ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

Estate Number: 33-2618511
Court File No.: 33-2618511

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF EUREKA 93 INC. OF THE CITY OF OTTAWA IN THE PROVINCE OF ONTARIO

Estate Number: 33-2618512
Court File No.: 33-2618512

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF LIVEWELL FOODS CANADA INC. OF THE CITY OF OTTAWA IN THE PROVINCE OF ONTARIO

Estate Number: 33-2618510
Court File No.: 33-2618510

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF ARTIVA INC. OF THE CITY OF OTTAWA IN THE PROVINCE OF ONTARIO

Estate Number: 33-2618513
Court File No.: 33-2618513

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF VITALITY CBD NATURAL HEALTH PRODUCTS INC. OF THE CITY OF OTTAWA IN THE PROVINCE OF ONTARIO

RESPONDING MOTION RECORD OF DOMINION CAPITAL LLC
(Returnable March 4, 2020)

February 28, 2020

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Lawyers for Dominion Capital LLC

TO: THE SERVICE LIST

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1.	Affidavit of Philip Gross sworn February 28, 2020

TAB 1

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AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF VITALITY CBD NATURAL HEALTH PRODUCTS INC. OF THE CITY OF OTTAWA IN THE PROVINCE OF ONTARIO

AFFIDAVIT OF PHILIP GROSS
(sworn February 28, 2020)

I, Philip Gross, of the City of London, England, **MAKE OATH AND SAY:**

1. I am an independent consultant retained by Dominion Capital LLC ("**Dominion**"), Nomis Bay Ltd. ("**Nomis**"), MM Asset Management, Inc. ("**MMCAP**") and BPY Limited ("**BPY**" and together with Dominion, Nomis and MMCAP, the "**Noteholders**") who are secured creditors of Eureka 93 Inc. ("**Eureka**"), Livewell Foods Canada Inc. ("**Livewell**"), Artiva Inc. ("**Artiva**") and Vitality CBD Natural Health Products Inc. ("**Vitality**" and together with Eureka, Livewell and Artiva, the "**NOI Companies**" and each a "**NOI Company**") and certain of their affiliates. As such, I have knowledge of the matters hereinafter deposed

to, except where stated to be on information and belief, and where so stated, I believe such information to be true.

2. Pursuant to the relevant debt and/or security documents, Dominion was appointed as collateral agent for the Noteholders.

3. I swear this Affidavit in response to the NOI Companies' motion now returnable March 4, 2020 (the "**Motion**"), the Affidavit of Seann Poli sworn February 18, 2020 (the "**First Poli Affidavit**") and the Supplemental Affidavit of Seann Poli sworn February 25, 2020 (the "**Second Poli Affidavit**" and together with the First Poli Affidavit, the "**Poli Affidavits**").

4. The NOI Companies are seeking, in connection with the Motion, an Order:

   (a) procedurally consolidating the proposal proceedings commenced by each of the NOI Companies on February 14, 2020 (the "**Proposal Proceedings**") under Part III of the *Bankruptcy and Insolvency Act* (the "**BIA**");

   (b) granting charges over the NOI Companies' assets, property and undertaking (the "**Property**") to secure the fees and expenses of Deloitte Restructuring Inc. ("**Deloitte**") as proposal trustee (in such capacity, the "**Proposal Trustee**") and Gowling WLG (Canada) LLP ("**Gowlings**") as counsel to the NOI Companies;

   (c) approving CAD$2.3 million of interim financing (the "**DIP Financing**") to be provided to the NOI Companies by Spouter Corporation Inc., David VanSegbrook and Donna VanSegbrook (the "**DIP Lender**") and granting the DIP Lender a super priority charge over the Property in connection therewith;

   (d) extending the date by which the NOI Companies are required to file proposals to April 29, 2020; and

   (e) sealing certain confidential documents.

5. For the reasons set out below, Dominion (on behalf of all the Noteholders) opposes all of the substantive relief sought by the NOI Companies at the Motion. For clarity, Dominion does not oppose the proposed procedural consolidation or the proposed sealing.

BACKGROUND

6. On or about February 14, 2019, the Noteholders[1] advanced monies to the NOI Companies pursuant to a Securities Purchase Agreement dated February 14, 2019 (the "**February Purchase Agreement**"). The obligations under the February Purchase Agreement were secured by a Security Agreement dated February 14, 2019, by and among the Noteholders, the NOI Companies and certain affiliated companies (the "**February Security Agreement**"). Attached hereto as Exhibit "A" and Exhibit "B" are true copies of the February Purchase Agreement and the February Security Agreement, respectively.

7. On or about March 20, 2019, the Noteholders advanced additional monies to the NOI Companies pursuant to a Securities Purchase Agreement dated March 20, 2019 (the "**March Purchase Agreement**", and together with the February Purchase Agreement, the "**Noteholder Financing**"). The obligations under the March Purchase Agreement were secured by a Security Agreement dated March 20, 2019 by and among the Noteholders, the NOI Companies and certain affiliated companies (the "**March Security Agreement**"). Attached hereto as Exhibit "C" and Exhibit "D" are true copies of the March Purchase Agreement and the March Security Agreement, respectively.

8. Despite repeated requests, the Eureka Group (as defined below) has been unwilling or unable to provide the Noteholders with even a satisfactory accounting of how, or where, the Noteholder Financing was spent.

9. Eureka is the ultimate parent of the NOI Companies and their affiliates (collectively, the "**Eureka Group**"). The Eureka Group was intended to be a vertically integrated hemp and cannabis company focused in CBD and other cannabinoids.

10. Eureka was traded on the TSX Venture Exchange under the symbol "TSXV:LVWL" until November, 2018, when it was delisted and began trading on the Canadian Stock Exchange under the symbol "CSE:LVWL".

11. On or about September 5, 2019, as a result of Eureka's failure to make certain required filings, the Ontario Securities Commission ceased trading of all Eureka securities.

[1] MMCAP was not an original signatory under the Noteholder Financing.

12. With the exception of Artiva, which owns property located at 5130 and 5208 Ramsayville Road in Ottawa, Ontario (the "**Ottawa Facility**"), the NOI Companies have no tangible assets or property. According to the Poli Affidavits, their only assets are the shares of related companies (where applicable) and certain Eureka Group inter-company accounts receivable which have no realizable value. Eureka, Livewell and Vitality have no business and no tangible assets.

13. Artiva owns the Ottawa Facility, but it also does not have a business. In December, 2017, Artiva acquired the Ottawa Facility for the stated purpose of cultivation, processing and distribution of cannabis. However, more than two (2) years later, the Ottawa Facility remains unfinished and Artiva's business remains an idea rather than a reality.

14. It is important to note that Artiva acquired the Ottawa Facility more than a year in advance of the first tranche of Noteholder Financing and, despite the significant funds raised to date, including the Noteholder Financing, the Ottawa Facility remains incomplete and inoperable.

15. The NOI Companies believe that the only barrier to Artiva carrying on a thriving and profitable business is the completion of the Ottawa Facility. But as described below, the Noteholders strongly disagree and believe that any such effort is futile and will only result in further erosion of their collateral and the recovery for stakeholders, including the Noteholders and the NOI Companies' unsecured creditors.

THE PROPOSAL PROCEEDINGS

16. Much of the First Poli Affidavit provides context for the NOI Companies' current financial difficulties citing, among other things, the mass resignation of all of the Eureka Group's management ("**Past Management**"), a lack of liquidity and the highly leveraged balance sheet left behind by Past Management. While the discussion of mismanagement may be true, it is important to recognize that Mr. Poli was a director and, prior to his initial termination, part of the Past Management.

17. Given, among other things, Mr. Poli's role with the Eureka Group while it was being so badly mismanaged and the fact that the Eureka Group has been unwilling or unable to

explain what happened to its liquidity, the Noteholders have no confidence in Mr. Poli or the business plan the NOI Companies have now put forward.

18. As detailed in the Second Poli Affidavit, the Noteholders and I have been actively engaged in discussions with the Eureka Group since October, 2019. As part of those discussions, we have had a number of e-mail exchanges and telephone conversation to discuss, among other things, the financial issues facing the Eureka Group.

19. I am now aware that Mr. Poli recorded all of our telephone conversation without my knowledge or consent. Although, I am advised by counsel to the Noteholders that it was not illegal for Mr. Poli to do so, I find that behaviour unusual and suspicious.

20. Mr. Poli's summaries of our phone calls contained in the Second Poli Affidavit are at best misleading. I do not intend to address each conversation and Mr. Poli's summary thereof, but the conclusions that Mr. Poli appears to draw that (i) the Noteholders would be supportive of this proposed restructuring and (ii) the Noteholders were not willing to provide further financing to the NOI Companies, are both baseless.

21. The Poli Affidavits characterize the transfer of certain property owned by Vitality Natural Health LLC, a member of the Eureka Group and an affiliate of the NOI Companies, in New Mexico to Dominion (the "**New Mexico Transfer**") as a *quid pro quo* for cooperation and additional patience by the Noteholders.

22. This characterization is simply baseless and unfounded. The New Mexico Transfer was nothing more than an arm's length transaction to facilitate reduction of the debt owing to the Noteholders in respect of the Noteholder Financing and was not in consideration for the forbearance of enforcement by the Noteholders.

23. Given that Mr. Poli recorded all of our discussions, I trust that if there was ever discussion about the New Mexico Transfer being consideration for forbearance or even support, Mr. Poli would have specifically referred to that in the Poli Affidavits. It is inconceivable to me on what basis Mr. Poli could have had that impression.

24. Notwithstanding that the New Mexico Transfer was no in consideration for forbearance, the Noteholders have at all times been willing and eager to work cooperatively with the NOI Companies to address their obvious financial issues. However, as would be expected,

the Noteholders required the Eureka Group to provide them with a substantive and developed business plan. The Noteholders were of course not prepared to advance further financing unless and until the Eureka Group had a compelling business plan, which would include a path to having the Noteholder Financing and any further financing repaid. I repeatedly advised Mr. Poli that the Noteholders would consider providing additional financing. Despite multiple requests and circular discussions with Mr. Poli, no business plan was ever provided.

25. By way of example, in December, 2019, I was advised by Mr. Poli that a restructuring process was a possibility and that Deloitte had been engaged. I reiterated to Mr. Poli at that time that the Noteholders were eager and happy to work with the Eureka Group to develop a business plan that saw them thrive and the Noteholders repaid in full. Despite my continued requests for a business plan or further details with respect to any formal restructuring process, Mr. Poli consistently failed to provide any substantive responses.

26. From January 2020 until the Proposal Proceedings were filed on February 14, 2020, I had many discussions with Mr. Poli, both by phone and email. As part of those discussions, I made numerous requests for certain documents, information in respect of a business plan and eventually information on the Proposal Proceedings, however, no information was ever provided in response to these requests.

27. As noted in the Second Poli Affidavit, I also had certain discussions with the first mortgagee of the Ottawa Facility. During one of those discussion, the first mortgagee advised me that it would not proceed down any path with the NOI Companies that the Noteholders did not support.

28. Unaware of the Proposal Proceedings, growing frustrated with the lack of disclosure and transparency and having lost any remaining confidence in management, on or about February 18, 2020, the Noteholders instructed their legal counsel to prepare demand letters and Notices of Intention to Enforce Security pursuant to subsection 244(1) of the BIA. The demands and notices were only not issued because the Noteholders learned of the Proposal Proceedings (and the automatic stay of proceedings) prior to the demands and notices being finalized.

29. The purpose of the Proposal Proceedings, according to the First Poli Affidavit, is to reorganize the Eureka Group and repay creditors by completing construction and commencing production at the Ottawa Facility (the "**Plan**"). In addition to the Noteholders' complete lack of faith in Mr. Poli and the Eureka Group, the Plan has other significant flaws.

THE PLAN

30. As noted above, and as further detailed in the Poli Affidavits, the main objective of the Proposal Proceedings and the corresponding Plan appears to be to complete construction of the Ottawa Facility and commence production of cannabis plant clones, along with medical and recreational cannabis products. The NOI Companies' stated objective in commencing the Proposal Proceedings under the BIA are to:

(a) complete the capital expenditures so that productions can begin at the Ottawa Facility;

(b) develop a "basket" or "cash flow" proposal to the unsecured creditors of the NOI Companies;

(c) re-finance or renegotiate the obligations owing to the Noteholders; and

(d) simplify the NOI Companies' capital structure.

31. The Noteholders do not support the Plan, and believe that it is doomed to fail. The Noteholders believe that if the Plan is permitted to proceed, the consequence will simply be an erosion of value and recovery.

32. The NOI Companies' Plan is premised on Artiva becoming cash flow positive in or about April or May 2020, the NOI Companies being able to successfully refinance the DIP Financing by June 30, 2020, and being able to refinance the first mortgage on the Ottawa Facility and the Noteholders by some uncertain date in the future. The Noteholders believe that these outcomes are not attainable, and certainly not within the timeline contemplated. There is not even a proposed time when the Noteholders will be repaid, and the Noteholders do not share Mr. Poli's confidence that it can be accomplished.

33. The Plan assumes, among other things:

(a) the NOI Companies can, and have, accurately budgeted the capital expenditures required to make the Ottawa Facility operations;

(b) the construction of the Ottawa Facility will proceed on budget and on time, with no setbacks or issues;

(c) by completing construction of the Ottawa Facility, the value of the real property will increase very substantially;

(d) the completely untested business plan put forward by Artiva (which does not include any of the material assumptions that go into it) is achievable, and will not be achieved with no setbacks or issues;

(e) that Mr. Poli and Artiva have the knowledge and capabilities to develop and operate a cannabis plant clone business;

(f) the DIP Financing (which matures on June 30, 2020) can be refinanced on its maturity date; and

(g) the first mortgagee on the Ottawa Facility and the Noteholders can all be refinanced by in full thereafter.

34. The Plan has the effect of risking the existing value (and recovery on) of the Ottawa Facility in the hope of generating additional value.

35. It is important to note that these Proposal Proceedings are not even premised on *preserving* a business for the benefit of stakeholders, such as employees, customers, etc. These Proposal Proceedings seek to stay the Noteholders' and others' enforcement rights which would otherwise be available in favour of a last ditch "hail mary" effort to build a facility and *create* a business. At this point in time, Artiva – which is the only NOI Company with a tangible asset – is effectively a single purpose entity that owns a piece of real property for development. There is not a "business" to save.

(i) the DIP Financing

36. In order to realize on the Plan, the NOI Companies' are seeking court approval of the DIP Financing. The DIP Lender is a related party to the first-ranking charge/mortgage registered against the Ottawa Facility who previously advised that it would not proceed in

a manner adversarial to the Noteholders. The primary purposes of the DIP Financing are said to be:

(a) to fund operation of the NOI Companies' business during the Proposal Proceedings, including paying the fees and expenses of Gowlings and the Proposal Trustee; and

(b) to fund the budgeted costs to complete the Ottawa Facility.

37. The DIP Financing is not value accretive and is extremely expensive given the proposed timeframe of the Plan.

38. The Poli Affidavits and the First Report of Deloitte dated February 19, 2020 (the "**First Report**") summarize certain term of the DIP Financing. However, they fail to mention that the effective interest rate of the DIP Financing is approximately [56%] on an annualized basis, marginally below the criminal rate of interest. The stated interest rate of the DIP Financing is 15% - which the Noteholders believe to be high in and of itself for a loan first secured on real estate – but there is also a commitment fee of $320,000 for this 4 month loan. Attached hereto as Exhibit "E" is true copy of the Noteholders' effective interest rate calculations in respect of the DIP Financing.

39. In addition, as described in the First Report, approximately $620,000 (exclusive of any interest payments) of the DIP Financing (which is in the amount of $2,300,000) is intended to fund Professional Fees and DIP Fees and Charges. Moreover, approximately $90,000 of the Professional Fees have been allocated to Eureka, Livewell and Vitality, all of which, according to the NOI Companies and Mr. Poli, have no value or assets.

40. If the Plan fails, which the Noteholders believe it will, the impact of the DIP Financing will simply be to erode creditors' recoveries. The only "winners" will be the professionals who will have received significant professional fees and the first mortgagee/DIP Lender who will have received significant fees and interest.

(ii) Extending the NOI Companies' Date to File Proposals

41. The Noteholders believe that the Court should not extend the date by which the NOI Companies are required to file proposals.

42. The Noteholders believe that there has been a history of self-dealing and bad faith by the Eureka Group (including the NOI Companies) and Past Management, including with

respect to a property an entity of the Eureka Group owned in Montana. Mr. Poli, despite our many conversations, has failed to act transparently. Given the loss of confidence and the issues with the Plan identified above, it is highly unlikely that the NOI Companies will be able to make a viable proposal that the Noteholders will accept or that the NOI Companies will be able to repay the Noteholders in full.

43. Notwithstanding multiple attempts, the NOI Companies, have failed to include the Noteholders in discussions with respect to the Plan and the Proposal Proceedings.

CONCLUSION

44. For the reasons set out above, the Noteholders are of the view that none of the substantive relief sought by the NOI Companies should be granted. To the extent that the Court does not grant the NOI Companies' relief, it is Dominion's intention to bring a receivership application forthwith.

SWORN BEFORE ME at the City of Baltimore, in the State of Maryland, on February 28, 2020.

A Commissioner for Oaths/Notary Public in and for the State of Maryland

PHILIP GROSS

The foregoing instrument was acknowledged before me this 28 day of February, 2020 by Philip Gross known to me to be the person(s) whose name(s) are subscribed to within the instrument and acknowledged execution of the same for the purpose therein contained.

Notary Public, State/County of Baltimore
My commission expires: 6/12/2024

ALISANN FROLOVA NOTARY PUBLIC BALTIMORE COUNTY, MD

This is Exhibit "A" *referred to in the*

affidavit of Phillip Gross

sworn before me, this 28th

day of February 2020

A COMMISSIONER FOR OATHS/NOTARY PUBLIC IN AND FOR
THE STATE OF MARYLAND

ALISANN FROLOVA
NOTARY
PUBLIC
BALTIMORE COUNTY, MD

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "Agreement") is dated as of February 14, 2019, between LiveWell Canada Inc., a Canadian corporation ("LiveWell"), Vitality CBD Natural Health Products Inc., a Canadian corporation ("Vitality", and, together with LiveWell, the "Companies"), each of the individuals and/or entities that execute a signature page hereto (each a "Purchaser" and collectively the "Purchasers") and Dominion Capital LLC, as a Purchaser and as collateral agent.

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506 promulgated thereunder, the Companies desire to issue and sell to the Purchasers, and the Purchasers desires to purchase from the Companies, securities of the Companies as more fully described in this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Companies and the Purchasers agree as follows:

ARTICLE I
DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement: (a) capitalized terms that are not otherwise defined herein have the meanings given to such terms in the Note (as defined herein), and (b) the following terms have the meanings set forth in this Section 1.1:

"Acquiring Person" shall have the meaning ascribed to such term in Section 4.7.

