company will remain reliant on capital markets for future funding to meet its ongoing obligations.

The Company's ability to continue operations is dependent on management's ability to secure additional financing. Management is actively pursuing such additional sources of financing, and there can be no assurance it will be able to secure additional financing required for its operations. Accordingly, these factors indicate material uncertainties that may cause significant doubt as to the Company's ability to continue as a going concern.

As at June 30, 2020, the Company had working capital of \$47,893,519 (2019 - working capital deficiency of \$16,071,433), consisting of cash in the amount of \$2,599,154 (2019 - \$1,378,687), prepaid expenses of \$447,755 (2019 - \$124,140), accounts receivable of \$2,196,476 (2019 - \$1,463,388), biological assets of \$8,635,812 (2019 - \$Nil), inventory of \$12,022,264 (2019 - \$Nil), current portion of loans receivable of \$44,852,544 (2019 - \$36,504,397), net of accounts payable and accrued liabilities of \$6,803,649 (2019 - \$1,334,370), contingent liabilities of \$14,889,600 (2019 - \$Nil), convertible debenture of \$Nil (2019 - \$17,597,600), lease liabilities of \$71,531 (2019 - \$Nil) and credit facility of \$Nil (2019 - \$36,610,075)

The Company believes that the current capital resources are not sufficient to pay overhead expenses for next twelve months and is currently seeking additional funding to fund its overhead expenses and its continuous search for other business opportunities. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

As at June 30, 2020, the shareholders' equity of \$149,579,014 (2019 - \$52,437,424) consisted of common shares of \$106,825,901 (2019 - \$61,366,160), convertible series I preferred shares of \$3,664,799 (2019 - \$Nil), convertible series II preferred shares of \$60,748,692 (2019 - \$Nil), contributed surplus of \$11,380,862 (2019 - \$5,748,889), cumulative translation adjustment of \$1,922,925 (2019 - \$Nil) and deficit of \$34,964,165 (2019 - \$Nil).

OUTSTANDING SHARE DATA

- a) Authorized Share Capital: unlimited common shares without par value.

b) Issued and Outstanding as at June 30, 2020;

- a. 151,421,866 common shares (2019 – 84,211,752),
- b. 3,181,250 convertible series I preferred shares (2019 – Nil)
- c. 112,040,549 convertible series II preferred shares (2019 – Nil)

Common shares

On April 24, 2020, the Company issued 17,133,579 common shares to MAG Sellers on closing of the MAG acquisition.

On April 24, 2020, as a result of the completion of the reverse takeover transaction, the Company issued 23,464,462 common shares to holders of Tidal common shares.

On April 24, 2020, as a result of the completion of the reverse takeover transaction, the Company issued 7,381,000 common shares to finders.

On April 30, 2020, the Company issued 429,375 common shares pursuant to the exercise of 429,375 warrants for gross proceeds of \$343,500.

On May 25, 2020, the Company issued 187,500 common shares pursuant to the exercise of 187,500 warrants for gross proceeds of \$150,000.

On June 8, 2020, the Company issued 975,000 common shares pursuant to the exercise of 975,000 stock options for gross proceeds of \$487,500.

On June 10, 2020, the Company issued 13,500,000 common shares pursuant to High Times Licensing Agreement.

On June 10, 2020, the Company issued 1,800,000 common shares to finder pursuant to High Times Licensing Agreement.

On June 30, 2020, the Company issued 2,339,200 common shares to investor to settle outstanding advances of \$5,848,000.

Convertible Series I Preferred Shares

On April 24, 2020, as a result of the completion of the reverse takeover transaction, the Company issued 3,181,250 convertible series I preferred shares to Tidal shareholders.

Convertible Series II Preferred Shares

On April 24, 2020, the Company issued 101,345,349 to holders of MichiCann convertible series II preferred shares pursuant to Amended Agreement of the reverse takeover transaction.

On April 24, 2020, as a result of the completion of the reverse takeover transaction, the Company issued 7,381,000 convertible series II preferred shares to finders.

On June 8, 2020, the Company issued 975,000 convertible series II preferred shares pursuant to the exercise of 975,000 stock options for gross proceeds of \$487,500.

On June 30, 2020, the Company issued 2,339,200 convertible series II preferred shares to investor to settle outstanding advances of \$5,848,000 at a deemed price of \$2,50 per unit.

