

CULTIVATOR CANNABIS PROCESSING AGREEMENT

THIS AGREEMENT is made as of _____ ("**Effective Date**")

BETWEEN

Joint Venture Craft Cannabis Inc., a corporation incorporated in the Province of British Columbia, having a place of business at Suite 121B+D Shuswap ST NW, Salmon Arm, British Columbia, V1E 4H8 ("**Processor**");

AND

_____, a Corporation incorporated in the Province of BC, having a place of business at _____ ("**Seller**").

A. WHEREAS both Processor and Seller are Licence Holders (as defined herein) and, as of the date of this Agreement, are authorized to sell and receive cannabis;

B. AND WHEREAS Processor desires to purchase Material (as defined herein) and Seller wishes to sell the Material for the Purchase Price (as defined herein).

NOW THEREFORE in consideration of the mutual promises and covenants hereinafter contained and other good and valuable consideration, the adequacy, sufficiency and receipt of which is hereby acknowledged and confirmed, the parties hereto agree as follows:

1. Definitions

In this Agreement, in addition to the words and terms that are defined elsewhere in this Agreement, the following words and terms shall have the indicated meaning, unless something in the subject matter or context is inconsistent therewith:

"**Agreement**" means this supply agreement, including its recitals and schedules, as amended from time to time.

"**Applicable Law**" means

- (i) applicable domestic law and regulations including any statute, subordinate legislation, including but not limited to the Cannabis Act and Cannabis Regulations; and
- (ii) any applicable guideline, directive, rule, standard, requirement, policy, order, judgment, injunction, award or decree of a Governmental Authority.

"**Brand**" means the brand name associated with the product. The brand grants usage rights to JVCC. All aspects of this contract apply to the brand and the cultivator jointly and severally. Brands and seller (cultivator) have a supply agreement.

"Business Day" means a day other than a Saturday, Sunday or provincial or federal statutory holiday in the Province of British Columbia.

"Cannabis" has the meaning set out in the Cannabis Act.

"Cannabis Act" means the *Cannabis Act (S.C. 2018, c. 16) of Canada*, as amended and including any successor legislation.

"Cannabis Product" has the meaning set out in the Cannabis Regulations of Canada.

"Cannabis Regulations" means the Cannabis Regulations, SOR/2018-144 of Canada, as amended and including any successor legislation.

"Certificate of Analysis" means a document issued by a third-party licence holder for analytical testing of cannabis in respect of the batch or lot of Material, selected by the Processor and at the Seller's expense, that provides test results and data of testing completed in accordance with the requirements of sections 90 to 92 of the Cannabis Regulations, including but not limited to composition and limiting or otherwise restricting the substances and maximum residue limits, microbial and chemical contaminants referred to in sections 93 and 94 of the Cannabis Regulations.

"Certificate of Processing" means a document issued by a third-party service provider for antimicrobial treatment of the batch or lot of Material, selected by the Seller and at the Seller's expense, that provides data concerning minimum and maximum absorbed doses of the ionizing radiation during the antimicrobial treatment of the Material, which should be within the limits specified in the Table for item 4 in section B.26.005 of the Food and Drug Regulations (C.R.C., c. 870) of Canada.

"Confidential Information" means any proprietary and confidential information delivered by one party to the other pursuant to this Agreement, including, but not limited to: (i) the existence of this Agreement, the nature and substance of the Agreement, and any discussions, regulatory approvals, regulatory amendments, or regulatory communications relating to the transaction(s) contemplated under the Agreement; (ii) any and all information related, in any way, to the products and/or services of the parties, including the Material; (iii) any and all information of a technical, financial, accounting, tax, legal, commercial, operational or logistics nature related to the respective businesses of the parties; and (iv) the trimming, curing, processing, purification, formulation, testing, quality assurance, and record-keeping practices of either party. Confidential Information shall not include any information: (i) which at the time of disclosure is readily available to the public; (ii) which after disclosure becomes readily available to the public, other than through a breach of this Agreement; (iii) which is subsequently lawfully and in good faith obtained by the recipient from an independent third party without breach of this Agreement or other confidentiality obligation, as shown by documentation sufficient to establish the third party as a source of the information, and not obtained by the third party from the discloser; or (iv) which recipient can establish, by documented and competent evidence, was in recipient's possession without obligation of confidentiality prior to the date of disclosure of such information by discloser to recipient; or (v) was independently developed by the Receiving Party without any use of Confidential Information of the Disclosing Party.