"Action" shall have the meaning ascribed to such term in Section 3.1(j).

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Artiva Property" means the real property owned by Artiva Inc., a Subsidiary of LiveWell, located at 5130 and 5208 Ramsayville Road, Ottawa, Ontario, Canada.

"Board of Directors" means the boards of directors of the Companies.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or Canada or any day on which commercial banking institutions in the State of New York or the Province of Ontario are authorized or required by law or other governmental action to close.

"Canadian AML Laws" means all laws, rules and regulations of Canada generally known to concern bribery of government officials or public corruption including, without limitation, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada); Part II.1 of the *Criminal Code* (Canada); the *Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism* (Canada); the *United Nations Al-Quaida and Taliban Regulations* (Canada) and any similar laws or regulations currently in force or hereafter enacted.

"Canadian Pension Plan" means any pension, retirement, savings, profit sharing, health, medical, dental, disability, life insurance, welfare or other employee benefit plan, program, policy or practice, whether written or oral, funded or unfunded, registered or unregistered, including, without limitation, a "registered pension plan," as that term is defined in subsection 248(1) of the *Canadian Tax Act*, which is or was sponsored, administered or contributed to, or required to be contributed to by, the Companies or under which the Companies have any actual or potential liability.

"Canadian Sanction Laws" means all economic or financial sanctions or trade embargoes or restrictive measures enacted, imposed, administered or enforced from time to time by the Canadian government including,

without limitation, any sanctions imposed by the *Special Economic Measures Act* (Canada), the *United Nations Act* (Canada) or any Canadian AML Laws.

"Canadian Securities Authorities" means, collectively, the securities commissions or similar securities regulatory authorities in each of the provinces or territories of Canada, including the OSC, and the Toronto Stock Exchange, the TSX Venture Exchange, the NEO Exchange and the Canadian Securities Exchange.

"Canadian Securities Laws" means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder.

"Closing" means the closing of the purchase and sale of the Securities pursuant to Section 2.1.

"Closing Date" means the Trading Day on which all of the Transaction Documents have been executed and delivered by the applicable parties thereto, and all conditions precedent to (i) the Purchaser's obligations to pay the Subscription Amount and (ii) the Companies' obligations to deliver the Securities, in each case, have been satisfied or waived.

"Commission" means the United States Securities and Exchange Commission.

"Vitality Common Stock" means the common stock of Vitality and any other class of securities into which such securities may hereafter be reclassified or changed.

"LiveWell Common Stock" means the common stock of LiveWell and any other class of securities into which such securities may hereafter be reclassified or changed.

"Collateral Agent" shall have the meaning set forth in Article VI.

"Common Stock Equivalents" means any securities of the Companies or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Conversion Price" shall have the meaning ascribed to such term in the Note.

"Conversion Shares" shall have the meaning ascribed to such term in the Note.

"Disclosure Schedules" shall have the meaning ascribed to such term in Section 3.1.

"Disclosure Time" means, (i) if this Agreement is signed prior to midnight on any Trading Day, 8:00 a.m. (New York City time) on the Trading Day immediately following the date hereof, and (ii) if this Agreement is signed after midnight on any Trading Day, 8:00 a.m. (New York City time) on the date hereof.

"Dominion" shall mean Dominion Capital LLC.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Exempt Issuance" means the issuance of (a) shares of Common Stock or options to employees, officers, service providers such as attorneys or bona-fide independent contractors of the Companies, or directors of the Companies pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Companies, or approved by a majority of shareholders of the Companies, (b) securities upon the exercise or exchange of or conversion of any Securities issued hereunder and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date of this Agreement, provided that such securities have not

been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than in connection with stock splits or combinations) or to extend the term of such securities, and (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Companies, provided that such securities are issued as "restricted securities" (as defined in Rule 144) and carry no registration rights that require or permit the filing of any registration statement in connection therewith during the prohibition period in Section 4.13(a) herein, and provided that any such issuance shall only be to a Person (or to the equityholders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Companies and shall provide to the Companies additional benefits in addition to the investment of funds, but shall not include a transaction in which the Companies is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

"FCPA" means the Foreign Corrupt Practices Act of 1977, as amended.

"Hypothec" means the movable hypothec, among LiveWell and its Quebec Subsidiary, as grantors, and Dominion, as hypothecary representative for the Purchasers (including Dominion), charging all movable (personal) property, present and future, of LiveWell and its Quebec Subsidiary, in the form substantially similar to Exhibit E attached hereto.

"Indebtedness" shall have the meaning ascribed to such term in Section 3.1(bb).

"Intellectual Property Rights" shall have the meaning ascribed to such term in Section 3.1(p).

"Legend Removal Date" shall have the meaning ascribed to such term in Section 4.1(c).

"Liens" means a lien, charge, pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

"Litchfield Property" means the real property owned by LiveWell Foods Québec Inc., a Subsidiary of LiveWell, located at 211, Route 301, Litchfield, Québec, Canada.

"Material Adverse Effect" shall have the meaning assigned to such term in Section 3.1(b).

"Material Permits" shall have the meaning ascribed to such term in Section 3.1(n).

"Mortgage and Assignment of Leases and Rents" means the mortgage and assignment of leases and rents, among Artiva Inc., a Subsidiary of LiveWell, as grantors, and Dominion, as collateral agent for the Purchasers (including Dominion), in connection with the Artiva Property in the form substantially similar to Exhibit E attached hereto.

"Montana Property" means the real property known municipally as 254 Truss Road, Eureka, Montana 59917, and the specific equipment located therein.

"New Mexico Property" means the real property known municipally as 9085 Advancement Ave., Las Cruces, New Mexico, and the specific equipment located therein.

"Notes" means the 10% Senior Secured Convertible Notes in the aggregate principal amount of $3,000,000 due, subject to the terms therein, twelve (12) months from its date of issuance, issued by LiveWell to each Purchaser hereunder, in the form of Exhibit A attached hereto.

"OSC" means the Ontario Securities Commission.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Proceeding" means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Public Information Failure" shall have the meaning ascribed to such term in Section 4.3(b).

"Public Information Failure Payments" shall have the meaning ascribed to such term in Section 4.3(b).

"Purchaser Party" shall have the meaning ascribed to such term in Section 4.10.

"Registration Rights Agreement" means the Registration Rights Agreement, dated on or about the date hereof, among the Companies and the Purchaser, in the form of Exhibit B attached hereto.

"Registration Statement" means a registration statement meeting the requirements set forth in the Registration Rights Agreement and covering the resale of the Underlying Shares by the Purchaser as provided for in the Registration Rights Agreement.

"Required Approvals" shall have the meaning ascribed to such term in Section 3.1(e).

"Required Minimum" means, as of any date, 200% of the maximum aggregate number of shares of Common Stock then issued or potentially issuable in the future pursuant to the Transaction Documents, including any Underlying Shares issuable upon exercise in full of all Warrants or conversion in full of all Notes (including Underlying Shares issuable as payment of interest on the Note), ignoring any conversion or exercise limits set forth therein, and assuming that the Conversion Price is at all times on and after the date of determination 75% of the then Conversion Price on the Trading Day immediately prior to the date of determination.

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"SEC Reports" shall have the meaning ascribed to such term in Section 3.1(h).

"Securities" means the Note, the Warrants, the Warrant Shares and the Underlying Shares.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Security Agreements" means collectively, (i) the Security Agreement governed by the laws of Ontario, and (ii) the Security Agreement governed by the laws of New York, among the Companies and their Subsidiaries, as grantors, and Dominion, as collateral agent, each in the form substantially similar to Exhibit E attached hereto.

"Security Documents" means collectively, the Security Agreements, the Hypothec, the Subsidiary Guarantee and the Mortgage and Assignment of Leases and Rents.

"Short Sales" means all "short sales" as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include locating and/or borrowing shares of Common Stock).

"Subscription Amount" means, as to the Purchaser, the aggregate amount to be paid for Notes and Warrants purchased hereunder as specified below the Purchaser's name on the signature page of this Agreement and next to the heading "Subscription Amount," in United States dollars and in immediately available funds.

"Subsequent Financing" shall have the meaning ascribed to such term in Section 4.16.

"Subsidiary" means any subsidiary of the Companies as set forth on Schedule 3.1(a) and shall, where applicable, also include any direct or indirect subsidiary of the Companies formed or acquired after the date hereof.

"Subsidiary Guarantee" means the Guarantee Agreement governed by the laws of New York, among the Subsidiaries and Vitality, as guarantors, and Dominion, as collateral agent for the Purchasers (including Dominion), as beneficiaries, in the form substantially similar to Exhibit D attached hereto.

"Trading Day" means a day on which the principal Trading Market is open for trading.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the Toronto Stock Exchange, the TSX Venture Exchange, the NEO Exchange, the Canadian Securities Exchange, or the New York Stock Exchange (or any successors to any of the foregoing).

"Transaction Documents" means this Agreement, the Notes, the Warrants, the Registration Rights Agreement, the Security Documents, all exhibits and schedules thereto and hereto and any other documents or agreements executed in connection with the transactions contemplated hereunder.

"Transfer Agent" means TSX Trust, the current transfer agent of LiveWell, and any successor transfer agent of LiveWell.

"Underlying Shares" means the Warrant Shares and shares of Common Stock issued and issuable pursuant to the terms of the Notes, including without limitation, shares of Common Stock issued and issuable in lieu of the cash payment of interest on the Notes in accordance with the terms of the Notes, in each case without respect to any limitation or restriction on the conversion of the Notes or the exercise of the Warrants.

"Variable Rate Transaction" shall have the meaning ascribed to such term in Section 4.17

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time); provided, however, that if the Common Stock is then listed or quoted on more than one Trading Market, then the Trading Market for purposes of any calculations to be made pursuant to the terms of this Note shall be the Trading Market selected by the Holder in its sole discretion), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Purchaser of a majority in interest of the Securities then outstanding and reasonably acceptable to the Companies, the fees and expenses of which shall be paid by the Companies.

"Warrants" means the Vitality Common Stock purchase warrants delivered to the Purchaser at the Closing in accordance with Section 2.2(a) hereof, in the form of Exhibit C attached hereto.

"Warrant Shares" means the shares of Vitality Common Stock issuable upon exercise of the Warrants.

ARTICLE II

PURCHASE AND SALE

2.1 Closing. (a) On the Initial Closing Date, upon the terms and subject to the conditions set forth herein, substantially concurrent with the execution and delivery of this Agreement by the parties hereto, the Companies agree to sell, and the Purchasers agree to purchase, the Notes and the Warrants. The Purchasers shall deliver to LiveWell's counsel in trust, Perley-Robertson, Hill & McDougall LLP/s.r.l, via wire transfer, the Subscription Amount set forth opposite such Purchasers name on the signature page hereto (which Subscription Amounts shall aggregate USD $3,000,000)in immediately available funds, and the Livewell shall deliver to the Purchasers the Notes and Warrants, and the Companies and the Purchaser shall deliver the other items set forth in Section 2.2 deliverable at the Initial Closing. Upon satisfaction of the covenants and conditions set forth in Sections 2.2 and 2.3, the Closing shall occur by electronic exchange of documents.

(b) Subsequent to the execution and delivery of this Purchase Agreement and prior to the second anniversary of the Initial Closing, Dominion may request, and Livewell in its sole discretion may permit Dominion and certain Purchasers designated by Dominion to purchase second notes in the aggregate principal amount of up to $15,000,000 (the "Second Notes') and second warrants (the "Second Warrants") to purchase up to an additional aggregate 15,000,000 shares of Common Stock of Livewell or any successor entity by providing Dominion with notice within ten (10) days of the Livewell's receipt of the request from Dominion. The Second Note and the Second Warrant will have such terms and conditions as Dominion and the Company agree. For the avoidance of doubt, the issuance of the Second Notes and the Second Warrants shall be subject to the Company's approval upon the request of Dominion.

2.2 Deliveries.

(a) On or prior to the Initial Closing Date, the Companies shall deliver or cause to be delivered to the Purchasers the following:

(i) this Agreement duly executed by the Companies;

(ii) the Notes with an aggregate principal amount of $2,000,000 registered in the name of the Purchasers;

(iii) the Warrants registered in the name of the Purchaser to purchase 2,000,000 shares of Vitality Common Stock;

(iv) LiveWell shall have provided the Purchaser with its wire instructions;

(v) to the extent that the Security Documents are in a final settled form, duly executed copies of the Security Documents by the Companies, and their Subsidiaries, as applicable;

(vi) an IP Security Agreement;

(vi) the Registration Rights Agreement duly executed by the Companies;

(vii) a duly certified copy of the constating documents and by-laws of each of the Companies and their Subsidiaries certified by a senior officer of the relevant entity, accompanied by good standing or equivalent certificates issued by the appropriate governmental body of each entity's jurisdiction of incorporation and principal place of business;

(viii) a duly certified copy of a resolution or resolutions of the board of directors of each of the Companies and their Subsidiaries relating to the authority of each entity to execute and deliver and perform its obligations under the Transaction Documents to which it is a party and all other instruments, agreements, certificates and other documents provided for or contemplated by the said Transaction Documents and the manner in which and by whom the foregoing documents are to be executed and delivered, certified by a senior officer of the relevant entity; and

(ix) legal opinions from counsel to the Companies and their Subsidiaries relating to such matters as the Purchasers may reasonably require.

(b) On or prior to the Initial Closing Date, the Purchasers shall deliver or cause to be delivered to the Companies the following:

(i) this Agreement duly executed by each Purchaser;

(ii) the Purchaser's Subscription Amount by wire transfer to Perley-Robertson, Hill & McDougall LLP/s.r.l in trust in the account specified in Schedule 2.2(b);

(iii) to the extent that the Security Documents are in a final settled form, duly executed copies of the Security Documents in favor of Purchasers, as secured party; and

(iv) the Registration Rights Agreement duly executed by the Purchaser.

(c) In the event the Purchasers elect to purchase the Second Notes and Second Warrants, and the Company approves such purchase, on or prior to the Second Closing Date, the Companies shall deliver or cause to be delivered to the Purchasers the following

(i)the Second Notes

(ii) the Second Warrants

(iii) an officer's certificate certifying that the representations and warranties are true and correct as of such date and that all conditions set forth in Section 2.3 have been met.

(d) In the event the Purchasers elect to purchase the Second Notes and Second Warrants, and the Company approves such purchase, on or prior to the Second Closing Date, the Purchasers shall deliver or cause to be delivered to the Companies the following:

(i) the Purchaser's Subscription Amount by wire transfer to Perley-Robertson, Hill & McDougall LLP/s.r.l in trust in the account specified in Schedule 2.2(b);

2.3 Closing Conditions.

(a) The obligations of the Companies hereunder in connection with the Initial Closing are subject to the following conditions being met:

(i) the accuracy in all material respects on (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) the Initial Closing Date of the representations and warranties of the Purchaser contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of the Purchaser required to be performed at or prior to the Initial Closing Date shall have been performed; and

(iii) the delivery by the Purchaser of the items set forth in Section 2.2(b) of this Agreement.

(b) The respective obligations of the Purchaser hereunder in connection with the Initial Closing are subject to the following conditions being met:

(i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) when made and on the Initial Closing Date of the representations and warranties of the Companies contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of the Companies required to be performed at or prior to the Initial Closing Date shall have been performed;

(iii) the delivery by the Companies of the items set forth in Section 2.2(a) of this Agreement; and

(iv) there shall have been no Material Adverse Effect with respect to the Companies since the date hereof.

(c) The obligations of the Companies hereunder in connection with the Second Closing are subject to the following conditions being met:

(i) the accuracy in all material respects when made and on the Second Closing Date of the representations and warranties of the Purchasers contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of the Purchasers required to be performed at or prior to the Second Closing Date shall have been performed; and

(iii) the delivery by the Purchasers of the items set forth in Section 2.2(d) of this Agreement.

(b) The respective obligations of the Purchasers hereunder in connection with the Second Closing are subject to the following conditions being met:

(i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) when made and on the Second Closing Date of the representations and warranties of the Companies contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of the Companies required to be performed at or prior to the Second Closing Date shall have been performed;

(iii) the delivery by the Companies of the items set forth in Section 2.2(a) of this Agreement; and

(iv) there shall have been no Material Adverse Effect with respect to the Companies since the date hereof.

2.4 Post-closing undertakings

(a) To the extent that any of the Security Documents is not in a final settled form on the Closing Date, the Companies agree to negotiate in good faith and to settle, execute and deliver such Security Documents by no later than ten (10) Business Days following the Closing Date.

(b) Immediately following the execution of the Security Documents referenced in paragraph (a) above but no later than five (5) Business Days thereafter, the Companies shall (i) ensure that all Security Documents will have been registered, recorded or otherwise perfected or published wherever and however necessary to enforce and set up the rights thereunder against third persons; (ii) deliver to Dominion, as collateral agent for the Purchasers (including Dominion), legal opinions from counsel to the Companies and their Subsidiaries relating to the perfection, recordation, registration and/or publication of the Security Documents.

(c) Immediately but no later than 30 days following the execution of this Agreement, LiveWell shall cause its Subsidiary, Artiva Inc., to use its best efforts to obtain the consent of the first ranking mortgagee of Artiva Property.

(d) Immediately but no later than 30 days following the execution of this Agreement, LiveWell shall use its best efforts to obtain a landlord waiver in favour of Dominion, as collateral agent for the Purchasers (including Dominion), as secured party, in respect of each leased premises.

(e) LiveWell shall use its best efforts to complete the purchase of all issued and outstanding shares of Acenzia Inc., and forthwith the completion of such share purchase transaction but no later than 60 days thereafter, cause Acenzia Inc. to execute and deliver the additional debtor joinder under the applicable Security Agreement, and create a security interest in favour of Dominion, as collateral agent for the Purchasers (including Dominion), as secured party, on all personal and real property owned by Acenzia Inc. to be registered, recorded or otherwise perfected or published wherever and however necessary to enforce and set up the rights thereunder against third persons, together with legal opinions from counsel to LiveWell relating to the perfection, recordation, registration and/or publication of the security documents.

(f) Immediately but no later than 30 days following the execution of this Agreement, the Companies shall use their best effort to ensure that Vitality complete the subdivision of the New Mexico Property.