Warrants

During the year ended December 31, 2018, the Company issued 595,430 finders' warrants with an exercise price of \$1.00 per common share of the Company for a period of two years. During the six months ended June 30, 2020, the Company issued 1,186,711 warrants related to the reverse takeover transaction and 4,500,000 special warrants related to the 1251881 B.C. Ltd. acquisition. No warrants were issued during the six months ended 2019.

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance at December 31, 2018	595,430	\$ 1.00
Issued	-	-
Exercised	-	-
Cancelled	-	-
Balance at December 31, 2019	595,430	\$ 1.00
Issued	5,686,711	0.42
Exercised	(616,875)	(0.80)
Cancelled	(569,836)	(3.35)
Balance at June 30, 2020	5,095,340	\$ 0.12

The following warrants were outstanding at June 30, 2020:

Issue Date	Expiry Date	Exercise Price	Number of Warrants Outstanding	Number of Warrants Exercisable
December 19, 2018	December 19, 2020	\$ 1.00	595,340	595,340
June 10, 2020	December 6, 2020	\$ 0.00	4,500,000	-
			5,095,340	595,340

Options

On January 11, 2020, the Company granted 100,000 stock options to an employee of the Company. These options vested 100% on January 11, 2020.

On January 11, 2020, the Company granted 271,429 stock options to an employee of the Company. These options vest 12.5% on April 11, 2020, 12.5% on July 11, 2020, 12.5% on October 11, 2020, 12.5% on January 11, 2021, 12.5% on April 11, 2021, 12.5% on July 11, 2021, 12.5% on October 11, 2021 and the remaining 12.5% on January 11, 2022.

On April 1, 2020, the Company granted 161,250 stock options to employees of the Company. These options vest 8.3% on July 1, 2020, 8.3% on October 1, 2020, 8.3% on January 1, 2021, 8.3% on April 1,

2021, 8.3% on July 1, 2021, 8.3% on October 1, 2021, 8.3% on January 1, 2022, 8.3% on April 1, 2022, 8.3% on July 1, 2022, 8.3% on October 1, 2022, 8.3% on January 1, 2023 and 8.3% on April 1, 2023. These stock options have an exercise price of \$1.00 and expire on April 1, 2025.

The options granted during the period ended June 30, 2020 have a fair value of \$1,789,891 (2019 - \$1,997,115) estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2020	2019
Risk-free interest rate	0.59%	2.27%
Expected term (in years)	4.04	5.00
Estimated dividend yield	0%	0%
Estimated volatility	100.00%	100.00%

During the six months ended June 30, 2020, the Company recognized \$1,275,228 (2019 - \$2,425,730) in share-based compensation under graded vesting.

Options transactions and the number of options outstanding are summarized as follows:

	Number of Stock Options	Weighted Average Exercise Price
Balance at December 31, 2018	4,500,000	\$ 0.50
Granted	2,930,000	1.26
Exercised	-	-
Cancelled	-	-
Balance at December 31, 2019	7,430,000	\$ 0.80
Granted	2,331,789	4.36
Exercised	(975,000)	0.50
Cancelled	(187,500)	1.00
Balance at June 30, 2020	8,599,289	\$ 1.79

The following options were outstanding and exercisable at June 30, 2020:

Grant Date	Expiry Date	Exercise Price	Number of Options Outstanding	Number of Options Exercisable
June 22, 2018	June 22, 2023	\$5.28	468,045	468,045
September 14, 2018	September 14, 2023	USD \$3.84	6,250	5,469
October 1, 2018	October 1, 2023	\$0.50	3,525,000	2,400,000
December 12, 2018	December 12, 2023	USD \$1.84	45,000	33,750
January 15, 2019	January 15, 2024	\$1.00	500,000	500,000
January 15, 2019	January 15, 2024	\$2.50	600,000	600,000
February 1, 2019	February 1, 2024	\$1.00	400,000	250,000
April 1, 2019	April 1, 2024	\$1.00	400,000	300,000
April 15, 2019	April 15, 2024	\$1.00	12,500	4,250
April 26, 2019	April 26, 2024	\$5.44	1,279,815	1,279,815
April 29, 2019	April 29, 2024	\$1.00	500,000	500,000
May 13, 2019	May 13, 2024	\$1.00	175,000	109,375
May 21, 2019	May 21, 2024	\$1.00	30,000	18,750
November 13, 2019	November 13, 2024	\$1.00	100,000	16,667
November 22, 2019	November 22, 2024	\$1.00	25,000	4,167
January 11, 2020	January 11, 2025	\$1.00	371,429	133,929
April 1, 2020	April 1, 2025	\$1.00	161,250	-
Balance at June 30, 2020			8,599,289	6,624,217

FINANCIAL AND OTHER INSTRUMENTS

The Company's financial assets and liabilities consist of cash, accounts receivable, loans receivable, call option, accounts payables and accrued liabilities, convertible debentures, and bridge financing.