"Disclosing Party" has the meaning set out in Section 13 of this Agreement.

"Effective Date" means the date first above written.

“Governmental Authority” means any domestic or foreign legislative, executive, judicial or administrative body, including Health Canada, or person having or purporting to have jurisdiction in the relevant circumstances.

“Intellectual Property” means intellectual property of any nature and kind including, without limitation, all domestic and foreign trade-marks, label design, label text, logos, business names, trade names, domain names, trading styles, patents, trade secrets, software, industrial designs, plant breeders’ rights, and copyrights, whether registered or unregistered, and all applications for registration thereof, and inventions, formulae, recipes, product formulations, processes and processing methods, technology and techniques and know-how.

“Licence Holder” means the holder of a licence issued under subsection 62(1) of the Cannabis Act in relation to cannabis.

“Material” has the meaning set out in Section 3 of this Agreement.

“Purchase Price” has the meaning set out in Section 4 of this Agreement.

“QA/QC Clearance” means the quality assurance and quality control clearance provided by Joint Venture Craft Cannabis Inc., at its sole discretion, in respect of the Material.

“Receiving Party” has the meaning set out in Section 13 of this Agreement.

“Shipment Date” means the shipment date for Material set out in any Pro-Forma Purchase Order or such other date as mutually agreed to by Processor and Seller, both acting reasonably.

“Seller” means the legally licensed cultivator in good standing with Health Canada and CRA

“Term” has the meaning set out in Section 12(a) of this Agreement.

“Warranty Period” has the meaning set out in Section 7 of this Agreement.

“Pro-Forma Purchase Order” means an order for cannabis in the form attached hereto at Schedule "C", that (a) is signed and dated by the authorized person of a Licence Holder and indicate their name, (b) indicates the shipping (delivery) address in Canada; (c) indicates the name and location of the third-party processor of the Materials, to be determined at the sole discretion of the Processor; and (d) specifies the cannabis substance being ordered and includes the following information: (i) in the case of fresh or dried cannabis or cannabis oil, its quantity and brand name; and (ii) other information as it may be necessary to comply with requirements of Part 11 of the Cannabis Regulations. By issuing a Pro-Forma Purchase Order to Seller, Processor makes an offer to purchase Materials under the terms and conditions of this Agreement, and on no other terms. For the avoidance of doubt, any variations made to the terms and conditions of this Agreement by either party in any Pro-Forma Purchase Order are void and have no effect unless agreed to in writing by the other party.

2. Currency

All references to currency herein are to lawful money of Canada.

3. Material to be Sold and Purchased

- (a) Subject to receipt and written acceptance of a Pro-Forma Purchase Order issued by Processor and addressed to Seller, Seller will sell to Processor and Processor will purchase from Seller, all of the right, title, benefit and interest of Seller in and to the types and quantities of cannabis flower (the "**Material**") of Batch Number: _____ also known as Strain Name: _____ in the quantity of: _____ grams containing the following minimum specifications: (i) at least _____% total tetrahydrocannabinol; (ii) at least _____% terpenes; which is accompanied by a Sterigenics certificate (or other certificate for microbial treatment) and (iii) each piece no smaller than 23.88mm in diameter or the size of a Canadian quarter coin (collectively referred to as, "**Minimum Specifications**," or individually a, "**Minimum Specification**"). Processor shall have no obligation under this Agreement to purchase any minimum amount of Material, material not meeting the specification, or any at all at the sole discretion of Joint Venture Craft Cannabis. For all purchases of Material, Processor shall provide a Pro-Forma Purchase Order to the Seller ten (10) days prior to the earliest expected delivery date in the Pro-Forma Purchase Order, which Seller may either accept or reject. Processor may withdraw a Pro-Forma Purchase Order at any time before it is accepted by Seller by providing written notice of withdrawal to Supplier prior to Seller's acceptance of such Pro-Forma Purchase Order.
- (b) Seller shall notify Processor in writing upon becoming aware of a shortage in supply of Material if such shortage will impact the ability of the Seller to fulfill any Pro-Forma Purchase Order within five (5) days of receiving such Pro-Forma Purchase Order.