(g) By no later than 60 days following the execution of this Agreement, the Companies shall ensure that Vitality (i) grant in favour of Dominion, as collateral agent, a first priority mortgage and security interest on such New Mexico Property and ensure that such mortgage and security interest have been registered, recorded or otherwise perfected or published wherever and however necessary to enforce and set up the rights thereunder against third persons; (ii) execute all documents necessary to ensure that Dominion, as collateral agent, has access to the New Mexico Property in order to access all personal property located thereon in the Event of a Default under the Note; and (iii) deliver to the Purchasers legal opinions from counsel to Vitality relating to the ranking, perfection, recordation, registration and/or publication of mortgage and security interest on such New Mexico Property.

(h) By no later than 60 days following the execution of this Agreement, the Companies shall ensure that Vitality (i) grant in favour of Dominion, as collateral agent, a first priority mortgage and security interest on the Montana Property and ensure that such mortgage and security interest have been registered, recorded or otherwise perfected or published wherever and however necessary to enforce and set up the rights thereunder against third persons; (ii) execute all documents necessary to ensure that Dominion, as collateral agent, has access to the Montana Property in order to access all personal property located thereon in the Event of a Default under the Note; and (iii) deliver to the Purchasers legal opinions from counsel to Vitality relating to the ranking, perfection, recordation, registration and/or publication of mortgage and security interest on such Montana Property.

(i) By no later than 60 days following the execution of this Agreement, the Companies shall deliver a legal opinion from counsel to the Companies and their Subsidiaries, in form and substance reasonably acceptable to Dominion and its counsel, relating to the due execution, authorization and enforceability of the Security Agreement governed by the laws of New York, among the Companies and their Subsidiaries, as grantors, and Purchasers, as secured party,

Any failure to satisfy any of these post-closing undertakings within such applicable time period, unless otherwise waived by Dominion or an additional time period is granted by Dominion, will constitute an Event of Default.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Companies. Except as set forth in the Disclosure Schedules, which Disclosure Schedules shall be deemed a part hereof and shall qualify any representation or otherwise made herein to the extent of the disclosure contained in the corresponding section of the Disclosure Schedules, the Companies hereby make the following representations and warranties to the Purchasers:

(a) Subsidiaries. All of the direct and indirect subsidiaries of the Companies are set forth on Schedule 3.1(a). The Companies own, directly or indirectly, all of the capital stock or other equity interests of each

Subsidiary free and clear of any Liens, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of pre-emptive and similar rights to subscribe for or purchase securities.

(b) Organization and Qualification. Each of the Companies and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Companies nor any Subsidiary is in violation nor default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Companies and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in: (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Companies and the Subsidiaries, taken as a whole, or (iii) a material adverse effect on either of the Companies' ability to perform in any material respect on a timely basis its obligations under any Transaction Document (any of (i), (ii) or (iii), a "Material Adverse Effect") and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(c) Authorization; Enforcement.

(i) The Companies have the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents and otherwise to carry out their obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the other Transaction Documents by the Companies and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Companies and no further action is required by the Companies, the Board of Directors or the Companies' stockholders in connection herewith or therewith other than in connection with the Required Approvals. This Agreement and each other Transaction Document to which it is a party has been (or upon delivery will have been) duly executed by the Companies and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Companies enforceable against the Companies in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(d) No Conflicts. The execution, delivery and performance by the Companies of this Agreement and the other Transaction Documents to which it is a party, the issuance and sale of the Securities and the consummation by it of the transactions contemplated hereby and thereby do not and will not: (i) conflict with or violate any provision of the Companies' or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Companies or any Subsidiary, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Companies or Subsidiary debt or otherwise) or other understanding to which the Companies or any Subsidiary is a party or by which any property or asset of the Companies or any Subsidiary is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Companies or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Companies or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. Except for the filing of a form 72-503F *Report of distributions outside Canada* with the OSC, the Companies are not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Companies of the Transaction Documents, other than: (i) the filings required pursuant to Section 4.6 of this Agreement, (ii) the filing with the Commission pursuant to the Registration Rights Agreement, (iii) the notice and/or application(s) to each applicable Trading Market for the issuance and sale of the Securities and the listing of the Conversion Shares and Warrant Shares for trading thereon in the time and manner required thereby, (iv) the filing of Form D with the Commission and such filings as are required to be made under applicable state securities laws and (v) Shareholder Approval (collectively, the "Required Approvals").

(f) Issuance of the Securities. The Securities are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Companies other than restrictions on transfer provided for in the Transaction Documents. The Underlying Shares, when issued in accordance with the terms of the Transaction Documents, will be validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Companies other than restrictions on transfer provided for in the Transaction Documents. LiveWell has reserved from its duly authorized capital stock a number of shares of Common Stock for issuance of the Underlying Shares at least equal to the Required Minimum on the date hereof.

(g) Capitalization. The capitalization of the Companies as of the date hereof is as set forth on Schedule 3.1(g), which Schedule 3.1(g) shall also include the number of shares of Common Stock owned beneficially, and of record, by Affiliates of the Companies as of the date hereof. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except as a result of the purchase and sale of the Securities, there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire any shares of Common Stock or the capital stock of any Subsidiary, or contracts, commitments, understandings or arrangements by which the Companies or any Subsidiary is or may become bound to issue additional shares of Common Stock or Common Stock Equivalents or capital stock of any Subsidiary. The issuance and sale of the Securities will not obligate the Companies or any Subsidiary to issue shares of Common Stock or other securities to any Person (other than the Purchaser) and will not result in a right of any holder of Companies securities to adjust the exercise, conversion, exchange or reset price under any of such securities. There are no outstanding securities or instruments of the Companies or any Subsidiary that contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Companies or any Subsidiary is or may become bound to redeem a security of the Companies or such Subsidiary. The Companies do not have any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement. All of the outstanding shares of capital stock of the Companies are duly authorized, validly issued, fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. No further approval or authorization of any stockholder, the Board of Directors or others is required for the issuance and sale of the Securities. There are no stockholders agreements, voting agreements or other similar agreements with respect to the Companies' capital stock to which the Companies are a party or, to the knowledge of the Companies, between or among any of the Companies' stockholders.

(h) The financial statements set forth on Schedule 3.1 (h) fairly present in all material respects the financial condition and operating results of the Companies as of the dates, and for the periods, indicated therein. Except for the liabilities as set forth in such financial statements, the Companies have no material liabilities or obligations, contingent or otherwise. The financial statements fairly present the consolidated financial position of the Companies in accordance with International Financial Reporting Standards.

(i) Material Changes; Undisclosed Events, Liabilities or Developments. Since the date of the latest audited financial statements filed on SEDAR, except as set forth on Schedule 3.1(i), (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) LiveWell has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not

required to be reflected in LiveWell's financial statements pursuant to GAAP or disclosed in filings made with the Commission, (iii) LiveWell has not altered its method of accounting, (iv) LiveWell has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock and (v) LiveWell has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing LiveWell stock option plans. LiveWell does not have pending before the Commission any request for confidential treatment of information. Except for the issuance of the Securities contemplated by this Agreement or as set forth on Schedule 3.1(i), no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to LiveWell or their Subsidiaries or their respective businesses, prospects, properties, operations, assets or financial condition, that would be required to be disclosed by LiveWell under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least 1 Trading Day prior to the date that this representation is made.

(j) Litigation. Except as disclosed in Schedule 3.1(i), there is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Companies, threatened against or affecting the Companies, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "Action") which (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Securities or (ii) could, if there were an unfavourable decision, have or reasonably be expected to result in a Material Adverse Effect. Neither the Companies nor any Subsidiary, nor any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Companies, there is not pending or contemplated, any investigation by the Commission involving the Companies or any current or former director or officer of the Companies. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Companies or any Subsidiary under the Exchange Act or the Securities Act. No delisting of, suspension of trading in or cease trading order with respect to any securities of the Companies and, to the knowledge of the Companies, no inquiry or investigation (formal or informal) of any Canadian Securities Authority, or any enforcement action by any Canadian Securities Authority, is in effect or ongoing or, to the knowledge of the Companies, expected to be implemented or undertaken against the Companies, other than LiveWell's current trading halt pending fundamental change that was issued upon the announcement of the Vitality Combination.

(k) Labour Relations. No labour dispute exists or, to the knowledge of the Companies, is imminent with respect to any of the employees of the Companies, which could reasonably be expected to result in a Material Adverse Effect. None of the Companies' or their Subsidiaries' employees are a member of a union that relates to such employee's relationship with the Companies or such Subsidiary, and neither the Companies nor any of their Subsidiaries are a party to a collective bargaining agreement, and the Companies and their Subsidiaries believe that their relationships with their employees are good. To the knowledge of the Companies, no executive officer of the Companies or any Subsidiary, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favour of any third party, and the continued employment of each such executive officer does not subject the Companies or any of their Subsidiaries to any liability with respect to any of the foregoing matters. The Companies and their Subsidiaries are in compliance with all U.S. federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours, including without limitation, the Canadian Pension Plan, except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(l) Compliance. Neither the Companies nor any Subsidiary: (i) are in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Companies or any Subsidiary under), nor have the Companies or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and

employment and labour matters, except in each case as could not have or reasonably be expected to result in a Material Adverse Effect.

(m) Environmental Laws. The Companies and their Subsidiaries (i) are in compliance with all federal, state, local and foreign laws relating to pollution or protection of human health or the environment (including ambient air, surface water, groundwater, land surface or subsurface strata), including laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "Hazardous Materials") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands, or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations, issued, entered, promulgated or approved thereunder ("Environmental Laws"); (ii) have received all permits licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses; and (iii) are in compliance with all terms and conditions of any such permit, license or approval where in each clause (i), (ii) and (iii), the failure to so comply could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(n) Regulatory Permits. The Companies and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in the SEC Reports and in Sedar, except where the failure to possess such permits could not reasonably be expected to result in a Material Adverse Effect ("Material Permits"), and neither the Companies nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit.

(o) Title to Assets. The Companies and the Subsidiaries have good and marketable title in fee simple to all real property owned by them and good and marketable title in all personal property owned by them that is material to the business of the Companies and the Subsidiaries, in each case free and clear of all Liens, except for (i) Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Companies and the Subsidiaries and (ii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made therefor in accordance with GAAP and, the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Companies and the Subsidiaries are held by them under valid, subsisting and enforceable leases with which the Companies and the Subsidiaries are in compliance. As of the date hereof, LiveWell Foods Canada Inc., a Subsidiary of LiveWell, has minimum assets and operations in the province of Quebec. To the extent that is no longer the case, LiveWell Foods Canada Inc. will be obligated to grant to the holders of the Notes, within (5) five days, a first ranking lien on all personal (movable) and real (immoveable) property of LiveWell Foods Canada Inc. located in the province of Quebec.

(p) Intellectual Property. The Companies and the Subsidiaries have, or have rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights necessary or required for use in connection with their respective businesses as described in the SEC Reports and in Sedar which the failure to so have could have a Material Adverse Effect (collectively, the "Intellectual Property Rights"). None of, and neither the Companies nor any Subsidiary has received a notice (written or otherwise) that any of, the Intellectual Property Rights has expired, terminated or been abandoned, or is expected to expire or terminate or be abandoned, within two (2) years from the date of this Agreement. Neither the Companies nor any Subsidiary has received, since the date of the latest audited financial statements included within the SEC Reports and Sedar, a written notice of a claim or otherwise has any knowledge that the Intellectual Property Rights violate or infringe upon the rights of any Person, except as could not have or reasonably be expected to not have a Material Adverse Effect. To the knowledge of the Companies, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights. The Companies and their Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(q) Insurance. The Companies and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses

in which the Companies and the Subsidiaries are engaged, including, but not limited to, directors and officers insurance coverage at least equal to the aggregate Subscription Amount. Neither the Companies nor any Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.

(r) Transactions with Affiliates and Employees. Except as set forth on Schedule 3.1(r), none of the officers or directors of the Companies or any Subsidiary and, to the knowledge of the Companies, none of the employees of the Companies or any Subsidiary is presently a party to any transaction with the Companies or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from providing for the borrowing of money from or lending of money to, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Companies, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee, stockholder, member or partner, in each case in excess of $120,000 other than for (i) payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Companies and (iii) other employee benefits, including stock option agreements under any stock option plan of the Companies.

(s) [RESERVED].

(t) Certain Fees. There are no brokerage or finder's fees or commissions are or will be payable by the Companies or any Subsidiaries to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents. The Purchaser shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the transactions contemplated by the Transaction Documents.

(u) Private Placement. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Securities by the Companies to the Purchaser as contemplated hereby. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2, the offer and sale of the Securities by the Companies to the Purchaser as contemplated hereby is exempt from the prospectus requirement under Canadian Securities Laws. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the Trading Market.

(v) Investment Companies. The Companies are not, and are not an Affiliate of, and immediately after receipt of payment for the Securities, will not be or be an Affiliate of, an "investment company" within the meaning of the Investment Companies Act of 1940, as amended. The Companies shall conduct their business in a manner so that it will not become an "investment company" subject to registration under the Investment Companies Act of 1940, as amended.

(w) Registration Rights. Other than the Purchaser, no Person has any right to cause the Companies or any Subsidiary to effect the registration under the Securities Act of any securities of the Companies or any Subsidiaries.

(x) [RESERVED].

(y) [RESERVED].

(z) Disclosure. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, the Companies confirm that neither they nor any other Person acting on their behalf has provided the Purchaser or their agents or counsel with any information that it believes constitutes or might constitute material, non-public information. The Companies understand and confirm that the Purchaser will rely on the foregoing representation in effecting transactions in securities of the Companies. All of the disclosure furnished by or on behalf of the Companies to the Purchaser regarding the Companies and their Subsidiaries, their respective businesses and the transactions contemplated hereby, including the Disclosure Schedules to this Agreement, is true and correct and does not contain any untrue statement of a

material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The press releases disseminated by the Companies during the twelve months preceding the date of this Agreement taken as a whole do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made and when made, not misleading. The Companies acknowledge and agree that the Purchaser does not make or has not made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 3.2 hereof.

(aa) No Integrated Offering. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2, neither the Companies, nor any of their Affiliates, nor any Person acting on their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Securities to be integrated with prior offerings by the Companies for purposes of (i) the Securities Act which would require the registration of any such securities under the Securities Act, or (ii) any applicable shareholder approval provisions of any Trading Market on which any of the securities of the Companies are listed or designated.

(bb) Solvency. Based on the consolidated financial condition of the Companies as of the Closing Date, after giving effect to the receipt by the Companies of the proceeds from the sale of the Securities hereunder, (i) the fair saleable value of the Companies' assets exceed the amount that will be required to be paid on or in respect of the Companies' existing debts and other liabilities (including known contingent liabilities) as they mature, (ii) the Companies' assets do not constitute unreasonably small capital to carry on its business as now conducted and as proposed to be conducted including its capital needs taking into account the particular capital requirements of the business conducted by the Companies, consolidated and projected capital requirements and capital availability thereof, and (iii) the current cash flow of the Companies, together with the proceeds the Companies would receive, were it to liquidate all of its assets, after taking into account all anticipated uses of the cash, would be sufficient to pay all amounts on or in respect of its liabilities when such amounts are required to be paid. The Companies do not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt). The Companies have no knowledge of any facts or circumstances which lead it to believe that it will file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within one year from the Closing Date. Schedule 3.1(bb) sets forth as of the date hereof all outstanding secured and unsecured Indebtedness of the Companies or any Subsidiary, or for which the Companies or any Subsidiary has commitments. For the purposes of this Agreement, "Indebtedness" means (x) any liabilities for borrowed money or amounts owed in excess of $50,000 (other than trade accounts payable incurred in the ordinary course of business), (y) all guaranties, endorsements and other contingent obligations in respect of indebtedness of others, whether or not the same are or should be reflected in the Companies' consolidated balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and (z) the present value of any lease payments in excess of $50,000 due under leases required to be capitalized in accordance with GAAP. Neither the Companies nor any Subsidiary is in default with respect to any Indebtedness.

(cc) Tax Status. Except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, the Companies and their Subsidiaries each (i) has made or filed all United States federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations and (iii) has set aside on its books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Companies or of any Subsidiary know of no basis for any such claim.

(dd) No General Solicitation. Neither the Companies nor any Person acting on behalf of the Companies has offered or sold any of the Securities by any form of general solicitation or general advertising. The Companies have offered the Securities for sale only to the Purchaser and certain other "accredited investors" within the meaning of Rule 501 under the Securities Act.

(ee) Foreign Corrupt Practices. Neither the Companies nor any Subsidiary, nor to the knowledge of the Companies or any Subsidiary, any agent or other person acting on behalf of the Companies or any Subsidiary, has (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Companies or any Subsidiary (or made by any person acting on its behalf of which the Companies is aware) which is in violation of law or (iv) violated in any material respect any provision of FCPA, the Canadian AML Laws or the Canadian Sanction Laws.

(ff) Accountants. The Companies' accounting firms are set forth on Schedule 3.1(ff) of the Disclosure Schedules. To the knowledge and belief of the Companies, such accounting firm (i) is a registered public accounting firm as required by the Exchange Act and (ii) shall express its opinion with respect to the financial statements to be included in the Companies' Annual Report for the fiscal years ending [*].

(gg) Seniority. As of the Closing Date, no Indebtedness or other claim against the Companies is senior to the Note in right of payment, whether with respect to interest or upon liquidation or dissolution, or otherwise, other than indebtedness secured by purchase money security interests (which is senior only as to underlying assets covered thereby) and capital lease obligations (which is senior only as to the property covered thereby).

(hh) No Disagreements with Accountants and Lawyers. There are no disagreements of any kind presently existing, or reasonably anticipated by the Companies to arise, between the Companies and the accountants and lawyers formerly or presently employed by the Companies and the Companies are current with respect to any fees owed to its accountants and lawyers which could affect the Companies' ability to perform any of its obligations under any of the Transaction Documents.

(ii) Acknowledgment Regarding Purchaser's Purchase of Securities. The Companies acknowledge and agree that the Purchaser is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated thereby. The Companies further acknowledge that the Purchaser is not acting as a financial advisor or fiduciary of the Companies (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any advice given by the Purchaser or any of its respective representatives or agents in connection with the Transaction Documents and the transactions contemplated thereby is merely incidental to the Purchaser's purchase of the Securities. The Companies further represent to the Purchaser that the Companies' decisions to enter into this Agreement and the other Transaction Documents have been based solely on the independent evaluation of the transactions contemplated hereby by the Companies and its representatives.