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's condensed interim statements of financial position as at June 30, 2020 and December 31, 2019 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Balance \$
June 30, 2020				
Cash	2,599,154	-	-	2,599,154
Accounts receivable	2,196,476	-	-	2,196,476
Loans receivable	90,162,604	-	-	90,162,604
Refundable deposits	340,700	-	-	340,700
Call option	-	-	19,828,224	19,828,224
Total	95,298,934	-	19,828,224	115,127,158
Accounts payable and accrued liabilities	6,803,649	-	-	6,803,649
Credit facility	67,799,300	-	-	67,799,300
Loan payable	2,536,824	-	-	2,536,824
Total	77,139,773	-	-	77,139,773

December 31, 2019

Cash	1,378,687	-	-	1,378,687
Accounts receivable	1,463,388	-	-	1,463,388
Loans receivable	72,923,991	-	-	72,923,991
Refundable deposits	10,605,100	-	-	10,605,100
Call option	-	-	19,547,757	19,547,757
Total	86,371,166	-	19,547,757	105,918,923

Accounts payable and accrued liabilities	1,334,370	-	-	1,334,370
Convertible debentures	17,597,600	-	-	17,597,600
Credit facility	36,610,075	-	-	36,610,075
Total	55,542,045	-	-	55,542,045

The fair values of other financial instruments, which include accounts payable and accrued liabilities and loans receivable, approximate their carrying values due to the relatively short-term maturity of these instruments.

(a) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and loans receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. The Company is exposed to significant credit risk on its loans receivable. The carrying amount of financial assets represents the maximum credit exposure.

(b) Foreign Exchange Rate

The Company has cash and loans receivable denominated in US dollars and, as a consequence, the financial results of the Company's operations as reported in Canadian dollars are subject to changes in the value of the Canadian dollar relative to the US dollar. Therefore, exchange rate movements in the US dollar can have a significant impact on the Company's operating results due to the translation of monetary assets.

At June, 2020, a 5% (2019 – 4%) strengthening (weakening) of the Canadian dollar against the US dollar would have increased (decreased) the Company's net income/loss by approximately \$368,000 (2019 - \$2,064,000)

(c) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash and cash equivalents is at nominal interest rates, and therefore the Company does not consider interest rate risk to be significant.

As at June 30, 2020, the interest rate on loans receivable and convertible debentures is fixed based on the contracts in place. As such, the Company is exposed to interest rate risk to the extent of these financial assets and liabilities.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities.

As at June 30, 2020, the Company had a cash balance of \$2,599,154 (December 31, 2019 - \$1,378,687) available to apply against short-term business requirements and current liabilities of \$22,860,486 (December 31, 2019 - \$55,542,045). All of the liabilities presented as accounts

payable and accrued liabilities are due within 90 days of June 30, 2020.

CREDIT FACILITY

On January 10, 2020, the Facility was amended (the "Amended Facility") pursuant to an amended and restated agreement between the Lender, the Company (as guarantor) and PharmaCo, RWB Illinois, Inc. ("RWB") and MAG (collectively as borrowers).

The Amended Facility increased the Facility Limit to USD \$49,750,000 in the aggregate of which USD \$27,000,000 was to refinance the existing Facility and USD \$22,750,000 was used to complete the MAG Acquisition and for general corporate and operating purposes.

The obligations under the Amended Facility are due and payable on the earlier of:

- a) the termination date (being July 10, 2021 subject to the right of the Borrowers to extend the termination date by paying a 1% fee for two additional six-month periods for a total of 30 months); and
- b) the acceleration date (being the earlier of the date of an insolvency event or that a demand notice is delivered pursuant to the terms of the Amended Facility).