4. Price and Purchase Price

Upon Seller's receipt and acceptance of the Written Pro forma "Pro-Forma Purchase Order", Processor shall expect delivery of the Cannabis containing the Minimum Specifications from Seller at an initial negotiated price of see table below per gram (the "**Purchase Price**"). No change to the agreed upon Price shall be effective on a Pro-Forma Purchase Order which has already been accepted by Seller, and in the event Seller is unable to fulfill a Pro-Forma Purchase Order after it has accepted such Pro-Forma Purchase Order, no Guaranteed Price increase shall be effective until such Pro-Forma Purchase Order is entirely fulfilled. Further the seller acknowledges that Joint Venture offers no guarantee on the Purchase Price in order to achieve sell through. The seller acknowledges that the price per gram may vary based on demand and the offers to purchase from wholesalers. The final sale price will vary based on which province the product was sold to as follows:

Provincial MSRP and estimated payout to cultivators based on Province

- | | | |
|-----------------------------|--------------|---------------------------------------|
| <input type="checkbox"/> AB | MSRP \$_____ | Per gram to Cultivator Payout \$_____ |
| <input type="checkbox"/> BC | MSRP \$_____ | Per gram to Cultivator Payout \$_____ |
| <input type="checkbox"/> MB | MSRP \$_____ | Per gram to Cultivator Payout \$_____ |
| <input type="checkbox"/> SK | MSRP \$_____ | Per gram to Cultivator Payout \$_____ |
| <input type="checkbox"/> ON | MSRP \$_____ | Per gram to Cultivator Payout \$_____ |

Please use the lowest amount on the pro-forma invoice accompanying the material shipment.

- (a) The Purchase Price is exclusive of transportation costs, customs, tariffs and duties, insurance and any other similar financial contributions or obligations relating to the sale of the Materials to Processor. For greater certainty, all Guaranteed Prices include, and Seller is solely responsible for, all costs and expenses relating to packing, crating and boxing the Materials for sale to Processor as well as to the provincial wholesale customers.
- (b) The Purchase Price is exclusive of all applicable taxes and each party hereto will be responsible for the payment of and will pay any applicable taxes, duties and levies levied on that party from time to time in relation to this Agreement.
- (c) The price per gram is exclusive of any financial penalties, from returns, price reductions or recalls the "**Purchase Price**" shall be deemed to be the net of proceeds less any unsaleable product such as smalls/shake and sticks, costs accrued or penalties levied including but not limited to returns of unsold product, recalls and price reductions. Excluded is the waste created at the fault of Joint Venture Craft Cannabis, which shall be paid at the minimum value agreed upon.

5. Payment of Purchase Price and Condition of Sale

- (a) The Purchase Price for each batch of Material set out in each Pro-Forma Purchase Order, plus any applicable taxes, shall be paid as follows:
 - (i) Saleable product shipped only, excluding any waste or production variance/loss within 5%.
 - (ii) Upon payment from the provincial or retail customer.
 - (iii) And upon in the case of provincial wholesale Joint Venture Craft Cannabis receiving a sell-through report showing the Actual number of units sold/depleted.
 - (iv) Per gram rate may be reduced by expenses including, but not limited to pre-roll manufacturing, testing, shipping, brand labeling, and marketing.
- (b) Payment of the Purchase Price contemplated in Section 5(a)(iv) will be made payable to Seller and shall be made via electronic funds transfer in accordance with the wire transfer instructions in Schedule "B".