(jj) Acknowledgment Regarding Purchaser's Trading Activity. Anything in this Agreement or elsewhere herein to the contrary notwithstanding (except for Sections 3.2(f) and 4.15 hereof), it is understood and acknowledged by the Companies that: (i) the Purchaser has not been asked by the Companies to agree, nor has the Purchaser agreed, to desist from purchasing or selling, long and/or short, securities of the Companies, or "derivative" securities based on securities issued by the Companies or to hold the Securities for any specified term, (ii) past or future open market or other transactions by the Purchaser, specifically including, without limitation, Short Sales or "derivative" transactions, before or after the closing of this or future private placement transactions, may negatively impact the market price of the Companies' publicly-traded securities, (iii) the Purchaser, and counter-parties in "derivative" transactions to which the Purchaser is a party, directly or indirectly, may presently have a "short" position in the Common Stock and (iv) the Purchaser shall not be deemed to have any affiliation with or control over any arm's length counter-party in any "derivative" transaction. The Companies further understand and acknowledge that (y) the Purchaser may engage in hedging activities at various times during the period that the Securities are outstanding, including, without limitation, during the periods that the value of the Underlying Shares deliverable with respect to Securities are being determined, and (z) such hedging activities (if any) could reduce the value of the existing stockholders' equity interests in the Companies at and after the time that the hedging activities are being conducted. The Companies acknowledge that such aforementioned hedging activities do not constitute a breach of any of the Transaction Documents.

(kk) [RESERVED].

(ll) [RESERVED].

(mm) Stock Option Plans. Each stock option granted by the Companies under the Companies' stock option plans were granted (i) in accordance with the terms of the Companies' stock option plan and (ii) with an exercise price at least equal to the fair market value of the Common Stock on the date such stock option would be considered granted under GAAP and applicable law. No stock option granted under the Companies' stock option plan has been backdated. The Companies have not knowingly granted, and there is no and has been no Companies policy or practice to knowingly grant, stock options prior to, or otherwise knowingly coordinate the grant of stock options with, the release or other public announcement of material information regarding the Companies or their Subsidiaries or their financial results or prospects.

(nn) Office of Foreign Assets Control. Neither the Companies nor any Subsidiary nor, to the Companies' knowledge, any director, officer, agent, employee or affiliate of the Companies or any Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC").

(oo) U.S. Real Property Holding Corporation. The Companies are not and have never been a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and the Companies shall so certify upon Purchaser's request.

(pp) Bank Holding Companies Act. Neither the Companies nor any of their Subsidiaries or Affiliates are subject to the Bank Holding Companies Act of 1956, as amended (the "BHCA") and to regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve"). Neither the Companies nor any of their Subsidiaries or Affiliates owns or controls, directly or indirectly, five percent (5%) or more of the outstanding shares of any class of voting securities or twenty-five percent or more of the total equity of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve. Neither the Companies nor any of their Subsidiaries or Affiliates exercises a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve.

(qq) Money Laundering. The operations of the Companies and their Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "Money Laundering Laws") and the Canadian Sanction Laws, and no Action or Proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Companies or any Subsidiary with respect to the Money Laundering Laws or the Canadian Sanction Laws is pending or, to the knowledge of the Companies or any Subsidiary, threatened.

(rr) No Disqualification Events. With respect to the Securities to be offered and sold hereunder in reliance on Rule 506 under the Securities Act, none of the Companies, any of their predecessors, any affiliated issuer, any director, executive officer, other officer of the Companies participating in the offering hereunder, any beneficial owner of 20% or more of the Companies' outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the Securities Act) connected with the Companies in any capacity at the time of sale (each, an "Issuer Covered Person" and, together, "Issuer Covered Persons") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "Disqualification Event"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Companies have exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Companies have complied, to the extent applicable, with their disclosure obligations under Rule 506(e), and have furnished to the Purchaser a copy of any disclosures provided thereunder.

(ss) Other Covered Persons. The Companies are not aware of any person (other than any Issuer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Securities.

(tt) Notice of Disqualification Events. The Companies will notify the Purchaser in writing, prior to the Closing Date of (i) any Disqualification Event relating to any Issuer Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person.

(uu) Promotional Stock Activities. Neither the Companies, their officers, their directors, nor any affiliates or agents of the Companies have engaged in any stock promotional activity that could give rise to a complaint, inquiry, or trading suspension by the Securities and Exchange Commission alleging (i) a violation of the anti-fraud provisions of the federal securities laws, (ii) violations of the anti-touting provisions, (iii) improper "gun-jumping; or (iv) promotion without proper disclosure of compensation.

(vv) Payments of Cash. Except as disclosed on Schedule 3.1(vv), neither the Companies, their officers, or any affiliates or agents of the Companies have withdrawn or paid cash (not including a check or other similar negotiable instrument) to any vendor in an aggregate amount that exceeds Five Thousand Dollars ($5,000) for any purpose.

3.2 Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants as of the date hereof and as of the Closing Date to the Companies as follows (unless as of a specific date therein, in which case they shall be accurate as of such date):

(a) Organization; Authority. Such Purchaser is either an individual or an entity duly incorporated or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership, limited liability company or similar power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by the Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate, partnership, limited liability company or similar action, as applicable, on the part of the Purchaser. Each Transaction Document to which it is a party has been duly executed by the Purchaser, and when delivered by the Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of the Purchaser, enforceable against it in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Own Account. Such Purchaser understands that the Securities are "restricted securities" and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Securities as principal for its own account and not with a view to or for distributing or reselling such Securities or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any of such Securities in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Securities in violation of the Securities Act or any applicable state securities law (this representation and warranty not limiting the Purchaser's right to sell the Securities pursuant to the Registration Statement or otherwise in compliance with applicable federal and state securities laws). Such Purchaser is acquiring the Securities hereunder in the ordinary course of its business.

(c) Purchaser Status. At the time the Purchaser was offered the Securities, it was, and as of the date hereof it is, and on each date on which it exercises any Warrants or converts any Notes it will be an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act.

(d) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(e) General Solicitation. Such Purchaser is not, to the Purchaser's knowledge, purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in

any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or, to the knowledge of the Purchaser, any other general solicitation or general advertisement.

(f) Certain Transactions and Confidentiality. Other than consummating the transactions contemplated hereunder, the Purchaser has not, nor has any Person acting on behalf of or pursuant to any understanding with the Purchaser, directly or indirectly executed any purchases or sales, including Short Sales, of the securities of the Companies during the period commencing as of the time that the Purchaser first received a term sheet (written or oral) from the Companies or any other Person representing the Companies setting forth the material terms of the transactions contemplated hereunder and ending immediately prior to the execution hereof. The Purchaser covenants and agrees that neither it, nor any Affiliate acting on its behalf or pursuant to any understanding with it will execute any Short Sales (as such term is defined in Rule 200 of Regulation SHO of the Exchange Act) of the Common Stock or hedging transaction, which establishes a net short position with respect to the Companies' Common Stock during the period commencing with the execution of this Agreement and ending on the earlier Maturity Date (as defined in the Note) of the Note or the full repayment or conversion of the Note; provided that this provision shall not prohibit any sales made where a corresponding Notice of Conversion is tendered to the Companies and the shares received upon such conversion or exercise are used to close out such sale (a "Prohibited Short Sale"); provided, further that this provision shall not operate to restrict a Purchaser's trading under any prior securities purchase agreement containing contractual rights that explicitly protects such trading in respect of the previously issued securities.

ARTICLE IV.
OTHER AGREEMENTS OF THE PARTIES

4.1 Transfer Restrictions.

(a) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Securities other than pursuant to an effective registration statement or Rule 144, to the Companies or to an Affiliate of a Purchaser or in connection with a pledge as contemplated in Section 4.1(b), the Companies may require the transferor thereof to provide to the Companies an opinion of counsel selected by the transferor and reasonably acceptable to the Companies, the form and substance of which opinion shall be reasonably satisfactory to the Companies, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and the Registration Rights Agreement and shall have the rights and obligations of a Purchaser under this Agreement and the Registration Rights Agreement.

(b) The Purchaser agrees to the imprinting, so long as is required by this Section 4.1, of a legend on any of the Securities in the following form:

[NEITHER] THIS SECURITY [NOR THE SECURITIES INTO WHICH THIS SECURITY IS [EXERCISABLE] [CONVERTIBLE]] HAS [NOT] BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY [AND THE SECURITIES ISSUABLE UPON [EXERCISE] [CONVERSION] OF THIS SECURITY] MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [***FOUR MONTHS AND A DAY AFTER THE DISTRIBUTION DATE***]. / [THE DATE THAT IS FOUR (4) MONTHS AND ONE (1) DAY AFTER THE

LATER OF (I) [THE DISTRIBUTION DATE] AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

The Companies acknowledge and agree that a Purchaser may from time to time pledge pursuant to a bona fide margin agreement with a registered broker-dealer or grant a security interest in some or all of the Securities to a financial institution that is an "accredited investor" as defined in Rule 501(a) under the Securities Act and, if required under the terms of such arrangement, the Purchaser may transfer pledged or secured Securities to the pledgees or secured parties. Such a pledge or transfer would not be subject to approval of the Companies and no legal opinion of legal counsel of the pledgee, secured party or pledgor shall be required in connection therewith. Further, no notice shall be required of such pledge. At the appropriate Purchaser's expense, the Companies will execute and deliver such reasonable documentation as a pledgee or secured party of Securities may reasonably request in connection with a pledge or transfer of the Securities, including, if the Securities are subject to registration pursuant to the Registration Rights Agreement, the preparation and filing of any required prospectus supplement under Rule 424(b)(3) under the Securities Act or other applicable provision of the Securities Act to appropriately amend the list of Selling Stockholders (as defined in the Registration Rights Agreement) thereunder.

(c) Certificates evidencing the Underlying Shares shall not contain any legend (including the legend set forth in Section 4.1(b) hereof): (i) while a registration statement (including the Registration Statement) covering the resale of such security is effective under the Securities Act, (ii) following any sale of such Underlying Shares pursuant to Rule 144 (assuming cashless exercise of the Warrants), (iii) if such Underlying Shares are eligible for sale under Rule 144 (assuming cashless exercise of the Warrants) or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission). The Companies shall cause their counsel to issue a legal opinion to the Transfer Agent or the Purchaser promptly if required by the Transfer Agent to effect the removal of the legend hereunder, or if requested by the Purchaser, respectively. If all or any portion of a Note is converted or Warrant is exercised at a time when there is an effective registration statement to cover the resale of the Underlying Shares, or if such Underlying Shares may be sold under Rule 144 without the requirement for the Companies to be in compliance with the current public information required under Rule 144 (assuming cashless exercise of the Warrants) as to such Underlying Shares and without volume or manner-of-sale restrictions or if such legend is not otherwise required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission) then such Underlying Shares shall be issued free of all legends. The Companies agree that following such time as such legend is no longer required under this Section 4.1(c), it will, no later than the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined below) following the delivery by a Purchaser to the Companies or the Transfer Agent of a certificate representing Underlying Shares, as applicable, issued with a restrictive legend (such date, the "Legend Removal Date"), deliver or cause to be delivered to the Purchaser a certificate representing such shares that is free from all restrictive and other legends; *provided that* the Purchaser shall have previously delivered to the Companies all documents required by the Companies' Transfer Agent and/or Counsel to deliver Shares that are free of restrictive legends. The Companies may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this Section 4. Certificates for Underlying Shares subject to legend removal hereunder shall be transmitted by the Transfer Agent to the Purchaser by crediting the account of the Purchaser's prime broker with the Depository Trust Companies System as directed by the Purchaser. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Companies' primary Trading Market with respect to the Common Stock as in effect on the date of delivery of a certificate representing Underlying Shares, as applicable, issued with a restrictive legend.

(d) In addition to the Purchaser's other available remedies, the Companies shall pay to a Purchaser, in cash, (i) as partial liquidated damages and not as a penalty, for each $1,000 of Underlying Shares (based on the VWAP of the Common Stock on the date such Securities are submitted to the Transfer Agent) delivered for removal of the restrictive legend and subject to Section 4.1(c), $10 per Trading Day (increasing to $20 per Trading Day five (5) Trading Days after such damages have begun to accrue) for each Trading Day after the Legend Removal Date until such certificate is delivered without a legend and (ii) if the Companies fail to (a) issue and deliver (or cause to be delivered) to a Purchaser by the Legend Removal Date a certificate representing the Securities so delivered to the Companies by the Purchaser that is free from all restrictive and

other legends and (b) if after the Legend Removal Date the Purchaser purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Purchaser of all or any portion of the number of shares of Common Stock, or a sale of a number of shares of Common Stock equal to all or any portion of the number of shares of Common Stock that the Purchaser anticipated receiving from the Companies without any restrictive legend, then, an amount equal to the excess of the Purchaser's total purchase price (including brokerage commissions and other out-of-pocket expenses, if any) for the shares of Common Stock so purchased (including brokerage commissions and other out-of-pocket expenses, if any) (the "Buy-In Price") over the product of (A) such number of Underlying Shares that the Companies was required to deliver to the Purchaser by the Legend Removal Date multiplied by (B) the lowest closing sale price of the Common Stock on any Trading Day during the period commencing on the date of the delivery by the Purchaser to the Companies of the applicable Underlying Shares (as the case may be) and ending on the date of such delivery and payment under this clause (ii).

(e) The Purchaser agrees with the Companies that the Purchaser will sell any Securities pursuant to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and that if Securities are sold pursuant to a Registration Statement, they will be sold in compliance with the plan of distribution set forth therein, and acknowledges that the removal of the restrictive legend from certificates representing Securities as set forth in this Section 4.1 is predicated upon the Companies' reliance upon this understanding.

4.2 Acknowledgment of Dilution. The Companies acknowledge that the issuance of the Securities may result in dilution of the outstanding shares of Common Stock, which dilution may be substantial under certain market conditions. The Companies further acknowledge that their obligations under the Transaction Documents, including, without limitation, its obligation to issue the Underlying Shares pursuant to the Transaction Documents, are unconditional and absolute and not subject to any right of set off, counterclaim, delay or reduction, regardless of the effect of any such dilution or any claim the Companies may have against the Purchaser and regardless of the dilutive effect that such issuance may have on the ownership of the other stockholders of the Companies.

4.3 Furnishing of Information; Public Information.

(a) Until the earliest of the time that (i) the Purchaser does not own Securities or (ii) the Warrants have expired, the Companies covenant to maintain the registration of the Common Stock under Section 12(b) or 12(g) of the Exchange Act and to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Companies after the date hereof pursuant to the Exchange Act even if the Companies are not then subject to the reporting requirements of the Exchange Act.

(b) At any time during the period commencing from the six (6) month anniversary of the date hereof and ending at such time that all of the Securities may be sold without the requirement for the Companies to be in compliance with Rule 144(c)(1) and otherwise without restriction or limitation pursuant to Rule 144, if the Companies (i) shall fail for any reason to satisfy the current public information requirement under Rule 144(c) or (ii) have ever been an issuer described in Rule 144 (i)(1)(i) or becomes an issuer in the future, and the Companies shall fail to satisfy any condition set forth in Rule 144(i)(2) (a "Public Information Failure") then, in addition to the Purchaser's other available remedies, the Companies shall pay to a Purchaser, in cash, as partial liquidated damages and not as a penalty, by reason of any such delay in or reduction of its ability to sell the Securities, an amount in cash equal to two percent (2.0%) of the aggregate Subscription Amount of the Purchaser's Securities on the day of a Public Information Failure and on every thirtieth (30th) day (pro rated for periods totaling less than thirty days) thereafter until the earlier of (a) the date such Public Information Failure is cured and (b) such time that such public information is no longer required for the Purchaser to transfer the Underlying Shares pursuant to Rule 144. The payments to which a Purchaser shall be entitled pursuant to this Section 4.3(b) are referred to herein as "Public Information Failure Payments." Public Information Failure Payments shall be paid on the earlier of (i) the last day of the calendar month during which such Public Information Failure Payments are incurred and (ii) the third (3rd) Business Day after the event or failure giving rise to the Public Information Failure Payments is cured. In the event the Companies fails to make Public Information Failure Payments in a timely manner, such Public Information Failure Payments shall bear interest at the rate of 1.5% per month (prorated for partial months) until paid in full. Nothing herein shall limit the Purchaser's right to pursue actual damages for the Public Information Failure, and the Purchaser shall have the

right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief.

4.4 Integration. The Companies shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Securities in a manner that would require the registration under the Securities Act of the sale of the Securities or that would be integrated with the offer or sale of the Securities for purposes of the rules and regulations of any Trading Market such that it would require shareholder approval prior to the closing of such other transaction unless shareholder approval is obtained before the closing of such subsequent transaction.

4.5 Conversion and Exercise Procedures. Each of the form of Notice of Exercise included in the Warrant and the form of Notice of Conversion included in the Note set forth the totality of the procedures required of the Purchaser in order to exercise the Warrants or convert the Note. Without limiting the preceding sentences, no ink-original Notice of Exercise or Notice of Conversion shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise or Notice of Conversion form be required in order to exercise the Warrant or convert the Note. No additional legal opinion, other information or instructions shall be required of the Purchaser to exercise the Warrants or convert the Note. The Companies shall honour exercises of the Warrants and conversions of the Note and shall deliver Underlying Shares in accordance with the terms, conditions and time periods set forth in the Transaction Documents.

4.6 Securities Laws Disclosure; Publicity. The Companies shall by the Disclosure Time, issue a press release disclosing the material terms of the transactions contemplated hereby. From and after the issuance of such press release, the Companies represent to the Purchaser that they shall have publicly disclosed all material, non-public information delivered to the Purchaser by the Companies or any of their Subsidiaries, or any of their respective officers, directors, employees or agents in connection with the transactions contemplated by the Transaction Documents. In addition, effective upon the issuance of such press release, the Companies acknowledge and agree that any and all confidentiality or similar obligations under any agreement, whether written or oral, between the Companies, any of their Subsidiaries or any of their respective officers, directors, agents, employees or Affiliates on the one hand, and the Purchaser or any of their Affiliates on the other hand, shall terminate. The Companies and the Purchaser shall consult with each other in issuing any other press releases with respect to the transactions contemplated hereby, and neither the Companies nor the Purchaser shall issue any such press release nor otherwise make any such public statement without the prior consent of the Companies, with respect to any press release of the Purchaser, or without the prior consent of the Purchaser, with respect to any press release of the Companies, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. Notwithstanding the foregoing, the Companies shall not publicly disclose the name of the Purchaser, or include the name of the Purchaser in any filing with the Commission or any regulatory agency or Trading Market, without the prior written consent of the Purchaser, except (a) as required by federal securities law in connection with (i) any registration statement contemplated by the Registration Rights Agreement and (ii) the filing of final Transaction Documents with the Commission and (b) to the extent such disclosure is required by law or Trading Market regulations, in which case the Companies shall provide the Purchaser with prior notice of such disclosure permitted under this clause (b).

