

TERMINATION AGREEMENT

THIS AGREEMENT (the "**Termination Agreement**") is made effective as of the 11th day of March, 2019 (the "Effective Date").

A M O N G:

JM ENDEAVORS, INC.,
(hereinafter referred to as "**King's Garden**")

OF THE FIRST PART.

- and -

AVICANNA INC.,
(hereinafter referred to as "**Avicanna**")

OF THE SECOND PART.

WHEREAS:

- A. King's Garden and Avicanna (each, a "**Party**", and collectively, the "**Parties**") have entered into a license agreement, dated June 14, 2018, as amended, (the "**License Agreement**");
- B. recent amendments to cannabis regulations in the state of California prohibit the activities contemplated under the License Agreement; and
- C. the Parties hereto desire to terminate the License Agreement on the terms and subject to the conditions set forth herein.

NOW THEREFORE this Termination Agreement witnesses that for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties agree as follows:

- 1) **Termination of License Agreement.** Subject to the terms and conditions of this Termination Agreement, the License Agreement is hereby terminated as of the date first written above (the "**Termination Date**"). Except as set out in Section 2, from and after the Termination Date, the License Agreement will be of no further force or effect, and the rights and obligations of each of the Parties thereunder shall terminate.
- 2) **Remaining Obligation of King's Garden.** Notwithstanding the termination of the License Agreement, Sections 7 and 11 of the License Agreement and the acknowledgements and obligations of the Parties set out therein shall survive such termination.
- 3) **Obligations of King's Garden.** Immediately upon the execution of this Termination Agreement King's Garden shall:
 - a. cease all use of the Technology, including the manufacture of any Products, as that term is defined in the License Agreement, and cease all use of the Avicanna Marks;
 - b. destroy all copies of the Technology in King's Garden possession or control and certify to Avicanna that all copies of the Technology have been destroyed such that it is irretrievable; and

- c. destroy any Products manufactured by King's Garden and which remain in King's Garden possession or control. The Parties acknowledge that no Products were manufactured by King's Garden pursuant to the License Agreement.

4) **Mutual Release.** In consideration of the covenants, agreements and undertakings of the Parties under this Termination Agreement, each Party, on behalf of itself and its respective present and former parents, subsidiaries, affiliates, related corporations or entities, officers, directors, shareholders, members, limited partners, successors and assigns (collectively, "**Releasors**") hereby releases, waives and forever discharges the other Party and its respective present and former, direct and indirect, parents, subsidiaries, affiliates, related corporations or entities, employees, officers, directors, shareholders, members, limited partners, agents, representatives, permitted successors and permitted assigns (collectively, "**Releasees**") of and from any and all actions, manner of actions, causes of action, proceedings, suits, losses, liabilities, rights, debts, dues, duties, sums of money, accounts, obligations, costs, expenses, liens, bonds, bills, covenants, contracts, controversies, complaints, indemnities, entitlements, agreements, promises, variances, trespasses, damages, judgments, executions, claims, and demands, of every kind and nature whatsoever or howsoever arising, whether now known or unknown, foreseen or unforeseen, matured or unmatured, suspected or unsuspected, in law or in equity, in contract or in tort (collectively, "**Claims**"), which any of such Releasors ever had, now have, or hereafter can, shall, or may have against any of such Releasees for, upon, or by reason of any matter, cause, or thing whatsoever from the beginning of time through the date of this Termination Agreement arising out of or relating to the License Agreement, except for any Claims relating to rights and obligations preserved by, created by or otherwise arising out of this Termination Agreement, which shall be governed in accordance with Paragraph 9.

5) **Full and Final Accord.** The Parties hereto intend this Termination Agreement to be effective as a full and final accord and satisfaction and release of each and every matter hereinabove referred to. The parties hereby acknowledge that they are familiar with Section 1542 of the Civil Code of the State of California which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release which, if known by him or her, must have materially affected his or her settlement with the debtor."

Each party to this Termination Agreement waives and relinquishes any right and benefit which they have or may have under Section 1542 to the full extent that they may lawfully waive all such rights and benefits pertaining to the subject matter hereof.

6) **Representations and Warranties.** Each Party hereby represents and warrants to the other Party that:

- a. it has the full right, corporate power and authority to enter into this Termination Agreement and to perform its obligations hereunder;
- b. the execution of this Termination Agreement by the individual whose signature is set forth at the end of this Termination Agreement on behalf of such Party, and the delivery of this Termination Agreement by such Party, have been duly authorized by all necessary corporate action on the part of such Party;
- c. this Termination Agreement has been executed and delivered by such Party and (assuming due authorization, execution and delivery by the other Party hereto) constitutes the legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws and equitable principles related to or affecting creditors' rights generally or the effect of general principles of equity; and

- d. it (i) knows of no Claims against the other Party relating to or arising out of the Agreement that are not covered by the release contained in Section 4) and (ii) has neither assigned nor transferred any of the Claims released herein to any person or entity and no person or entity has subrogated to or has any interest or rights in any Claims.