6. Packaging, Shipment, and Delivery

- (a) Seller shall be solely responsible for all shipping costs including shipping insurance. Seller will package the Materials in bulk packaging suitable for shipment as well as for storage in accordance with the requirements of all Applicable Laws including the Cannabis Act and Cannabis Regulations.
- (b) Risk of loss and damage to the Materials during shipment to Processor at the delivery location set out in the Pro-Forma Purchase Order shall be the sole responsibility of Seller. Title and risk of loss for the Materials shall transfer to Processor upon receipt of the Materials at the delivery location set out in the Pro-Forma Purchase Order.
- (c) Seller will provide, at its own cost, bulk packaging materials and services in preparation for shipping the Material in a manner compliant with all Applicable Laws including the Cannabis Act and Cannabis Regulations.
- (d) Delivery shall occur at Seller's premises or at the premises indicated in the Pro-Forma Purchase Order, with Seller responsible for loading the Material onto the carrier.
- (e) Processor shall, subject to compliance with the requirements of Applicable Laws, and subject to obtaining the prior written consent of the Seller (such consent not to be unreasonably withheld, delayed, or conditioned) sell Materials received by Processor from Seller under Seller's trademarks, service marks, brand names and trade names.
- (f) Seller shall not use the Processor Brand in any marketing, public relations, investor packages or presentations without the express prior written approval of Processor.
- (g) Other than the use rights specifically provided for in this Section 6, nothing in this Agreement shall be construed as a grant of a license by one party to the other party to use any trademarks or tradenames owned or controlled by such party or its affiliates, nor shall this Agreement be construed in any way as a grant of license by one party to the other party to use any trademarks or tradenames used by such party under license from the relevant holder thereof.
- (h) Seller is responsible for all shipping costs associated with getting the product to the processor's facility. The cost of microbial remediation is the responsibility of the seller.

7. Seller's Representations and Warranties

- (a) Seller represents and warrants to Processor that:
 - (i) it is duly organized, validly existing and in good standing as a corporation under the laws and regulations of its jurisdiction of incorporation;
 - (ii) it has the full corporate right and capacity to enter into this Agreement and to perform its obligations hereunder;

- (iii) the execution of this Agreement by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary corporate action;
 - (iv) when executed and delivered by it, this Agreement will constitute the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms;
 - (v) it holds all required licences with all applicable Governmental Authorities necessary to engage in the contemplated activity, including without limitation the ability to engage in the sale and transportation of the Material under the Cannabis Regulations;
 - (vi) it is operating and will continue to operate in compliance with all Applicable Laws;
 - (vii) the Material is produced, packaged, labelled, stored, tested and made available for provision or sale by the Seller in compliance with Applicable Laws, and all records and information in respect of the Material that are necessary to comply with the Cannabis Regulations are maintained by the Seller;
 - (viii) Seller will provide Processor with all documentation required under the Cannabis Regulations for sale of the Material.
 - (ix) it has standard operating procedures for ensuring the quality of any Material being transferred for provision or sale under subsections 11(5) or 17(5) of the Cannabis Regulations and/or other applicable laws and for providing all affected parties with relevant information in the event of a recall;
 - (x) it has standard operating procedures for ensuring that reporting and record-keeping is complete in the event of a recall;
 - (xi) at the time Seller transfers title of the Material to Processor, Seller will be the owner of the Material with good title to the Material, free and clear of all liens, charges, encumbrances and any other rights of others; and
- (b) Seller shall defend, indemnify and hold harmless Processor, its parents, subsidiaries, and affiliates and their respective officers, directors, shareholders, employees and agents from and against any and all claims, losses, costs, and liabilities, including, without limitation, reasonable legal fees and other expenses of litigation arising out of or relating to all actions and omissions of Seller, regarding or relating to: (i) any breach or failure of Seller to perform its obligations under or comply with the terms of this Agreement, or relating to any fraud, misrepresentation, negligence or willful misconduct of Seller; (ii) any failure by Seller and/or its employees and agents to comply with applicable laws in the performance of this Agreement; and (iii) Seller's testing, sale, provision, advertising, promotion, or any other use of the Material.
- (c) Seller shall make all commercially reasonable efforts to adhere to any supply schedule described in a Pro-Forma Purchase Order, or otherwise.

- (d) Except for the warranties expressly set forth in this Section 7, Seller makes no warranty whatsoever, whether express or implied by law, course of dealing, course of performance, usage of trade or otherwise.