4.7 Shareholder Rights Plan. No claim will be made or enforced by the Companies or, with the consent of the Companies, any other Person, that the Purchaser is an "Acquiring Person" under any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-takeover plan or arrangement in effect or hereafter adopted by the Companies, or that the Purchaser could be deemed to trigger the provisions of any such plan or arrangement, by virtue of receiving Securities under the Transaction Documents or under any other agreement between the Companies and the Purchaser.

4.8 Non-Public Information. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, which shall be disclosed pursuant to Section 4.6, the Companies covenant and agree that neither they, nor any other Person acting on their behalf will provide the Purchaser or its agents or counsel with any information that constitutes, or the Companies reasonably believe constitutes, material non-public information, unless prior thereto the Purchaser shall have consented to the receipt of such information and agreed with the Companies to keep such information confidential. The Companies understand and confirm that the Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Companies. To the extent that the Companies deliver any material, non-public information to the Purchaser without the Purchaser's consent, the

Companies hereby covenant and agree that the Purchaser shall not have any duty of confidentiality to the Companies, any of their Subsidiaries, or any of their respective officers, directors, agents, employees or Affiliates, or a duty to the Companies, any of their Subsidiaries or any of their respective officers, directors, agents, employees or Affiliates not to trade on the basis of, such material, non-public information, provided that the Purchaser shall remain subject to applicable law. The Companies understand and confirm that the Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Companies.

4.9 Use of Proceeds. Except as set forth on Schedule 4.9 attached hereto, Livewell shall use the net proceeds from the sale of the Notes hereunder for the purpose of making a loan to Vitality to be used by Vitality to purchase the New Mexico facility for which the Purchasers shall have a first priority security interest. Vitality hereby covenants and agrees that it will not repay more than fifty (50%) of the principal amount of the loan at any time prior to the Vitality Combination. In addition, Livewell agrees not to accept any such repayment of the loan in excess of fifty percent (50%) of its original principal amount at any time prior to the Vitality Combination.

4.10 Indemnification of Purchaser. Subject to the provisions of this Section 4.10, the Companies will indemnify and hold the Purchaser and its directors, officers, shareholders, members, partners, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls the Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, agents, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a "Purchaser Party") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any the Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Companies in this Agreement or in the other Transaction Documents or (b) any action instituted against the Purchaser Parties in any capacity, or any of them or their respective Affiliates, by any stockholder of the Companies who is not an Affiliate of the Purchaser Party, with respect to any of the transactions contemplated by the Transaction Documents (unless such action is solely based upon a material breach of the Purchaser Party's representations, warranties or covenants under the Transaction Documents or any agreements or understandings the Purchaser Party may have with any such stockholder or any violations by the Purchaser Party of state or federal securities laws or any conduct by the Purchaser Party which is finally judicially determined to constitute fraud, gross negligence or willful misconduct). If any action shall be brought against the Purchaser Party in respect of which indemnity may be sought pursuant to this Agreement, the Purchaser Party shall promptly notify the Companies in writing, and the Companies shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Companies in writing, (ii) the Companies have failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of counsel, a material conflict on any material issue between the position of the Companies and the position of the Purchaser Party, in which case the Companies shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The Companies will not be liable to the Purchaser under this Agreement (y) for any settlement by a Purchaser Party effected without the Companies' prior written consent, which shall not be unreasonably withheld or delayed; or (z) to the extent, but only to the extent that a loss, claim, damage or liability is attributable to the Purchaser Party's breach of any of the representations, warranties, covenants or agreements made by the Purchaser Party in this Agreement or in the other Transaction Documents. The indemnification required by this Section 4.10 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or are incurred. The indemnity agreements contained herein shall be in addition to any cause of action or similar right of the Purchaser Party against the Companies or others and any liabilities the Companies may be subject to pursuant to law.

4.11 Reservation and Listing of Securities.

(a) The Companies shall maintain a reserve of the Required Minimum from its duly authorized shares of Common Stock for issuance pursuant to the Transaction Documents in such amount as may then be required to fulfill its obligations in full under the Transaction Documents.

(b) If, on any date, the number of authorized but unissued (and otherwise unreserved) shares of Common Stock is less than the Required Minimum on such date, then the Board of Directors shall use commercially reasonable efforts to amend the Companies' certificate or articles of incorporation to increase the number of authorized but unissued shares of Common Stock to at least the Required Minimum at such time, as soon as possible and in any event not later than the 75th day after such date.

(c) The Companies shall, if applicable: (i) in the time and manner required by the principal Trading Market, prepare and file with such Trading Market an additional shares listing application covering a number of shares of Common Stock at least equal to the Required Minimum on the date of such application, (ii) take all steps necessary to cause such shares of Common Stock to be approved for listing or quotation on such Trading Market as soon as possible thereafter, (iii) provide to the Purchaser evidence of such listing or quotation and (iv) maintain the listing or quotation of such Common Stock on any date at least equal to the Required Minimum on such date on such Trading Market or another Trading Market. The Companies agrees to maintain the eligibility of the Common Stock for electronic transfer through the Depository Trust Companies or another established clearing corporation, including, without limitation, by timely payment of fees to the Depository Trust Companies or such other established clearing corporation in connection with such electronic transfer.

4.12 [RESERVED].

4.13 [RESERVED].

4.14 [RESERVED].

4.15 Certain Transactions and Confidentiality. The Purchaser covenants that neither it, nor any Affiliate acting on its behalf or pursuant to any understanding with it will execute any purchases or sales, including Short Sales, of any of the Companies' securities during the period commencing with the execution of this Agreement and ending at such time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.6. The Purchaser covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Companies pursuant to the initial press release as described in Section 4.6, the Purchaser will maintain the confidentiality of the existence and terms of this transaction and the information included in the Disclosure Schedules. Notwithstanding the foregoing, and notwithstanding anything contained in this Agreement to the contrary, the Companies expressly acknowledge and agree that (i) no Purchaser makes any representation, warranty or covenant hereby that it will not engage in effecting transactions in any securities of the Companies after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.6, (ii) no Purchaser shall be restricted or prohibited from effecting any transactions in any securities of the Companies in accordance with applicable securities laws from and after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.6 and (iii) no Purchaser shall have any duty of confidentiality or duty not to trade in the securities of the Companies to the Companies or their Subsidiaries after the issuance of the initial press release as described in Section 4.6.

4.16 Participation Right in Future Financings. From and after the date hereof until the twenty four months anniversary of the Effective Date, upon any issuance by the Companies or any of their Subsidiaries of any debt or equity securities for cash consideration (a "Subsequent Financing"), the Purchasers shall in the aggregate have the right to participate in up to an amount of the Subsequent Financing equal to twenty percent (20%) of the amount of the Subsequent Financing on the same terms, conditions and price provided for in the Subsequent Financing.

4.17 Variable Rate Transactions; Other. So long as the Notes remains outstanding or the Holder holds any Securities, the Company and each of its Subsidiaries shall be prohibited from effecting or entering into (or publicly announcing or recommending to its stockholders the approval or adoption thereof by such stockholders) any agreement, plan, arrangement or transaction to effect, directly or indirectly, any issuance by the Company or any of its Subsidiaries of Common Stock or Common Stock Equivalents (or a combination of units thereof) involving a Variable Rate Transaction, without the prior written consent of the Holder (which consent may be withheld, delayed or conditioned in the sole discretion of such Holder). "Variable Rate Transaction" means a transaction in which the Company (i) issues or sells any debt or equity securities that are convertible into, exchangeable or exercisable for, or include the right to receive, additional shares of Common Stock either (A) at a conversion price, exercise price or exchange rate or other price that is based upon, and/or varies with, the trading prices of or quotations for the shares of Common Stock at any time after the

initial issuance of such debt or equity securities or (B) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such debt or equity security or upon the occurrence of specified or contingent events directly or indirectly related to the business of the Company or the market for the Common Stock or (ii) enters into, or effects a transaction under, any agreement, including, but not limited to, an equity line of credit, an at-the-market offering (as defined in SEC Rule 415) or a similarly structured transaction, whereby the Company may issue securities at a future determined price. Notwithstanding the foregoing, the restrictions contained in this Section 4.17 shall not apply to (i) an Exempt Issuance.

ARTICLE V.
MISCELLANEOUS

5.1 Termination. This Agreement may be terminated by the Purchaser by written notice to the other parties, if the Closing has not been consummated on or before the fifth (5th) Trading Day following the date hereof, provided, however, that no such termination will affect the right of any party to sue for any breach by any other party (or parties).

5.2 Fees and Expenses. Except as expressly set forth in the Transaction Documents to the contrary, each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Companies shall pay all Transfer Agent fees (including, without limitation, any fees required for same-day processing of any instruction letter delivered by the Companies and any conversion or exercise notice delivered by a Purchaser), stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to the Purchaser.

5.3 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.4 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment at the email address as set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment as set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2nd) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

5.5 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Companies and the Purchaser, or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right. Any amendment effected in accordance with this Section 5.5 shall be binding upon the Purchaser and holder of Securities and the Companies.

5.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

5.7 Successors and Assigns. This Agreement shall be binding upon and enure to the benefit of the parties and their successors and permitted assigns. The Companies may not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Purchaser (other than by merger). The Purchaser may assign any or all of its rights under this Agreement to any Person to whom the Purchaser assigns or transfers any Securities, provided

that such transferee agrees in writing to be bound, with respect to the transferred Securities, by the provisions of the Transaction Documents that apply to the "Purchaser."

5.8 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Section 4.10.

5.9 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal Proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any Action or Proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such Action or Proceeding is improper or is an inconvenient venue for such Proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such Action or Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If any party shall commence an Action or Proceeding to enforce any provisions of the Transaction Documents, then, in addition to the obligations of the Companies under Section 4.10, the prevailing party in such Action or Proceeding shall be reimbursed by the non-prevailing party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Action or Proceeding.

5.10 Survival. The representations and warranties contained herein shall survive the Closing and the delivery of the Securities.

5.11 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

5.12 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

5.13 Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) any of the other Transaction Documents, whenever the Purchaser exercises a right, election, demand or option under a Transaction Document and the Companies do not timely perform its related obligations within the periods therein provided, then the Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Companies, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights; provided, however, that, in the case of a rescission of a conversion of a Note or exercise of a Warrant, the Purchaser shall be required to return any shares of Common Stock subject to any such rescinded conversion or exercise notice concurrently with the return to the Purchaser of the aggregate exercise price

paid to the Companies for such shares and the restoration of the Purchaser's right to acquire such shares pursuant to the Purchaser's Warrant (including, issuance of a replacement warrant certificate evidencing such restored right).

5.14 Replacement of Securities. If any certificate or instrument evidencing any Securities is mutilated, lost, stolen or destroyed, the Companies shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Companies of such loss, theft or destruction. The applicant for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs (including customary indemnity) associated with the issuance of such replacement Securities.

5.15 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchaser and the Companies will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any Action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.16 Payment Set Aside. To the extent that the Companies make a payment or payments to the Purchaser pursuant to any Transaction Document or the Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Companies, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

5.17 [RESERVED].

5.18 [RESERVED].

5.19 Liquidated Damages. The Companies' obligations to pay any partial liquidated damages or other amounts owing under the Transaction Documents is a continuing obligation of the Companies and shall not terminate until all unpaid partial liquidated damages and other amounts have been paid notwithstanding the fact that the instrument or security pursuant to which such partial liquidated damages or other amounts are due and payable shall have been canceled.

5.20 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

5.21 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto. In addition, each and every reference to share prices and shares of Common Stock in any Transaction Document shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of this Agreement.

For purposes of any assets, liabilities or entities located in any Canadian province or territory, including the Province of Québec, and for all other purposes pursuant to which the interpretation or construction of this Agreement may be subject to the laws of any Canadian province or territory, including the Province of Quebec, or a court or tribunal exercising jurisdiction in any Canadian province or territory, including the Province of Quebec, (i) "personal property" shall include "movable property", (ii) "real property" or "real estate" shall include "immovable property", (iii) "security interest", "mortgage" and "lien" shall include a "hypothec", "right of retention", "prior claim" and a resolutory clause, (iv) all references to filing, perfection, priority, remedies, registering or recording under the UCC shall include publication under the applicable *Personal Property Security Act* or, for the Province of Quebec, the *Civil Code of Quebec*, (v) all references to "perfection" of or "perfected" liens or security interest shall include a reference to an "opposable" or "set up" lien or security interest as against third parties, (vi) an "agent" shall include a "mandatary",

(viii) "gross negligence or willful misconduct" shall be deemed to be "intentional or gross fault", (ix) "priority" shall include "prior claim", (x) "state" shall include "province", (xi) "accounts" shall include "claims", and (xii) "guarantee" or "guarantor" shall include "suretyship" or "surety". For Quebec law purposes, the parties hereto confirm that it is their wish that this Agreement and any other document executed in connection with the transactions contemplated herein be drawn up in the English language only and that all other documents contemplated thereunder or relating thereto, including notices, may also be drawn up in the English language only. *Les parties aux présentes confirment que c'est leur volonté que cette convention et les autres documents de crédit soient rédigés en langue anglaise seulement et que tous les documents, y compris tous avis, envisagés par cette convention et les autres documents peuvent être rédigés en langue anglaise seulement.*

5.22 WAIVER OF JURY TRIAL. **IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.**

ARTICLE VI

COLLATERAL AGENT.

6.1 Appointment. Purchasers hereby irrevocably appoint Dominion, to act on their behalf as the Collateral Agent hereunder and under the other Transaction Documents and authorizes the Collateral Agent to take such actions on their behalf and to exercise such powers as are delegated to the Collateral Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article VI are solely for the benefit of the Collateral Agent and the Purchasers, and the Companies will have no rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Transaction Documents (or any other similar term) with reference to the Collateral Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead, such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

6.2 Rights as a Lender. The Person serving as the Collateral Agent hereunder will have the same rights and powers in its capacity as a Purchaser as any other Purchaser and may exercise the same as though it were not the Collateral Agent, and the term "Purchaser" or "Purchasers" will, unless otherwise expressly indicated or unless the context otherwise requires, include the person serving as the Collateral Agent hereunder in its individual capacity to the extent such Person is a Purchaser. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, the Company or any other Subsidiaries or Affiliates of the Company as if such Person were not the Collateral Agent hereunder and without any duty to account therefor to the Purchasers.

6.3 Exculpatory Provisions.

(a) The Collateral Agent will not have any duties or obligations except those expressly set forth herein and in the other Transaction Documents, and its duties hereunder are administrative in nature. Without limiting the generality of the foregoing, the Collateral Agent:

(i) will not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default under the Notes has occurred and is continuing;

(ii) will not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Transaction Documents that the Collateral Agent is required to exercise as directed in writing by the holders of a majority in outstanding principal amount under the Notes (the "Majority Purchasers") (or such other number or percentage of the Purchasers as will be expressly provided for herein or in the other Transaction Documents); *provided* that the Collateral Agent will not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Collateral Agent to liability or that is contrary to any Transaction Document or any applicable statutes, rules, ordinances, regulations guidance documents, contract terms, and other requirements of all

applicable governmental authorities, including any action that may be in violation of the automatic stay under any bankruptcy or insolvency; and

(iii) will not, except as expressly set forth herein and in the other Transaction Documents, have any duty to disclose, and will not be liable for the failure to disclose, any information relating to the Companies or any of its Subsidiaries or Affiliates that is communicated to or obtained by the Person serving as the Collateral Agent or any of its Affiliates in any capacity.

(b) The Collateral Agent will not be liable for any action taken or not taken by it (i) with the consent or at the request of the Majority Purchasers (or such other number or percentage of the Purchasers as will be necessary, or as the Collateral Agent believes in good faith will be necessary, under the circumstances), or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Collateral Agent will be deemed not to have knowledge of any Event of Default unless and until notice describing such Event of Default is given to the Collateral Agent in writing by the Companies or a Purchaser.

(c) The Collateral Agent will not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Transaction Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Transaction Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth herein, other than to confirm receipt of items expressly required to be delivered to the Collateral Agent.

6.4 Reliance by Collateral Agent. The Collateral Agent will be entitled to rely upon, and will not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Collateral Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and will not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of the loan evidenced by the Notes that by its terms must be fulfilled to the satisfaction of a Purchaser, the Collateral Agent may presume that such condition is satisfactory to such Purchaser unless the Collateral Agent has received notice to the contrary from such Lender prior to the making of such loan. The Collateral Agent may consult with legal counsel (who may be counsel for the Companies), independent accountants and other experts selected by it, and will not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

6.5 Delegation of Duties. The Collateral Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Transaction Document by or through any one or more sub-agents appointed by the Collateral Agent. The Collateral Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory provisions of this Section will apply to any such sub-agent and to the Affiliates of the Collateral Agent and any such sub-agent, and will apply to their respective activities in connection with the syndication of the facility as well as activities as Collateral Agent. The Collateral Agent will not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Collateral Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

6.6 Resignation of Agent

(a) The Collateral Agent may at any time give notice of its resignation to the Purchasers and the Companies, which notice shall set forth the effective date of such resignation (the *"Resignation Effective Date"*), such date not to be earlier than the thirtieth (30th) day following the date of such notice. The Majority Purchasers and the Companies shall mutually agree upon a successor to the Collateral Agent. If the Majority Purchasers and the Companies are unable to so mutually agree and no successor shall have been appointed within twenty-five (25) days after the retiring Collateral Agent gives notice of its resignation, then the retiring Collateral Agent may (but will not be obligated to), on behalf of the Purchasers, appoint a successor Collateral Agent it shall designate (in its reasonable discretion after consultation with the Companies and the Majority Purchasers). Whether or not a successor has been appointed, such resignation will become effective in accordance with such notice on the Resignation Effective Date.

(b) With effect from the Resignation Effective Date (i) the retiring Collateral Agent will be discharged from its duties and obligations hereunder and under the other Transaction Purchasers under any of the Transaction Documents, the retiring Collateral Agent will continue to hold such Collateral until such time as a successor Collateral Agent is appointed) and (ii) except for any indemnity payments owed to the retiring Collateral Agent, all payments, communications and determinations provided to be made by, to or through the Collateral Agent will instead be made by or to each Lender directly, until such time, if any, as the Majority Purchasers appoint a successor Collateral Agent as provided for above. Upon the acceptance of a successor's appointment as Collateral Agent hereunder, such successor will succeed to and

become vested with all of the rights, powers, privileges and duties of the retiring Collateral Agent (other than any rights to indemnity payments owed to the retiring Collateral Agent), and the retiring Collateral Agent will be discharged from all of its duties and obligations hereunder or under the other Transaction Documents. The fees payable by the Company to a successor Collateral Agent will be the same as those payable to its predecessor unless otherwise agreed between the Companies and such successor. After the retiring Collateral Agent's resignation hereunder and under the other Transaction Documents, the provisions of this Article VI will continue in effect for the benefit of such retiring Collateral Agent, its sub-agents and their respective Affiliates in respect of any actions taken or omitted to be taken by any of them while the retiring Collateral Agent was acting as Collateral Agent.