7) **Indemnification.**

- a. Each Party (as "**Indemnifying Party**") shall defend, indemnify and hold harmless the other Party, and its officers, directors, employees, agents, affiliates, permitted successors and permitted assigns (collectively, "**Indemnified Party**"), against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable legal fees, fees and the costs of enforcing any right to indemnification under this Termination Agreement and the cost of pursuing any insurance providers, incurred by an Indemnified Party in a final non-appealable judgment (collectively, "**Losses**"), arising out or resulting from any claim of a third party or Party alleging: (i) material breach by Indemnifying Party or its employees, consultants or other personnel of any representation, warranty, covenant or other obligations set forth in this Termination Agreement; or (ii) gross negligence or negligent act or omission of an Indemnifying Party or its employees, consultants or other personnel (including any recklessness or willful misconduct) in connection with the performance of its obligations under this Termination Agreement.
 - b. Notwithstanding anything to the contrary in this Termination Agreement, the Indemnifying Party is not obligated to indemnify, defend or hold harmless the other Party and the other Indemnified Parties against any Losses arising out of or resulting, in whole or in part, from an Indemnified Party's: (i) wilful, reckless or negligent acts or omissions; or (ii) bad faith failure to materially comply with any of its obligations set forth in this Termination Agreement.
 - c. An Indemnified Party seeking indemnification under this Section 7) shall give the Indemnifying Party: (i) prompt Notice (as defined below) of the relevant claim; provided, however, that failure to provide such notice shall not relieve the Indemnifying Party from its liability or obligation hereunder except to the extent of any material prejudice directly resulting from such failure; and (ii) reasonable cooperation, at the Indemnifying Party's expense, in the defence of such claim. The Indemnifying Party shall have the right to control the defence and settlement of any such claim; provided, however, that the Indemnifying Party shall not, without the prior written approval of the Indemnified Party, settle or dispose of any claims in a manner that affects the Indemnified Party's rights or interests. The Indemnified Party shall have the right to participate in the defence at its own expense.
- 8) **Confidentiality.** Each Party agrees that the fact of, terms, and provisions of this Termination Agreement are confidential and shall not, without prior written approval of the other Party, be disclosed to anyone except as provided herein. Nothing in this paragraph shall prohibit disclosure of information about the fact of, terms, and provisions of the Termination Agreement (i) upon compulsion of law, court process, rule of an applicable regulatory body, and/or at the request of governmental or regulatory authority, including but not limited to Canadian regulators; (ii) to the Parties' respective attorneys, accountants, professional advisers, and/or other agents who are request to know of the Termination Agreement or its terms to carry on the parties' ordinary and customary business affairs, including representatives of the TSX Venture Exchange, and Canadian banks where Avicanna may be a potential client; (iii) to the extent necessary to enforce the terms and conditions of this Termination Agreement and/or any modifications thereto.

9) **Jurisdiction and Disputes.**

- a. This Termination Agreement shall be governed and construed in accordance with the internal laws of the State of California without giving effect to any choice or conflict of law

provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of California.