8. Processor's Representations and Warranties

- (a) Processor represents and warrants to Seller that:
 - (i) it is duly organized, validly existing and in good standing as a corporation under the laws and regulations of its jurisdiction of incorporation;
 - (ii) it has the full corporate right and capacity to enter into this Agreement and to perform its obligations hereunder;
 - (iii) the execution of this Agreement by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary corporate action;
 - (iv) when executed and delivered by it, this Agreement will constitute the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms;
 - (v) to its knowledge and belief, there is no action or proceeding pending or threatened against it before any court, administrative body or other tribunal which would have an adverse material effect on its business or its ability to perform its obligations hereunder;
 - (vi) any of its obligations, contractual or otherwise, to any person that might conflict, interfere or be inconsistent with this Agreement have been waived or terminated;
 - (vii) at the time of the Shipment Date, it holds all required Licences with all applicable Governmental Authorities necessary to engage in the contemplated activity, including without limitation the ability to engage in the receipt, transportation and sale of the Material under the Cannabis Regulations;
 - (viii) as of the Effective Date, it has not been and it is not currently subject to any bankruptcy event or insolvency, liquidation or dissolution for the benefit of its creditors or otherwise and Processor is able to satisfy its liabilities as they become due;
 - (ix) it shall prepare and maintain up-to-date books and records for all purchases of the Material and all such records shall be recorded, maintained and reported as required by Applicable Law; and
 - (x) it is operating and will continue to operate as a Licence Holder in compliance with all Applicable Laws in accordance with the terms of this Agreement.

- (b) Except for the warranties expressly set forth in this Section 8, Processor makes no warranty whatsoever, whether express or implied by law, course of dealing, course of performance, usage of trade or otherwise.

9. Processor's Obligations

- (a) Prior to the Shipment Date, Processor will provide Seller with a Written Pro Forma Pro-Forma Purchase Order and, in compliance with Section 5 above, payment for the Cannabis to be purchased and shipped.
- (b) Processor will provide Seller with all documentation required under the Cannabis Regulations for receipt of the Material.
- (c) Processor agrees that nothing in this Agreement gives Processor any right, title or interest in the Intellectual Property of Seller or its affiliates, parents, or subsidiaries.

10. Production Practices; Examination of Material and Records; Regulatory Approvals

- (a) Seller will make available to Processor shipment and tracking documentation for each shipment of the Material.
- (b) Seller will make available to Processor a Certificate of Analysis and, if applicable, a Certificate of Processing (antimicrobial treatment) for each batch of the Material.
- (c) Within 14 business days of a written request by Processor, Seller will make available to Processor and its authorized representatives all databases recorded or stored by means of any device, including in electronic form, title documents, reports, studies, permits, licences and all other records in its possession or under its control relating to the Materials, including documents relating to tracking, cloning, inventory, seed transfer, batch records, and any other documentation which Processor reasonably anticipates may be requested by Health Canada auditors or any other Governmental Authority.
- (d) Seller will retain all records described in Section 10(c) for a period of two (2) years after the expiry of the Term and will also comply with all its obligations under the Applicable Laws with respect to such records.
- (e) Seller retains ownership to and shall not be deemed to be granting a license or other right under or with respect to any and all information, title documents, databases, reports, studies, permits, licenses, as well as any documents relating to tracking, cloning, inventory, batch records, and any other documentation or information Seller makes available to Processor under Section 10(c).
- (f) Processor shall keep all information, title documents, databases, reports, studies, permits, licenses, as well as any documents relating to tracking, cloning, inventory, batch records, and any other documentation or information Seller makes available to Processor under Section 13(a) confidential in the manner required under Section 13 of this Agreement.