6.7. Non-Reliance on Collateral Agent and Other Purchasers. Each Purchaser acknowledges that it has, independently and without reliance upon the Collateral Agent or any other Purchaser or any of their Affiliates and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Purchaser also acknowledges that it will, independently and without reliance upon the Collateral Agent or any other Purchaser or any of their Affiliates and based on such documents and information as it will from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Transaction Document or any related agreement or any document furnished hereunder or thereunder.

6.8. Collateral Agent May File Proofs of Claim. In case of the pendency of any bankruptcy or insolvency proceeding or any other judicial proceeding relative to the Company, the Collateral Agent (irrespective of whether the principal of the Notes will then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Collateral Agent has made any demand on the Company) will be entitled and empowered (but not obligated), by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Notes and all other obligations that are owing and unpaid hereunder or under any other Transaction Document and to file such other documents as may be necessary or advisable in order to have the claims of the Purchasers and the Collateral Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Purchasers and the Collateral Agent and their respective agents and counsel and all other amounts due the Purchasers and the Collateral Agent under this Agreement or any other Transaction Document) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same.

Any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Purchaser to make any payments of the type described above in this Section 6.8 to the Collateral Agent and, in the event that the Collateral Agent consents to the making of such payments directly to the Purchasers, to pay to the Collateral Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Collateral Agent and its agents and counsel, and any other amounts due the Collateral Agent under this Agreement or any other Transaction Document.

6.9 Collateral and Guaranty Matters; Appointment of Collateral Agent.

(a) Without limiting the provisions of Section 6.8, the Purchasers irrevocably agree as follows:

(i) the Collateral Agent is authorized, at its option and in its discretion, to release any Lien on any property granted to or held by the Collateral Agent under any Transaction Document (A) on the date when all obligations have been satisfied in full in cash (other than obligations under the Warrant and contingent obligations as to which no claims have been asserted), (B) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted under the Transaction Documents, and

(ii) Upon request by the Collateral Agent at any time, each Purchaser will confirm in writing the Collateral Agent's authority to release or subordinate its interest in particular types or items of Collateral.

(b) The Collateral Agent will not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the

Collateral Agent's lien thereon, or any certificate prepared by any Obligor in connection therewith, nor will the Collateral Agent be responsible or liable to the Purchasers for any failure to monitor or maintain any portion of the Collateral.

(c) Each Purchaser hereby appoints the Collateral Agent as its collateral agent under each of the Transaction Documents and agrees that, in so acting, the Collateral Agent will have all of the rights, protections, exculpations, indemnities and other benefits provided to the Collateral Agent under this Agreement, and hereby authorizes and directs the Collateral Agent, on behalf of such Purchaser and all Purchasers, without the necessity of any notice to or further consent from any of the Purchaser, from time to time to (i) take any action with respect to any collateral or any Transaction Document which may be necessary to perfect and maintain perfected the liens on the collateral granted pursuant to any such Transaction Document or protect and preserve the Collateral Agent's ability to enforce the liens or realize upon the collateral, (ii) act as collateral agent for each Purchaser that is a secured party for purposes of acquiring, holding, enforcing and perfecting all Liens created by the Loan Documents and all other purposes stated therein, (iii) enter into non-disturbance or similar agreements in connection with licensing agreements and arrangements permitted by this Agreement and the other Transaction Documents and (iv) otherwise to take or refrain from taking any and all action that the Collateral Agent shall deem necessary or advisable in fulfilling its role as collateral agent under any of the Transaction Documents.

[SIGNATURE PAGE TO FOLLOW]

Schedule 2.2(b)

PERLEY-ROBERTSON, HILL & McDOUGALL LLP/s.r.l.

DO NOT CHANGE THIS FORM IN ANY WAY

PLEASE SEND A COPY OF THE TRANSFER RECEIPT TO

PERLEY-ROBERTSON, HILL & McDOUGALL LLP/s.r.l.

EITHER

BY FAX TO 613.238.8775

OR

BY E-MAIL TO TRUST@PERLAW.CA

AS SOON AS POSSIBLE AFTER A TRANSFER HAS BEEN INITIATED.
THIS WILL HELP TO EXPEDITE THE PROPER ALLOCATION OF ALL INCOMING TRANSFERS.

NOTE:
PLEASE ENSURE THAT WHEN FUNDS ARE WIRED THE NAME OF THE REMITTER AND YOUR FILE NUMBER (i.e. ABCD001) IS SPECIFICALLY IDENTIFIED IN THE TELEX MESSAGE FROM THE SENDING BANK.

Wire transfers are only accepted if the Beneficiary Name, Address, and Account Information are specified.

U.S. $ WIRING INSTRUCTIONS

Bank Name: Royal Bank of Canada
Bank Address: 90 Sparks Street, Ottawa, ON K1P 5B4

Bank#: 003
Transit#: 00006
Swift #: ROYCCAT2 (from outside Canada only)
Account Number: 00006-4006748

Beneficiary Name: Perley-Robertson, Hill & McDougall LLP/s.r.l. In Trust
Beneficiary Address: 1400 – 340 Albert Street, Ottawa, ON K1R 0A5

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

LIVEWELL CANADA INC.

By: _____

Name: Steven Archambault
Title: CFO & CAO
Facsimile:
Email: sarchambault@livewellfoods.ca
Address: 179 Promenade du Portage, Gatineau, QC, J8X 2K5, Canada

VITALITY CBD NATURAL HEALTH PRODUCTS INC.

By: _____

Name: Steven Archambault
Title: CFO
Facsimile:
Email: sarchambault@livewellfoods.ca
Address: 1400-340 Albert Street, Ottawa, ON K1R 0A5, Canada

DOMINION CAPITAL LLC, as Purchaser and as Collateral Agent

By: _____

Name:
Title:
Facsimile:
Email:
Address:

NOMIS BAY LTD, as Purchaser

_____

Name: PETER POOLE
Title: DIRECTOR
Facsimile:
Email:

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

LIVEWELL CANADA INC.

By: _____

Name: Steven Archambault
Title: CFO & CAO
Facsimile:
Email: sarchambault@livewellfoods.ca
Address: 179 Promenade du Portage, Gatineau, QC, J8X 2K5, Canada

VITALITY CBD NATURAL HEALTH PRODUCTS INC.

By: _____

Name: Steven Archambault
Title: CFO
Facsimile:
Email: sarchambault@livewellfoods.ca
Address: 1400-340 Albert Street, Ottawa, ON K1R 0A5, Canada

DOMINION CAPITAL LLC, as Purchaser and as Collateral Agent

By: DocuSigned by: Mikhail Gurevich
EF5802843D0A402...

Name: Mikhail Gurevich
Title: Manager
Facsimile:
Email: mikhail@domcapllc.com
Address:

NOMIS BAY LTD, as Purchaser

_____

Name:
Title:
Facsimile:
Email:

Address:

BPY LIMITED, as Purchaser

By: _____

Name: PETER POOLE
Title: DIRECTOR
Facsimile:
Email:
Address:

This is Exhibit "B" *referred to in the*

affidavit of Philip Gross

sworn before me, this 28th

day of February 2020

A COMMISSIONER FOR OATHS/NOTARY PUBLIC IN AND FOR
THE STATE OF MARYLAND

ALISANN FROLOVA
NOTARY
PUBLIC
BALTIMORE COUNTY, MD

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this "Agreement") dated as of February 14, 2019, by and among LiveWell Canada Inc., a Canadian corporation (including its endorsees, transferees and assigns, the "Company"), Vitality CBD Natural Health Products Inc., a Canadian corporation (including its endorsees, transferees and assigns, "Vitality"), Livewell Foods Canada Inc. (including its endorsees, transferees and assigns), Livewell Foods Quebec Inc. (including its endorsees, transferees and assigns), O-Hemp Inc. (including its endorsees, transferees and assigns) and Artiva, Inc. (including its endorsees, transferees and assigns), collectively with the Company, the "Debtors" and each individually, a "Debtor"), and Dominion Capital LLC (collectively with its endorsees, transferees and assigns, the "Agent"), as collateral agent for the Secured Parties (as such term is defined below).

WITNESSETH:

WHEREAS, pursuant to the Securities Purchase Agreement dated February 14, 2019 (as amended, supplemented and/or restated from time to time, the "Purchase Agreement"), the Agent and certain other lenders (collectively with its endorsees, transferees and assigns, the "Other Lenders" and, together with the Agent, the "Secured Parties") has agreed to extend the loan to the Company evidenced by the 10% Senior Secured Convertible Note (as amended, supplemented and/or restated from time to time, the "Note");

WHEREAS, pursuant to the Note, the obligations of the Company towards the Agent are to be guaranteed by Vitality;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions. Capitalized terms used herein without definition and defined in the Purchase Agreement are used herein as defined therein. In addition, as used herein:

"Accounts" means any "account," as such term is defined in the UCC, and, in any event, shall include, without limitation, "supporting obligations" as defined in the UCC.

"Chattel Paper" means any "chattel paper," as such term is defined in the UCC.

"Collateral" shall have the meaning ascribed thereto in Section 3 hereof.

"Commercial Tort Claims" means "commercial tort claims", as such term is defined in the UCC.

"Contracts" means all contracts, undertakings, or other agreements (other than rights evidenced by Chattel Paper, Documents or Instruments) in or under which a Debtor may now or hereafter have any right, title or interest, including, without limitation, with respect to an Account, any agreement relating to the terms of payment or the terms of performance thereof.

"Copyrights" means any copyrights, rights and interests in copyrights, works protectable by copyrights, copyright registrations and copyright applications, including, without limitation, the copyright registrations and applications listed on Schedule III attached hereto (if any), and all renewals of any of the foregoing, all income, royalties, damages and payments now and hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing.

"Deposit Accounts" means all "deposit accounts" as such term is defined in the UCC, now or hereafter held in the name of a Debtor.

"Documents" means any "documents," as such term is defined in the UCC, and shall include, without limitation, all documents of title (as defined in the UCC), bills of lading or other receipts evidencing or representing Inventory or Equipment.

"Equipment" means any "equipment," as such term is defined in the UCC and, in any event, shall include, Motor Vehicles.

"Event of Default" shall have the meaning set forth in the Notes.

"Excluded Assets" means each of the following: (1) any lease, license or other agreement or any property subject to a capital lease, purchase money security interest or similar arrangement, to the extent that a grant of a Lien thereon in favor of Secured Party would violate or invalidate such lease, license, agreement or capital lease, purchase money security interest or similar arrangement or create a right of termination in favor of any other party thereto (other than the Debtors), so long as such provision exists and so long as such lease, license or agreement was not entered into in contemplation of circumventing the obligation to provide Collateral hereunder or in violation of the Purchase Agreement, other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law including the bankruptcy code, or principles of equity, (2) any of the outstanding equity interests in a Foreign Subsidiary to the extent that the pledge thereof is prohibited by the laws of the jurisdiction of such Foreign Subsidiary's organization and (3) any application to register any trademark or service mark prior to the filing under applicable law of a verified statement of use (or the equivalent) for such trademark or service mark to the extent the creation of a security interest therein or the grant of a lien thereon would void or invalidate such trademark or service mark.

"General Intangibles" means any "general intangibles," as such term is defined in the UCC, and, in any event, shall include, without limitation, all right, title and interest in or under any Contract, models, drawings, materials and records, claims, literary rights, goodwill, rights of performance, Copyrights, Trademarks, Patents, warranties, rights under insurance policies and rights of indemnification.

"Goods" means any "goods", as such term is defined in the UCC, including, without limitation, fixtures and embedded Software to the extent included in "goods" as defined in the UCC.

"Governmental Authority" means the government of the United States of America or any other nation, or any political subdivision thereof, whether state or local, or any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administration powers or functions of or pertaining to government over any Debtor or any of its subsidiaries, or any of their respective properties, assets or undertakings.

"Instruments" means any "instrument," as such term is defined in the UCC, and shall include, without limitation, promissory notes, drafts, bills of exchange, trade acceptances, letters of credit, letter of credit rights (as defined in the UCC), and Chattel Paper.

"Inventory" means any "inventory," as such term is defined in the UCC.

"Investment Property" means any "investment property", as such term is defined in the UCC.

"Obligations" means all obligations, liabilities and indebtedness of every nature of Debtors from time to time owed or owing under or in respect of this Agreement, the Purchase Agreement,

the Notes, any of the other Security Documents and any of the other Transaction Documents, as the case may be, including, without limitation, the principal amount of all debts, claims and indebtedness, accrued and unpaid interest and all fees, costs and expenses, whether primary, secondary, direct, contingent, fixed or otherwise, heretofore, now and/or from time to time hereafter owing, due or payable whether before or after the filing of a bankruptcy, insolvency or similar proceeding under applicable federal, state, foreign or other law and whether or not an allowed claim in any such proceeding.

"Lien" has the meaning set forth in the Purchase Agreement.

"Motor Vehicles" shall mean motor vehicles, tractors, trailers and other like property, whether or not the title thereto is governed by a certificate of title or ownership.

"Mortgage" has the meaning set forth in Section 2(h).

"Patents" means any patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, all inventions subject to the patents and patent applications listed on Schedule IV attached hereto (if any), and the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing.

"Permitted Indebtedness" has the meaning set forth in the Notes.

"Proceeds" means "proceeds," as such term is defined in the UCC and, in any event, includes, without limitation, (a) any and all proceeds of any insurance, indemnity, warranty or guaranty payable with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any Governmental Authority (or any person acting under color of Governmental Authority), and (c) any and all other amounts from time to time paid or payable under, in respect of or in connection with any of the Collateral.

"Representative" means any Person acting as agent, representative or trustee on behalf of the Secured Party from time to time.

"Security Documents" means this Agreement and any other documents securing the Liens of the Secured Party hereunder.

"Software" means all "software" as such term is defined in the UCC, now owned or hereafter acquired by a Debtor, other than software embedded in any category of Goods, including, without limitation, all computer programs and all supporting information provided in connection with a transaction related to any program.

"Trademarks" means any trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, the trademarks and applications listed in Schedule V attached hereto (if any) and renewals thereof, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing.

"Transaction Documents" means the Purchase Agreement, the Notes, the Security Documents, the Warrants and any other related agreements delivered to and in favor of the Purchaser.

"UCC" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York; provided, that to the extent that the Uniform Commercial Code is used to define any term herein and such term is defined differently in different Articles or Divisions of the Uniform Commercial Code, the definition of such term contained in Article or Division 9 shall govern.

Section 2. Representations, Warranties and Covenants of Debtors. Each Debtor represents and warrants to, and covenants with, the Secured Party as follows:

(a) Such Debtor has or will have rights in and the power to grant a security interest in the Collateral in which it purports to grant a security interest pursuant to Section 3 hereof (subject, with respect to after acquired Collateral, to such Debtor acquiring the same) and no Lien other than Permitted Liens exist or will exist upon such Collateral at any time.

(b) This Agreement is effective to create in favor of Secured Party a valid security interest in and Lien upon all of such Debtor's right, title and interest in and to the Collateral, and upon (i) the filing of appropriate UCC financing statements in the jurisdictions listed on Schedule I attached hereto, (ii) the execution of a deposit account control agreement, (iii) filings in the United States Patent and Trademark Office, or United States Copyright Office with respect to Collateral that is applications for or registered Patents and Trademarks, or Copyrights, as the case may be, (iv) the filing of the Mortgages in the jurisdictions listed on Schedule I hereto, (v) the security interest created hereby being noted on each certificate of title evidencing the ownership of any Motor Vehicle in accordance with Section 4.1(d) hereof and (vi) delivery to the Secured Party or its Representative of Instruments duly endorsed by such Debtor or accompanied by appropriate instruments of transfer duly executed by such Debtor with respect to Instruments not constituting Chattel Paper, such security interest will be a duly perfected first priority perfected security interest (subject to Permitted Liens) in all of the Collateral.

(c) All of the Equipment, Inventory and Goods owned by such Debtor is located at the places as specified on Schedule I attached hereto. Except as disclosed on Schedule I, none of the Collateral is in the possession of any bailee, warehousemen, processor or consignee, other than Collateral in transit, out for repair or with an employee in ordinary course of business. Schedule I discloses such Debtor's name as of the date hereof as it appears in official filings in the state or province, as applicable, of its incorporation, formation or organization, such Debtor's state or province, as applicable, of incorporation, formation or organization and the chief place of business, chief executive office and the office where such Debtor keeps its books and records and the states in which such Debtor conducts its business. Such Debtor has only one state or province, as applicable, of incorporation, formation or organization. Such Debtor does not do business and has not done business during the past five (5) years under any trade name or fictitious business name except as disclosed on Schedule II attached hereto.

(d) Schedules III, IV and V contain complete and accurate lists as of the date hereof of all (i) registered copyrights and applications therefor; (ii) patents and pending applications therefor; (iii) registered trademarks and service marks and applications therefor; and (iv) all unregistered trademarks and service marks that are material to the operations of the business of such Debtor; in each case owned by such Debtor. No Copyrights, Patents or Trademarks listed on Schedules III, IV and V, respectively, if any, have been adjudged invalid or unenforceable or have been canceled, in whole or in part, or are not presently subsisting. Each of such Copyrights, Patents and Trademarks (if any) is valid and enforceable. Such Debtor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of such Copyrights, Patents and Trademarks, identified on Schedules III, IV and V, as applicable, as being owned by such Debtor, free and clear of any liens, charges and encumbrances, including without limitation licenses, shop rights and covenants by such Debtor not to sue third persons. Such Debtor has adopted, used and is currently using, or has a current bona fide intention

to use, all of such Trademarks. Such Debtor has no notice of any suits or actions commenced or threatened in writing with reference to the Copyrights, Patents or Trademarks owned by it.

(e) Each Debtor agrees to deliver to the Secured Party an updated Schedule I, II, III, IV and/or V within five (5) Business Days of any change thereto.

(f) All depositary and other accounts including, without limitation, Deposit Accounts, securities accounts, brokerage accounts and other similar accounts, maintained by each Debtor are described on Schedule VI hereto, which description includes for each such account the name of the Debtor maintaining such account, the name, address and telephone and telecopy numbers of the financial institution at which such account is maintained, the account number and the account officer, if any, of such account. No Debtor shall open any new Deposit Accounts, securities accounts, brokerage accounts or other accounts unless such Debtor shall have given Secured Party ten (10) Business Days' prior written notice of its intention to open any such new accounts. Each Debtor shall deliver to Secured Party a revised version of Schedule VI showing any changes thereto within five (5) Business Days of any such change. Each Debtor hereby authorizes the financial institutions at which such Debtor maintains an account to provide Secured Party with such information with respect to such account as Secured Party from time to time may request, and each Debtor hereby consents to such information being provided to Secured Party. In addition, all of such Debtor's depositary, security, brokerage and other accounts including, without limitation, Deposit Accounts shall be subject to the provisions of Section 4.5 hereof.