- b. In the event of any Claim arising out of or relating to any performance required under this Termination Agreement, or the interpretation, validity or enforceability hereof, the Parties hereto shall use their best efforts to settle the Claim. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable resolution satisfactory to the Parties. If the Claim cannot be settled through negotiation within a period of ten (10) Business Days, then, upon notice by either party to the other they shall commence arbitration as set forth below.
- c. The Parties agree to submit any and all Claims, or any dispute related in any way to this Termination Agreement and the services rendered hereunder, to binding arbitration before JAMS. The arbitration shall be held in accordance with the JAMS then-current Streamlined Arbitration Rules & Procedures (and no other JAMS rules), which currently are available at: <https://www.jamsadr.com/rules-streamlined-arbitration>. The arbitrator shall be either a retired judge, or an attorney who is experienced in commercial contracts and licensed to practice law in California, selected pursuant to the JAMS rules. The Parties expressly agree that any arbitration shall be conducted in the County of Los Angeles, California. Each party understands and agrees that by signing this Termination Agreement, such party is waiving the right to a jury. Pursuant to subparagraph (a), the arbitrator shall apply California substantive law in the adjudication of all Claims. Notwithstanding the foregoing, either party may apply to the Superior Courts located in Los Angeles County for a provisional remedy, including but not limited to a temporary restraining order or a preliminary injunction. The application for or enforcement of any provisional remedy by a party shall not operate as a waiver of the agreement to submit a dispute to binding arbitration pursuant to this provision. In no event shall a Claim be adjudicated in Federal District Court. In the event that either party commences a lawsuit in Federal District Court or moves to remove such action to Federal District Court, the Parties hereby mutually agree to stipulate to a dismissal of such Federal action with prejudice. After a demand for arbitration has been filed and served, the Parties may engage in reasonable discovery in the form of requests for documents, interrogatories, requests for admission, and depositions. The arbitrator shall resolve any disputes concerning discovery. The arbitrator shall award costs and reasonable attorneys' fees to the prevailing party, as determined by the arbitrator, to the extent permitted by California law. The arbitrator's decision shall be final and binding upon the Parties. The arbitrator's decision shall include the arbitrator's findings of fact and conclusions of law and shall be issued in writing within thirty (30) days of the commencement of the arbitration proceedings.

10) **Miscellaneous.**

- a. All notices, requests, consents, claims, demands, waivers, summons and other legal process, and other similar types of communications hereunder (each, a "**Notice**") must be in writing and is deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such Notice must be sent to the respective parties at the addresses noted in Section 17(a) of the License Agreement.
- b. This Termination Agreement and each of the terms and provisions hereof, may only be amended, modified, waived or supplemented by an agreement in writing signed by each Party.

- c. Neither Party may assign, transfer or delegate any or all of its rights or obligations under this Termination Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed; provided, however, that either Party may assign this Termination Agreement to a successor-in-interest by consolidation, merger or operation of law or to a purchaser of all or substantially all of the Party's assets. No assignment will relieve the assigning party of any of its obligations hereunder. Any attempted assignment, transfer or other conveyance in violation of the foregoing will be null and void. This Termination Agreement is binding upon and shall enure to the benefit of each of the Parties and each of their respective permitted successors and permitted assigns.
- d. This Termination Agreement may be executed in counterparts, each of which is deemed an original, but all of which constitutes one and the same agreement. Delivery of an executed counterpart of this Termination Agreement electronically or by facsimile shall be effective as delivery of an original executed counterpart of this Termination Agreement.
- e. For purposes of this Termination Agreement, (i) the words "include," "includes" and "including" are deemed to be followed by the words "without limitation"; (ii) the word "or" is not exclusive; (iii) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Termination Agreement as a whole; (iv) words denoting the singular have a comparable meaning when used in the plural, and vice-versa; and (v) words denoting any gender include all genders. The Parties drafted this Termination Agreement without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.
- f. The headings in this Termination Agreement are for reference only and do not affect the interpretation of this Termination Agreement.
- g. If any term or provision of this Termination Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Termination Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.
- h. Each of the Parties shall, and shall cause its respective affiliates to, from time to time at the request of the other Party, without any additional consideration, furnish the other Party such further information or assurances, execute and deliver such additional documents, instruments and conveyances, and take such other actions and do such other things, as may be reasonably necessary or desirable in the opinion of counsel to the requesting party to carry out the provisions of this Termination Agreement and give effect to the transactions contemplated hereby.
- i. Each Party acknowledges and agrees that (i) a breach or threatened breach by such Party of any of its obligations under this Termination Agreement would give rise to irreparable harm to the other party for which monetary damages would not be an adequate remedy and (ii) in the event of a breach or a threatened breach by such Party of any such obligations, the other Party will, in addition to any and all other rights and remedies that may be available to such party at law, at equity or otherwise in respect of such breach, be entitled to 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 will not afford an adequate remedy. Each Party agrees that it shall not oppose or otherwise challenge the appropriateness of equitable relief or the entry by a court of competent jurisdiction of an order granting equitable relief, in either case, consistent with the terms of this Section 10j.

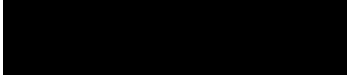
- j. This Termination Agreement constitutes the sole and entire agreement of the Parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.
- k. Each Party shall pay its own costs and expenses in connection with the drafting, negotiation and execution of this Termination Agreement (including the fees and expenses of its advisors, accounts and legal counsel).

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed this Termination Agreement and caused it to be effective as of the Effective Date.

JM ENDEAVORS, INC.

Per


Name: Lauri Kibby

Title: Authorized Signatory

AVICANNA INC.

Per:


Name: Setu Purohit

Title: Authorized Signatory