11. Complaints and Adverse Reactions

1. Seller and Processor shall each provide to the other prompt notice of any information which either party receives regarding the safety of the Materials, including any confirmed or unconfirmed information regarding adverse, serious or unexpected events or reactions associated with the Materials. For serious or adverse events, notice must be given by telephone within five (5) Business Days after receipt of the information, followed immediately with written notice, advising the other party of any adverse reaction or safety issues with respect to the Materials of which it becomes aware, regardless of the origin of such information, and in addition to any reporting requirements to any Governmental Authority as required by any Regulatory Approval. Any other complaints shall be reported in writing to the other party on a weekly basis, in addition to any reporting requirements to any Governmental Authority as required by any Regulatory Approval. Seller agrees to co-operate with Processor and any Governmental Authority in evaluating any complaint, claim, safety or adverse use report related to the Materials. Seller will provide timely assistance in responding to any complaints, including reviews of records and retained samples as well as any necessary testing.
2. If either of Processor or Seller believes that a recall is necessary, or is ordered to issue a recall by a Governmental Authority, the parties hereto shall exchange information and assist each other candidly to determine whether the basis for the recall originated with Processor or with Seller.
3. Where the parties determine in good faith that the basis for the recall originated solely with one party, that party shall cover the cost of the recall and manage destruction of any recalled Materials, including by payment of all out-of-pocket costs associated with the recall.

12. Term and Termination

- (a) This Agreement shall become effective as of the Effective Date and shall continue in full force and effect for a period of twelve (12) months from the Effective Date, unless extended by mutual written agreement (the "**Term**").
- (b) Either party may terminate this Agreement for cause in the event the other shall have breached or defaulted in the performance of any of its material obligations hereunder, where such default or breach is not remedied within thirty (30) days after written notice thereof by the other party (or immediately upon such written notice, if incapable of remedy); or (b) immediately upon written notice by a party in the event the other party declares bankruptcy or becomes the subject of any voluntary or involuntary proceeding under the applicable foreign bankruptcy code and such proceedings are not terminated within ten (10) days of its commencement.
- (c) If the Agreement is terminated by Seller for Processor's breach of Sections 8 or 9, Processor must immediately cease any advertising, sale, and provision of the Material, without limiting all of Seller's other rights and remedies under this Agreement and available at law.
- (d) Expiration or termination of this Agreement for any reason shall not release any party hereto from any liability which, at the time of such termination, has

already accrued to the other party or which is attributable to a period prior to such termination nor preclude either party from pursuing any rights and remedies it may have hereunder or at law or in equity with respect to any breach of this Agreement.

- (e) Sections 9 (Processor's Obligations), 12 (Term and Termination), 13 (Confidentiality and Publicity), and 14 (General) shall survive the expiration or termination of this Agreement.

13. Confidentiality and Publicity

- (a) During the Term of this Agreement and for a period of two (2) years thereafter, each of Processor and Seller agree to hold and maintain the Confidential Information of the other in the strictest confidence. Each of Processor and Seller shall divulge such Confidential Information only to its employees, agents or subcontractors who clearly require access to it for the purposes of this Agreement and who have been notified by the disclosing party that the Confidential Information they have received is to be held in the strictest confidence. Each party shall be liable to the other for any and all damages, including reasonable attorney fees, in the event that this confidentiality provision is violated and shall be liable for any such violation by its agents, assignees and employees. The parties agree that breach of their confidentiality obligations under this Agreement will cause irreparable damage to the non-breaching party for which recovery of damages would be inadequate, and that the non-breaching party will be entitled to seek timely injunctive relief under this Agreement, as well as such further relief as may be granted by a court of competent jurisdiction.
- (b) Notwithstanding the above, a party ("**Receiving Party**") may disclose certain Confidential Information of the other party ("**Disclosing Party**"), without violating the obligations of this Agreement, to the extent such disclosure is required by a law, regulation, rule, policy, or valid order of a court or other governmental body having jurisdiction, including without limitation securities regulators, *provided that* the Receiving Party limits such disclosure to the minimum information necessary pursuant to such requirements and, to the extent permitted by law, (a) provides the Disclosing Party with reasonable prior written notice of such disclosure and (b) makes reasonable efforts to (i) pursue, in consultation with the Disclosing Party, any legally available steps to narrow the request or limit the disclosure, or (ii) obtain, or assist the Disclosing Party in obtaining, a protective order preventing or limiting the disclosure and/or requiring that the Confidential Information so disclosed be used only for the purposes required under the law, regulation, rule, or policy, or for which the order was issued.
- (c) Except as required by law, no public announcement or press release concerning the sale and purchase of the Material may be made by Seller without the prior consent and approval Processor.
- (d) Processor reserves the right to disclose the Seller as the source of the Material to patients, the public, or any third party by way of marketing materials in print, digital format or any other means required to market and promote the product.