(g) Such Debtor does not own any Commercial Tort Claim except for those disclosed on Schedule VII hereto (if any).

(h) Such Debtor does not have any interest in real property with respect to real property except as disclosed on Schedule VIII (if any). Each Debtor shall deliver to Secured Party a revised version of Schedule VIII showing any changes thereto within ten (10) Business Days of any such change. Except as otherwise agreed to by Secured Party, all such interests in real property with respect to such real property are subject to a mortgage or deed of trust, as applicable in accordance with the custom in the relevant jurisdiction, in form and substance satisfactory to Secured Party, in favor of Secured Party (hereinafter, a "Mortgage").

(i) Each Debtor shall duly and properly record each interest in real property held by such Debtor except with respect to easements, rights of way, access agreements, surface damage agreements, surface use agreements or similar agreements that such Debtor, using prudent customs and practices in the industry in which it operates, does not believe are of material value or material to the operation of such Debtor's business or, with respect to state and federal rights of way, are not capable of being recorded as a matter of state and federal law.

(j) All Equipment (including, without limitation, Motor Vehicles) owned by a Debtor and subject to a certificate of title or ownership statute is described on Schedule IX hereto.

Section 3. Collateral. As collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Obligations, each Debtor hereby pledges and grants to the Secured Party a Lien on and security interest in and to all of such Debtor's right, title and interest in the following properties and assets of such Debtor, whether now owned by such Debtor or hereafter acquired and whether now existing or hereafter coming into existence and wherever located (all being collectively referred to herein as "Collateral"):

(a) all Instruments, together with all payments thereon or thereunder;

(b) all Accounts;

(c) all Inventory;

(d) all General Intangibles (including payment intangibles (as defined in the UCC) and Software);

(e) all Equipment;

(f) all Documents;

(g) all Contracts;

(h) all Goods;

(i) all Investment Property, including without limitation all equity interests now owned or hereafter acquired by such Debtor;

(j) all Deposit Accounts, including, without limitation, the balance from time to time in all bank accounts maintained by such Debtor;

(k) all Commercial Tort Claims specified on Schedule VII;

(l) all Trademarks, Patents and Copyrights;

(m) all books and records pertaining to the other Collateral; and

(n) all other tangible and intangible property of such Debtor, including, without limitation, all interests in real property, Proceeds, tort claims, products, accessions, rents, profits, income, benefits, substitutions, additions and replacements of and to any of the property of such Debtor described in the preceding clauses of this Section 3 (including, without limitation, any proceeds of insurance thereon, insurance claims and all rights, claims and benefits against any Person relating thereto), other rights to payments not otherwise included in the foregoing, and all books, correspondence, files, records, invoices and other papers, including without limitation all tapes, cards, computer runs, computer programs, computer files and other papers, documents and records in the possession or under the control of such Debtor, any computer bureau or service company from time to time acting for such Debtor.

Notwithstanding anything to the contrary contained herein or in any Transaction Document, in no event shall the security interest granted herein or therein attach to any Excluded Assets.

Section 4. Covenants; Remedies. In furtherance of the grant of the pledge and security interest pursuant to Section 3 hereof, each Debtor hereby agrees with the Secured Party as follows:

4.1 Delivery and Other Perfection; Maintenance, etc.

(a) Delivery of Instruments, Documents, Etc. Each Debtor shall deliver and pledge to the Secured Party or its Representative any and all Instruments, negotiable Documents, Chattel Paper and certificated securities (accompanied by stock powers executed in blank, which stock powers may be filled in and completed at any time upon the occurrence of any Event of Default) duly endorsed and/or accompanied by such instruments of assignment and transfer executed by such Debtor in such form and substance as the Secured Party or its Representative may request; provided, that so long as no Event of Default shall have occurred and be continuing, each Debtor may retain for collection in the ordinary course of business any Instruments, negotiable Documents and Chattel Paper received by such Debtor in the ordinary course of business, and the Secured Party or its Representative shall, promptly upon request of a Debtor, make appropriate arrangements for making any other Instruments, negotiable Documents and Chattel Paper pledged by such Debtor available to such Debtor for purposes of presentation, collection or renewal (any such arrangement to be effected, to the extent deemed appropriate by the Secured Party or its Representative, against a trust receipt or like document). If a Debtor retains possession of any Chattel Paper, negotiable Documents or Instruments pursuant to the terms hereof, such

Chattel Paper, negotiable Documents and Instruments shall be marked with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the security interest of Dominion Capital LLC, in its capacity as Collateral Agent for the benefit of the Purchaser, as secured party."

(b) Other Documents and Actions. Subject to the rights of holders of Permitted Liens, each Debtor shall give, execute, deliver, file and/or record any financing statement, registration, notice, instrument, document, agreement, Mortgage or other papers that may be necessary or desirable (in the reasonable judgment of the Secured Party or its Representative) to create, preserve, perfect or validate the security interest granted pursuant hereto (or any security interest or mortgage contemplated or required hereunder, including with respect to Section 2(h) of this Agreement) or to enable the Secured Party or its Representative to exercise and enforce the rights of the Secured Party hereunder with respect to such pledge and security interest, provided that notices to account debtors in respect of any Accounts or Instruments shall be subject to the provisions of clause (e) below. Notwithstanding the foregoing each Debtor hereby irrevocably authorizes the Secured Party at any time and from time to time to file in any filing office in any jurisdiction any initial financing statements (and other similar filings or registrations under other applicable laws and regulations pertaining to the creation, attachment, or perfection of security interests) and amendments thereto that (a) indicate the Collateral (i) as all assets of such Debtor or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC, or (ii) as being of an equal or lesser scope or with greater detail, and (b) contain any other information required by part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether such Debtor is an organization, the type of organization and any organization identification number issued to such Debtor, and (ii) in the case of a financing statement filed as a fixture filing, a sufficient description of real property to which the Collateral relates. Each Debtor agrees to furnish any such information to the Secured Party promptly upon request. Each Debtor also ratifies its authorization for the Secured Party to have filed in any jurisdiction any like initial financing statements or amendments thereto if filed prior to the date hereof.

(c) Books and Records. Each Debtor (or a Company on behalf of a Debtor) shall maintain at its own cost and expense complete and accurate books and records of the Collateral, including, without limitation, a record of all payments received and all credits granted with respect to the Collateral and all other dealings with the Collateral. Upon the occurrence and during the continuation of any Event of Default, each Debtor shall deliver and turn over any such books and records (or true and correct copies thereof) to the Secured Party or its Representative at any time on demand. Each Debtor shall permit any Representative of the Secured Party, in accordance with Section 8.13 of the Purchase Agreement, to inspect such books and records at any time during reasonable business hours and will provide photocopies thereof at such Debtor's expense to the Secured Party upon request of the Secured Party.

(d) Motor Vehicles. Each Debtor shall, promptly upon acquiring same, cause the Secured Party to be listed as the lienholder on each certificate of title or ownership covering any items of Equipment, including Motor Vehicles, having a value in excess of $100,000 individually or in the aggregate for all such items of Equipment of the Debtor, or otherwise comply with the certificate of title or ownership laws of the relevant jurisdiction issuing such certificate of title or ownership in order to properly evidence and perfect Secured Party's security interest in the assets represented by such certificate of title or ownership.

(e) Notice to Account Debtors; Verification. (i) Subject to the rights of holders of Permitted Liens, upon the occurrence and during the continuance of any Event of Default or if any rights of set-off (other than set-offs against an Account arising under the Contract giving rise to the same Account) or contra accounts may be asserted, upon request of the Secured Party or its Representative, each Debtor shall promptly notify (and each Debtor hereby authorizes the Secured Party

and its Representative so to notify) each account debtor in respect of any Accounts or Instruments or other Persons obligated on the Collateral that such Collateral has been assigned to the Secured Party hereunder, and that any payments due or to become due in respect of such Collateral are to be made directly to the Secured Party, and (ii) the Secured Party and its Representative shall have the right at any time or times to make direct verification with the account debtors or other Persons obligated on the Collateral of any and all of the Accounts or other such Collateral.

(f) Intellectual Property. If such Debtor shall (i) obtain rights to any new patentable inventions, any registered Copyrights or any Patents or Trademarks, or (ii) become entitled to the benefit of any registered Copyrights or any Patents or any registered Trademarks or unregistered Trademarks material to the operations of the business of such Debtor or any improvement on any Patent, the provisions of this Agreement above shall automatically apply thereto and such Debtor shall give to Secured Party prompt written notice thereof. Each Debtor hereby authorizes Secured Party to modify this Agreement by amending Schedules III, IV and V, as applicable, to include any such registered Copyrights or any such Patents and Trademarks. Each Debtor shall have the duty (i) to prosecute diligently any patent, trademark, or service mark applications pending as of the date hereof or hereafter, (ii) to preserve and maintain all rights in the Copyrights, Patents and Trademarks, to the extent material to the operations of the business of such Debtor and (iii) to ensure that the Copyrights, Patents and Trademarks are and remain enforceable, in each case to the extent material to the operations of the business of such Debtor. Any expenses incurred in connection with such Debtor's obligations under this Section 4.1(f) shall be borne by such Debtor. Except for any such items that a Debtor reasonably believes (using prudent industry customs and practices) are no longer necessary for the on-going operations of its business, no Debtor shall abandon any material right to file a patent, trademark or service mark application, or abandon any pending patent, trademark or service mark application or any other Copyright, Patent or Trademark without the prior written consent of Secured Party, which consent shall not be unreasonably withheld.

(g) Further Identification of Collateral. Each Debtor will, when and as often as requested by the Secured Party or its Representative, furnish to the Secured Party or such Representative, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Party or its Representative may reasonably request, all in reasonable detail.

(h) Investment Property. Each Debtor will take any and all actions required or reasonably requested by the Secured Party, from time to time, to (i) cause the Secured Party to obtain exclusive control of any Investment Property owned by such Debtor in a manner acceptable to the Secured Party and (ii) obtain from any issuers of Investment Property and such other Persons, for the benefit of the Secured Party, written confirmation of the Secured Party's control over such Investment Property. For purposes of this Section 4.1(h), the Secured Party shall have exclusive control of Investment Property if (i) such Investment Property consists of certificated securities and a Debtor delivers such certificated securities to the Secured Party (with appropriate endorsements if such certificated securities are in registered form); (ii) such Investment Property consists of uncertificated securities and the issuer thereof agrees, pursuant to documentation in form and substance satisfactory to the Secured Party, that it will comply with instructions originated by the Secured Party without further consent by such Debtor, and (iii) such Investment Property consists of security entitlements and either (x) the Secured Party becomes the entitlement holder thereof or (y) the appropriate securities intermediary agrees, pursuant to the documentation in form and substance satisfactory to the Secured Party, that it will comply with entitlement orders originated by the Secured Party without further consent by any Debtor; provided that in each case Secured Party may only exercise the remedies set forth under this Agreement with respect to any Investment Property during the existence of an Event of Default.

(i) Commercial Tort Claims. Each Debtor shall promptly notify Secured Party of any Commercial Tort Claim acquired by it that concerns a claim in excess of $50,000 and unless

otherwise consented to by Secured Party, such Debtor shall enter into a supplement to this Agreement granting to Secured Party a Lien on and security interest in such Commercial Tort Claim.

4.2 Other Liens. Debtors will not create, permit or suffer to exist, and will defend the Collateral against and take such other action as is necessary to remove, any Lien on the Collateral except Permitted Liens, and will defend the right, title and interest of the Secured Party in and to the Collateral and in and to all Proceeds thereof against the claims and demands of all Persons whatsoever, except holders of Permitted Liens.

4.3 Preservation of Rights. Whether or not any Event of Default has occurred or is continuing, the Secured Party and its Representative may, but shall not be required to, take any steps the Secured Party or its Representative deems necessary or appropriate to preserve any Collateral or any rights against third parties to any of the Collateral, including obtaining insurance for the Collateral at any time when such Debtor has failed to do so, and Debtors shall promptly pay, or reimburse the Secured Party for, all expenses incurred in connection therewith.

4.4 Formation of Subsidiaries; Name Change; Location; Bailees.

(a) No Debtor shall form or acquire any subsidiary unless (i) such Debtor pledges all of the stock or equity interests of such subsidiary to the Secured Party pursuant to an agreement in a form agreed to by the Secured Party, (ii) such subsidiary becomes a party to this Agreement and all other applicable Security Documents and (iii) the formation or acquisition of such Subsidiary is not prohibited by the terms of the Transaction Documents.

(b) No Debtor shall (i) reincorporate or reorganize itself under the laws of any jurisdiction other than the jurisdiction in which it is incorporated or organized as of the date hereof, or (ii) otherwise change its identity or corporate structure, in each case, without the prior written consent of Secured Party, which consent shall not be unreasonably withheld, or (iii) change its name without delivering twenty (20) days prior notice of such change to Secured Party. Each Debtor will notify Secured Party promptly in writing prior to any such change in the proposed use by such Debtor of any tradename or fictitious business name other than any such name set forth on Schedule II attached hereto.

(c) Except for the sale of Inventory in the ordinary course of business and other sales of assets expressly permitted by the terms of the Purchase Agreement, Collateral in transit, our for repair or with an employee in the ordinary course of business, each Debtor will keep the Collateral at the locations specified in Schedule I. Each Debtor will give Secured Party thirty (30) day's prior written notice of any change in such Debtor's chief place of business or of any new location for any of the Collateral.

(d) If any Collateral is at any time in the possession or control of any warehousemen, bailee, consignee or processor in an aggregate amount of at least $100,000, such Debtor shall, upon the request of Secured Party or its Representative, notify such warehousemen, bailee, consignee or processor of the Lien and security interest created hereby and shall instruct such Person to hold all such Collateral for Secured Party's account subject to Secured Party's instructions.

(e) Each Debtor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement relating to Secured Party's security interests hereunder without the prior written consent of Secured Party and agrees that it will not do so without the prior written consent of Secured Party, subject to such Debtor's rights under Section 9-509(d)(2) to the UCC.

(f) Subject to the rights of holders of Permitted Liens, no Debtor shall enter into any Contract that restricts or prohibits the grant to Secured Party of a security interest in material Accounts, Chattel Paper, Instruments or payment intangibles or the proceeds of the foregoing.

4.5 Events of Default, Etc. During the period during which an Event of Default shall have occurred and be continuing, subject to the rights of holders of Permitted Liens:

(a) each Debtor shall, at the request of the Secured Party or its Representative, assemble the Collateral and make it available to Secured Party or its Representative at a place or places designated by the Secured Party or its Representative which are reasonably convenient to Secured Party or its Representative, as applicable, and such Debtor;

(b) the Secured Party or its Representative may make any reasonable compromise or settlement deemed desirable with respect to any of the Collateral and may extend the time of payment, arrange for payment in installments, or otherwise modify the terms of, any of the Collateral;

(c) the Secured Party shall have all of the rights and remedies with respect to the Collateral of a secured party under the UCC (whether or not said UCC is in effect in the jurisdiction where the rights and remedies are asserted) and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted, including, without limitation, the right, to the maximum extent permitted by law, to: (i) exercise all voting, consensual and other powers of ownership pertaining to the Collateral as if the Secured Party were the sole and absolute owner thereof (and each Debtor agrees to take all such action as may be appropriate to give effect to such right) and (ii) to the appointment of a receiver or receivers for all or any part of the Collateral or business of a Debtor, whether such receivership be incident to a proposed sale or sales of such Collateral or otherwise and without regard to the value of the Collateral or the solvency of any person or persons liable for the payment of the Obligations secured by such Collateral. Each Debtor hereby consents to the appointment of such receiver or receivers, waives any and all defenses to such appointment and agrees that such appointment shall in no manner impair, prejudice or otherwise affect the rights of Secured Party under this Agreement. Each Debtor hereby expressly waives notice of a hearing for appointment of a receiver and the necessity for bond or an accounting by the receiver;

(d) the Secured Party or its Representative in its discretion may, in the name of the Secured Party or in the name of a Debtor or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for any of the Collateral, but shall be under no obligation to do so;

(e) the Secured Party or its Representative may take immediate possession and occupancy of any premises owned, used or leased by a Debtor and exercise all other rights and remedies which may be available to the Secured Party;

(f) the Secured Party may, upon reasonable notice (such reasonable notice to be determined by Secured Party in its sole and absolute discretion, which shall not be less than ten (10) days), with respect to the Collateral or any part thereof which shall then be or shall thereafter come into the possession, custody or control of the Secured Party or its Representative, sell, lease, license, assign or otherwise dispose of all or any part of such Collateral, at such place or places as the Secured Party deems best, and for cash or for credit or for future delivery (without thereby assuming any credit risk), at public or private sale, without demand of performance or notice of intention to effect any such disposition or of the time or place thereof (except such notice as is required above or by applicable statute and cannot be waived), and the Secured Party or anyone else may be the purchaser, lessee, licensee, assignee or recipient of any or all of the Collateral so disposed of at any public sale (or, to the extent permitted by law, at any private sale) and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any right or equity of redemption (statutory or otherwise), of Debtors, any such demand, notice and right or equity being hereby expressly waived and released. The Secured Party may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned

from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the sale may be so adjourned;

(g) the rights, remedies and powers conferred by this Section 4.5 are in addition to, and not in substitution for, any other rights, remedies or powers that the Secured Party may have under any Transaction Document, at law, in equity or by or under the UCC or any other statute or agreement. The Secured Party may proceed by way of any action, suit or other proceeding at law or in equity and no right, remedy or power of the Secured Party will be exclusive of or dependent on any other. The Secured Party may exercise any of its rights, remedies or powers separately or in combination and at any time; and

(h) unless otherwise agreed in the sole discretion of Secured Party, each Debtor, Secured Party and each Debtor's bank shall enter into a deposit account control agreement in form and substance satisfactory to Secured Party that is sufficient to give Secured Party "control" (for purposes of Articles 8 and 9 of the Uniform Commercial Code) over such account and which directs such bank to transfer such funds so deposited on a daily basis, or at other times acceptable to Secured Party, to Secured Party, either to any account maintained by Secured Party at said bank or by wire transfer to appropriate account(s) at Secured Party. All funds deposited in such Deposit Accounts shall immediately become subject to the security interest of Secured Party for its own benefit, and Secured Party shall obtain the agreement by such bank to waive any offset rights against the funds so deposited. Secured Party shall apply all funds received by it from the Deposit Accounts to the satisfaction of the Obligations.