In respect of the advance made by the Lender to the Borrowers under the Facility, the Borrowers agreed to pay the Lender:

- a) Interest at the prime rate plus 12% per annum calculated and compounded monthly, payable monthly in arrears on the last day of each month; and
- b) A work fee equal to \$1,492,500 (the "Amended Work Fee") (paid by the Company)

LOAN PAYABLE

The Company's loan payable consists of a loan with a commercial lender acquired with the acquisition of Mid-American Growers, Inc. The principal of USD \$1,676,000 bears interest at 1% per annum. The Company is required to make monthly repayments of USD \$89,335 until April 6, 2022 at which point the loan will be fully repaid. As of June 30, 2020 \$1,095,706 of the loan is payable within 12 months and is classified as a current liability on the condensed interim statements of financial position. The remaining \$1,441,118 payable is classified as a non-current liability.

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements requires the Company to select from possible alternative accounting principles, and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the balance sheet date and reported costs and expenditures during the reporting period. Estimates and assumptions may be revised as new information is obtained, and are subject to change. The Company's accounting policies and estimates used in the preparation of the consolidated financial statements are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process. In preparing these MD&A,

management has made significant assumptions regarding the circumstances and timing of the transactions contemplated therein, which could result in a material adjustment to the carrying amount of certain assets and liabilities if changes to the assumptions are made.

ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

IFRS 16 Leases

The Company adopted IFRS 16 Leases ("IFRS 16") effective January 1, 2019. This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease. The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The new standard supersedes the requirements in IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The Company reviewed its operations and noted no material impact on the adoption of IFRS 16.

RELATED PARTY TRANSACTIONS

The following is a summary of related party transactions that occurred during the six months ended June 30, 2020:

- (a) Included in accounts payable and accrued liabilities is \$605,906 (December 31, 2019 - \$377,157) payable to a director of the Company. Amounts due to related parties have no stated terms of interest and/or repayment, and are unsecured

- (b) Key management personnel include the directors and officers of the Company. Key management compensation consists of the following:

	June 30, 2020 \$	June 30, 2019 \$
Consulting fees paid or accrued to a company controlled by the director of the Company	98,850	27,000
Salary paid to management of the company	248,812	-
Share-based compensation	115,913	301,745

There were no post-employment benefits, termination benefits or other long-term benefits paid to key management personnel for the six months ended June 30, 2020 and 2019.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements during the period.

OUTSTANDING SHARES DATA AS OF REPORT DATE

	August 31, 2020	June 30, 2020	December 31, 2019
Issued and outstanding common shares	151,921,886	151,421,886	84,211,752
Series I preferred shares	3,181,250	3,181,250	-
Series II preferred shares	112,540,549	112,040,549	-
Warrants outstanding	5,095,340	5,095,340	595,340
Stock options outstanding	8,336,789	8,599,289	7,430,000

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the consolidated financial statements, is the responsibility of Management. In the preparation of these statements estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying consolidated financial statements.

Risks

The Investment in the common shares must be regarded as highly speculative due to the proposed nature of the Company's business and its present stage of operations.

There can be no assurance that an active and liquid market for the Company's common shares will develop and an investor may find it difficult to resell the common shares.

CONTROLS AND PROCEDURES

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's consolidated financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this MD&A.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and workload will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CEO of the financial reports.

OUTLOOK

Although current management has demonstrated its ability to raise funds in the past, with the current financial market conditions and global economic uncertainty, there can be no assurance they will be able to do so in the future. The financial results and discussion do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

SUBSEQUENT EVENTS

Letter of intent with Platinum Vape

On July 21, 2020, the Company entered a letter of intent ("LOI") with various entities operating under the Platinum Vape umbrella ("PV"). Under the terms of this LOI, the Company will acquire all of the issued and outstanding shares of PV for consideration is as follows:

- * USD \$7,000,000 in cash paid on closing;
- * USD \$13,000,000 in cash paid 120 days after the closing date;
- * A USD \$15,000,000 convertible promissory note with a term of three years that may be converted into common shares of the Company at a price of \$1.16 per common share. The convertible promissory note shall be secured by the PV assets and ownership interests therein; and
- * Cash or common shares of the Company with the equivalent value of USD \$25,000,000 payable based on achievement of the following milestones during the 12-month period immediately following the closing:
 - * USD \$7,500,000 paid on PV achieving revenue of USD \$80,000,000;
 - * USD \$7,500,000 paid on PV achieving revenue of USD \$90,000,000; and
 - * USD \$10,000,000 paid on PV achieving revenue of USD \$100,000,000.