14. General

- (a) **Limitation of Liability.** NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR INDIRECT DAMAGES ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF ANY NOTICE OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS PARAGRAPH IS INTENDED TO LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF ANY PARTY HEREUNDER. In no event shall either party's aggregate liability arising out of or related to this Agreement, whether arising out of or related to breach of contract, tort (including negligence) or otherwise, exceed the total of the amounts paid to Seller for the Material sold hereunder.
- (b) **Further Assurances.** Each of Processor and Seller will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may, either before or after the Closing Date, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.
- (c) **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement.
- (d) **Amendment and Waiver.** No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by both of the parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.
- (e) **Relationship of Parties.** The relationship of the parties established by this Agreement is that of supplier and processor, and nothing contained in this Agreement shall be construed to: (a) give either party the power to direct or control the day-to-day activities of the other, (b) constitute the parties as partners, joint venturers, co-owners or otherwise as participants in a joint or common undertaking, or (c) allow a party to create or assume any obligation on behalf of the other party for any purpose whatsoever. Parties hereto are not authorized to waive any right or to incur, assume or create any obligation of any kind whatsoever on behalf of each other. Parties hereto hereby agree not to hold itself out as such an agent or to make any statement or representation that they have such authority. Parties hereto have no power or right to make, on behalf of each other, any representations, warranties or guarantees.
- (f) **Assignment.** Neither this Agreement nor any rights or obligations hereunder may be assigned or delegated by either party without the written consent of the other party.
- (g) **Successors and Assigns; No Third-Party Beneficiaries.** This Agreement is binding on and inures to the benefit of the parties and their respective

permitted assigns. No provisions of this Agreement, express or implied, are intended or will be construed to confer upon or give any person other than the parties hereto any rights, remedies or benefits by reason of this Agreement.

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

To Processor:

Joint Venture Craft Cannabis Inc.
Postal Address: 3571 20th ST NE Salmon Arm BC V1E 2G9 or
Courier: Suite 121B Shuswap ST NW, Salmon Arm, British Columbia, V1E 4H8
Attention: Ben Williams, Chief Executive Officer
Email: ben@jvccinc.com

To Seller:

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any Business Day.

- (i) **Remedies.** The right and remedies of the parties under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.
- (j) **Injunctive Relief.** Parties hereto acknowledge and agree that (a) a breach or threatened breach by such party of any of its obligations under Section 13 would give rise to irreparable harm for which monetary damages would not be an adequate remedy and (b) in the event of a breach or a threatened breach of any of these obligations, parties hereto shall, in addition to any and all other rights and remedies that may be available to it at law, at equity or otherwise in respect of this breach, be entitled to seek equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction, without any requirement to post a bond or other security, and without any requirement to prove actual damages or that monetary damages do not afford an adequate remedy.
- (k) **Governing Law.** This Agreement is governed by and will be construed in accordance with the laws of the Province of the Province of British Columbia and the federal laws of Canada applicable therein. For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the Province of the Province of British Columbia and the courts of the Province of British Columbia will have jurisdiction to entertain any action arising under this Agreement. Processor and Seller each attorn to the jurisdiction of the courts of the Province of British Columbia.
- (l) **Severability.** If any provision of this Agreement is held to be invalid by a court of competent jurisdiction, then the remaining provisions shall remain, nevertheless, in full force and effect. The parties agree to renegotiate in good faith any term held invalid and to be bound by the mutually agreed substitute provision in order to give the most approximate effect intended by the parties.
- (m) **English Language; Counterparts.** This Agreement is in the English language, which language shall be controlling in all respects, and all versions hereof in any other language shall be for accommodation only and shall not be binding upon the parties hereto. All communications and notices to be made or given pursuant to this Agreement shall be in the English language. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument. Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

IN WITNESS WHEREOF the parties have duly executed this Agreement.

Joint Venture Craft Cannabis Inc.

Per: _____
Name: Ben Williams

COMPANY NAME

Per: _____
Name: Responsible Person/
Authorized Signee