Notice of Exercise for PharmaCo

On July 24, 2020, the Company provided notice of its intention to exercise its option to acquire all of the outstanding common shares of PharmaCo ("PharmaCo Common Shares"), subject to regulatory approvals. As consideration for the PharmaCo Common Shares, the Company will issue 37,000,000 common share and 37,000,000 convertible series II preferred shares. At the time of acquisition, it was determined that PharmaCo has processes capable of generating outputs; therefore, PharmaCo does meet the definition of a business. Accordingly, as PharmaCo qualifies as a business in accordance with *IFRS 3 Business Combinations*, the acquisition will be accounted for as a business combination. The Company is in the process of assessing the financial implications of the business combination. The assets and liabilities acquired from PharmaCo cannot be included in the company results as it has not completed the acquisition of PharmaCo and does not control the operations of PharmaCo which is an arms length third party. In addition, the Company is still in the process of completing the valuation of assets and liabilities to be acquired.

Growing and sales agreement with 39 Industries, LLC

On July 24, 2020, the Company entered a growing and sales agreement ("G&S Agreement") with 39 Industries, LLC ("39 Hemp"). Under the terms of the G&S Agreement 39Hemp will provide deliveries of Purple Goliath Hemp Seeds (the "Seeds") throughout 2020 to 2022. The Company will cultivate the seeds and harvest and process or leave unprocessed the resulting hemp plants from the Seeds. After which, the processed or unprocessed hemp will be sold by 39Hemp to third-parties. As consideration for the brokerage services, the Company will pay 39Hemp a commission of \$20 per pound sold at a purchase price at or below \$225 per pound, and a commission of 57.5% of the purchase price above \$225 per pound.

Partnership agreement with Avicanna Inc.

On August 11, 2020, the Company entered a distribution agreement with Avicanna Inc. ("Avicanna"). Under the terms of the distribution agreement, the Company will obtain the right to be the exclusive distributor of Avicanna's 'Pura H&W' branded cosmetic products and also have the right to purchase Avicanna's cosmetic products for distribution. As consideration for the distribution agreement, the Company shall pay Avicanna an upfront licensing fee of USD \$250,000 along with certain minimum purchase requirements.

Bought deal financing agreement

On August 25, 2020, the Company entered into an underwriting agreement with PI Financial Corp. and Eight Capital (the "Underwriters") to act as co-lead underwriters, on behalf of a syndicate of underwriters, pursuant to which the underwriters will purchase, on a bought-deal basis, units of the Company. Under the terms of the underwriting agreement, the Company will sell 29,000,000 units at a price of \$0.75 per unit for aggregate gross proceeds of \$21,750,000. Each unit shall consist of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$1.00 per share for a period of 24 months.

In connection with Offering, the Company has granted the Underwriters an option, exercisable in whole or in part at any time for a period of 30 days following the closing date of the offering, to increase the offering by up to an additional 4,350,000 units for additional gross proceeds of up to \$3,260,000 for total aggregate gross proceeds of \$25,10,000, assuming the full exercise of the over-allotment option.

The Company has agreed to pay a cash commission of 6.0 per cent of the gross proceeds of the offering and will issue to the underwriters compensation options equal to 6.0 per cent of the aggregate number of units sold under the offering. The compensation options will be exercisable into units of the company at a price per compensation option equal to the offering price for a period of 24 months from the closing of the offering.

COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

OTHER INFORMATION

Additional information about the Company is available on SEDAR at www.sedar.com.

Form 52-109FV2

Certification of interim filings - venture issuer basic certificate

I, **Brad Rogers, Chief Executive Officer of Red White & Bloom Brands Inc.**, certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of **Red White & Bloom Brands Inc.** (the “issuer”) for the interim period ended **June 30, 2020**.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: **August 31, 2020**.

(Signed): “Brad Rogers”

Brad Rogers
Chief Executive Officer

NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Form 52-109FV2

Certification of interim filings - venture issuer basic certificate

I, **Johannes van der Linde, Chief Financial Officer** of **Red White & Bloom Brands Inc.**, certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of **Red White & Bloom Brands Inc.** (the “issuer”) for the interim period ended **June 30, 2020**.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: **August 31, 2020**.

(Signed): “*Johannes van der Linde*”

Johannes van der Linde
Chief Financial Officer

NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

The issuer’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.