The proceeds of each collection, sale or other disposition under this Section 4.5 shall be applied in accordance with Section 4.8 hereof.

4.6 Deficiency. If the proceeds of sale, collection or other realization of or upon the Collateral are insufficient to cover the costs and expenses of such realization and the payment in full of the Obligations, Debtors shall remain jointly and severally liable for any deficiency.

4.7 Private Sale. Each Debtor recognizes that the Secured Party may be unable to effect a public sale of any or all of the Collateral consisting of securities by reason of certain prohibitions contained in the Securities Act of 1933, as amended (the "Act"), and applicable state securities laws, but may be compelled to resort to one or more private sales thereof to a restricted group of purchasers who will be obliged to agree, among other things, to acquire such Collateral for their own account for investment and not with a view to the distribution or resale thereof. Each Debtor acknowledges and agrees that any such private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and each Debtor agrees that it is not commercially unreasonable for Secured Party to engage in any such private sales or dispositions under such circumstances. The Secured Party shall be under no obligation to delay a sale of any of the Collateral to permit a Debtor to register such Collateral for public sale under the Act, or under applicable state securities laws, even if Debtors would agree to do so. The Secured Party shall not incur any liability as a result of the sale of any such Collateral, or any part thereof, at any private sale provided for in this Agreement conducted in a commercially reasonable manner, and so long as Secured Party conducts such sale in a commercially reasonable manner each Debtor hereby waives any claims against the Secured Party arising by reason of the fact that the price at which the Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale or was less than the aggregate amount of the Obligations, even if the Secured Party accepts the first offer received and does not offer the Collateral to more than one offeree.

Each Debtor further agrees to do or cause to be done all such other acts and things as may be necessary to make such sale or sales of any portion or all of any such Collateral valid and binding and in compliance with any and all applicable laws, regulations, orders, writs, injunctions, decrees or awards of any and all courts, arbitrators or governmental instrumentalities, domestic or foreign, having

jurisdiction over any such sale or sales, all at such Debtor's expense. Each Debtor further agrees that a breach of any of the covenants contained in this Section 4.7 will cause irreparable injury to the Secured Party, that the Secured Party has no adequate remedy at law in respect of such breach and, as a consequence, agrees that each and every covenant contained in this Section 4.7 shall be specifically enforceable against Debtors, and each Debtor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred and is continuing.

4.8 Application of Proceeds. The proceeds of any collection, sale or other realization of all or any part of the Collateral, and any other cash at the time held by the Secured Party under this Agreement, shall be applied to the Obligations in such order as Secured Party shall elect.

4.9 Attorney-in-Fact. Each Debtor hereby irrevocably constitutes and appoints the Secured Party, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Debtor and in the name of such Debtor or in its own name, from time to time in the discretion of the Secured Party, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute and deliver any and all documents and instruments which may be necessary or desirable to perfect or protect any security interest granted hereunder, to maintain the perfection or priority of any security interest granted hereunder, or to otherwise accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, hereby gives the Secured Party the power and right, on behalf of such Debtor, without notice to or assent by such Debtor (to the extent permitted by applicable law), subject to the rights of holders of Permitted Liens, to do the following:

(a) to take any and all appropriate action and to execute and deliver any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement;

(b) upon the occurrence and during the continuation of an Event of Default, to ask, demand, collect, receive and give acquittance and receipts for any and all moneys due and to become due under any Collateral and, in the name of such Debtor or its own name or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other Instruments for the payment of moneys due under any Collateral and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Secured Party for the purpose of collecting any and all such moneys due under any Collateral whenever payable and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Secured Party for the purpose of collecting any and all such moneys due under any Collateral whenever payable;

(c) to pay or discharge charges or liens levied or placed on or threatened against the Collateral, to effect any insurance called for by the terms of this Agreement and to pay all or any part of the premiums therefor;

(d) upon the occurrence and during the continuation of an Event of Default, to direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due, and to become due thereunder, directly to the Secured Party or as the Secured Party shall direct, and to receive payment of and receipt for any and all moneys, claims and other amounts due, and to become due at any time, in respect of or arising out of any Collateral;

(e) upon the occurrence and during the continuation of an Event of Default, to sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with accounts and other Documents constituting or relating to the Collateral;

(f) upon the occurrence and during the continuation of an Event of Default, to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral;

(g) upon the occurrence and during the continuation of an Event of Default, to defend any suit, action or proceeding brought against a Debtor with respect to any Collateral;

(h) upon the occurrence and during the continuation of an Event of Default, to settle, compromise or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as the Secured Party may deem appropriate;

(i) to the extent that a Debtor's authorization given in Section 4.1(b) of this Agreement is not sufficient to file such financing statements with respect to this Agreement, with or without such Debtor's signature, or to file a photocopy of this Agreement in substitution for a financing statement, as the Secured Party may deem appropriate and to execute in such Debtor's name such financing statements and amendments thereto and continuation statements which may require such Debtor's signature;

(j) upon the occurrence and during the continuation of an Event of Default, generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Secured Party were the absolute owners thereof for all purposes; and

(k) to do, at the Secured Party's option and at such Debtor's expense, at any time, or from time to time, all acts and things which the Secured Party reasonably deems necessary to protect or preserve or, upon the occurrence and during the continuation of an Event of Default, realize upon the Collateral and the Secured Party's lien therein, in order to effect the intent of this Agreement, all as fully and effectively as such Debtor might do.

Each Debtor hereby ratifies, to the extent permitted by law, all that such attorneys lawfully do or cause to be done by virtue hereof provided the same is performed in a commercially reasonable manner. The power of attorney granted hereunder is a power coupled with an interest and shall be irrevocable until the Obligations are indefeasibly paid in full in cash and this Agreement is terminated in accordance with Section 4.11 hereof.

Each Debtor also authorizes the Secured Party, at any time from and after the occurrence and during the continuation of any Event of Default, (x) to communicate in its own name with any party to any Contract with regard to the assignment of the right, title and interest of such Debtor in and under the Contracts hereunder and other matters relating thereto and (y) to execute, in connection with any sale of Collateral provided for in Section 4.5 hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

4.10 Perfection. Prior to or concurrently with the execution and delivery of this Agreement, each Debtor shall:

(a) at Secured Party's request, deliver to the Secured Party or its Representative the originals of all Instruments together with, in the case of Instruments constituting promissory notes, allonges attached thereto showing such promissory notes to be payable to the order of a blank payee;

(b) deliver to the Secured Party or its Representative the originals of all Motor Vehicle titles in the aggregate amount over $100,000, duly endorsed indicating the Secured Party's interest therein as a lienholder, together with such other documents as may be required consistent with

Section 4.1(d) hereof to perfect the security interest granted by Section 3 in all such Motor Vehicles (if any).

4.11 Termination; Partial Release of Collateral. This Agreement and the Liens and security interests granted hereunder shall not terminate until the termination of the Purchase Agreement and the Notes and the full and complete performance and indefeasible satisfaction of all the Obligations (i) in respect of the Transaction Documents (including, without limitation, the indefeasible payment in full in cash of all such Obligations) and (ii) with respect to which claims have been asserted by the Collateral Agent/ and or Purchaser, whereupon the Secured Party shall forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Collateral to or on the order of Debtors. The Secured Party shall also execute and deliver to Debtors upon such termination or in connection with a Permitted Disposition and at Debtors' expense such UCC termination statements, certificates for terminating the liens on the Motor Vehicles (if any), possessory collateral and such other documentation as shall be reasonably requested by Debtors to effect the termination and release of the Liens and security interests in favor of the Secured Party affecting the Collateral.

4.12 Further Assurances. At any time and from time to time, upon the written request of the Secured Party or its Representative, and at the sole expense of Debtors, subject to the rights of holders of Permitted Liens, Debtors will promptly and duly execute and deliver any and all such further instruments, documents and agreements and take such further actions as the Secured Party or its Representative may reasonably require in order for the Secured Party to obtain the full benefits of this Agreement and of the rights and powers herein granted in favor of the Secured Party, including, without limitation, using Debtors' best efforts to secure all consents and approvals necessary or appropriate for the assignment to the Secured Party of any Collateral held by Debtors or in which a Debtor has any rights not heretofore assigned, the filing of any financing or continuation statements under the UCC with respect to the liens and security interests granted hereby, transferring Collateral to the Secured Party's possession (if a security interest in such Collateral can be perfected by possession) in accordance with the terms hereof, placing the interest of the Secured Party as lienholder on the certificate of title of any Motor Vehicle in accordance with the terms hereof, and obtaining waivers of liens from landlords in accordance with the terms hereof. Each Debtor also hereby authorizes the Secured Party and its Representative to file any such financing or continuation statement without the signature of such Debtor to the extent permitted by applicable law.

4.13 Limitation on Duty of Secured Party. The powers conferred on the Secured Party under this Agreement are solely to protect the Secured Party's interest in the Collateral and shall not impose any duty upon it to exercise any such powers. The Secured Party shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither the Secured Party nor its Representative nor any of their respective officers, directors, employees or agents shall be responsible to Debtors for any act or failure to act, except for gross negligence or willful misconduct. Without limiting the foregoing, the Secured Party and any Representative shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in their possession if such Collateral is accorded treatment substantially equivalent to that which the relevant Secured Party or any Representative, in its individual capacity, accords its own property consisting of the type of Collateral involved, it being understood and agreed that neither the Secured Party nor any Representative shall have any responsibility for taking any necessary steps (other than steps taken in accordance with the standard of care set forth above) to preserve rights against any Person with respect to any Collateral.

Also without limiting the generality of the foregoing, neither the Secured Party nor any Representative shall have any obligation or liability under any Contract or license by reason of or arising out of this Agreement or the granting to the Secured Party of a security interest therein or assignment thereof or the receipt by the Secured Party or any Representative of any payment relating to any Contract or license pursuant hereto, nor shall the Secured Party or any Representative be required or obligated in

any manner to perform or fulfill any of the obligations of Debtors under or pursuant to any Contract or license, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any Contract or license, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

Section 5. Miscellaneous.

5.1 No Waiver. No failure on the part of the Secured Party or any of its Representatives to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the Secured Party or any of its Representatives of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by law.

5.2 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

5.3 Notices. All notices, approvals, requests, demands and other communications hereunder shall be delivered or made in the manner set forth in, and shall be effective in accordance with the terms of, the Purchase Agreement; provided, that, to the extent any such communication is being made or sent to a Debtor that is not the Company, such communication shall be effective as to such Debtor if made or sent to the Company in accordance with the foregoing. Debtors and Secured Party may change their respective notice addresses by written notice given to each other party five (5) days prior to the effectiveness of such change.

5.4 Amendments, Etc. The terms of this Agreement may be waived, altered or amended only by an instrument in writing duly executed by each Debtor and the Secured Party. Any such amendment or waiver shall be binding upon the Secured Party and the Debtor sought to be charged or benefited thereby and their respective successors and assigns.

5.5 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of each of the parties hereto, provided, that no Debtor shall assign or transfer its rights hereunder without the prior written consent of the Secured Party. Secured Party may assign its rights hereunder without the consent of Debtors, in which event such assignee shall be deemed to be Secured Party hereunder with respect to such assigned rights; provided, so long as no Event of Default has occurred and is continuing, the Secured Party shall not assign any of its rights hereunder to a competitor of the Company.

5.6 Counterparts; Headings. This Agreement may be authenticated in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may authenticate this Agreement by signing any such counterpart. This Agreement may be authenticated by manual signature or facsimile, .pdf or similar electronic signature, all of which shall be equally valid. The headings in this Agreement are for convenience of reference only and shall not alter or otherwise affect the meaning hereof.

5.7 Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (a) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Secured Party and its Representative in order to carry out the intentions of the parties hereto as nearly as may be possible and

(b) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

5.8 SUBMISSION TO JURISDICTION; WAIVER OF VENUE; SERVICE OF PROCESS. **EACH DEBTOR HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR NEW YORK STATE COURT SITTING IN THE CITY OF NEW YORK, BOROUGH OF MANHATTAN IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND EACH DEBTOR HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF SECURED PARTY TO BRING PROCEEDINGS AGAINST ANY DEBTOR IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY A DEBTOR AGAINST SECURED PARTY OR ANY AFFILIATE THEREOF INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTION WITH THIS AGREEMENT SHALL BE BROUGHT ONLY IN A COURT IN NEW YORK, NEW YORK (AND SECURED PARTY HEREBY SUBMITS TO THE JURISDICTION OF SUCH COURT). NOTHING CONTAINED HEREIN SHALL BE DEEMED TO LIMIT IN ANY WAY ANY RIGHT OF SECURED PARTY TO SERVE PROCESS IN ANY MANNER PERMITTED BY LAW.**

5.9 WAIVER OF RIGHT TO TRIAL BY JURY. **EACH DEBTOR AND SECURED PARTY WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR PARTIES, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH DEBTOR AND SECURED PARTY AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION 5.9 AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISION HEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.**

5.10 Joint and Several. The obligations, covenants and agreements of Debtors hereunder shall be the joint and several obligations, covenants and agreements of each Debtor, whether or not specifically stated herein without preferences or distinction among them.

5.11 Concerning Collateral Agent. Collateral Agent shall act in accordance with the terms of the Purchase Agreement. The Collateral Agent may exercise or refrain from exercising any rights (including making demands and giving notices) and take or refrain from taking any action, in accordance with this Agreement and the Purchase Agreement. The Collateral Agent may employ agents and attorneys-in-fact in connection herewith and shall not be liable for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith. The Collateral Agent may resign with 10 days' written notice to Company and a successor Collateral Agent may be appointed by the Purchaser in consultation with Company. On the acceptance of appointment as the successor Collateral Agent, that successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers,

privileges and duties of the retiring Collateral Agent under this Agreement, and the retiring Collateral Agent shall thereupon be discharged from its duties and obligations under this Agreement. After any retiring Collateral Agent's resignation, the provisions hereof shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was the Collateral Agent.

5.12 No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

5.13 **ENTIRE AGREEMENT; AMENDMENT. THIS AGREEMENT, TOGETHER WITH THE OTHER TRANSACTION DOCUMENTS, SUPERSEDES ALL OTHER PRIOR ORAL OR WRITTEN AGREEMENTS BETWEEN SECURED PARTY, THE DEBTORS, THEIR AFFILIATES AND PERSONS ACTING ON THEIR BEHALF WITH RESPECT TO THE MATTERS DISCUSSED HEREIN, AND THIS AGREEMENT, TOGETHER WITH THE OTHER TRANSACTION DOCUMENTS AND THE OTHER INSTRUMENTS REFERENCED HEREIN AND THEREIN, CONTAIN THE ENTIRE UNDERSTANDING OF THE PARTIES WITH RESPECT TO THE MATTERS COVERED HEREIN AND THEREIN AND, EXCEPT AS SPECIFICALLY SET FORTH HEREIN OR THEREIN, NEITHER THE SECURED PARTY NOR ANY DEBTOR MAKES ANY REPRESENTATION, WARRANTY, COVENANT OR UNDERTAKING WITH RESPECT TO SUCH MATTERS. AS OF THE DATE OF THIS AGREEMENT, THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES WITH RESPECT TO THE MATTERS DISCUSSED HEREIN. NO PROVISION OF THIS AGREEMENT MAY BE AMENDED, MODIFIED OR SUPPLEMENTED OTHER THAN BY AN INSTRUMENT IN WRITING SIGNED BY THE DEBTORS AND THE SECURED PARTY.**

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed and delivered as of the day and year first above written.

DEBTORS:

LIVEWELL CANADA INC., as Debtor

Name: Steven Archambault
Title: CFO + CAO

VITALITY CBD NATURAL HEALTH PRODUCTS INC., as Debtor

Name: Steven Archambault
Title: CFO

LIVEWELL FOODS CANADA INC., as Debtor

By:
Name: Steven Archambault
Title: CFO

LIVEWELL FOODS QUEBEC INC., as Debtor

By:
Name: Steven Archambault
Title: CFO

O-HEMP INC., as Debtor

By:
Name: Steven Archambault
Title: CFO

ARTIVA, INC., as Debtor

By: _____
Name: Steven Ashmankault
Title: CFO

SECURED PARTY:

DOMINION CAPITAL LLC, as Agent

DocuSigned by:
Mikhail Gurvich
EF680284300A402...
Name:
Title:

Notice Address: _____

EXHIBIT A

Form of Joinder

Joinder to Security Agreement

The undersigned, _____, hereby joins in the execution of that certain Security Agreement dated as of February , 2019 (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement") by LiveWell Canada Inc., a Canadian corporation, Vitality CBD Natural Health Products Inc., a Canadian corporation, Dominion Capital LLC and each other Person that becomes a Debtor or a Secured Party (as defined therein) thereunder after the date thereof and hereof and pursuant to the terms thereof, to and in favor of the Secured Party. By executing this Joinder, the undersigned hereby agrees that it is a Debtor thereunder and agrees to be bound by all of the terms and provisions of the Security Agreement. The undersigned represents and warrants that the representations and warranties set forth in the Security Agreement are, with respect to the undersigned, true and correct in all material respects as of the date hereof.

The undersigned represents and warrants to Secured Party that:

(a) all of the Equipment, Inventory and Goods owned by such Debtor is located at the places as specified on Schedule I and such Debtor conducts business in the jurisdiction set forth on Schedule I;

(b) except as disclosed on Schedule I, none of such Collateral is in the possession of any bailee, warehousemen, processor or consignee;

(c) the chief place of business, chief executive office and the office where such Debtor keeps its books and records are located at the place specified on Schedule I;

(d) such Debtor (including any Person acquired by such Debtor) does not do business or has not done business during the past five years under any tradename or fictitious business name, except as disclosed on Schedule II;

(e) all registered Copyrights, Patents and Trademarks owned or licensed by the undersigned are listed in Schedules III, IV and V, respectively;

(f) all Deposit Accounts, securities accounts, brokerage accounts and other similar accounts maintained by such Debtor, and the financial institutions at which such accounts are maintained, are listed on Schedule VI;

(g) all Commercial Tort Claims of such Debtor are listed on Schedule VII;

(h) all interests in real property and mining rights held by such Debtor are listed on Schedule VIII;

(i) all Equipment (including Motor Vehicles) owned by such debtor are listed on Schedule IX.

_____, a _____

By:_____

Title:

FEIN:

SCHEDULE I
Location of Collateral

COMPANY	LOCATION
LIVEWELL CANADA INC.	N/A - Holdco
LIVEWELL FOODS CANADA INC.	179 Promenade du Portage, Suite 300, Gatineau, Quebec, Canada
LIVEWELL FOODS QUEBEC INC.	Civic number 211, Route 301, Litchfield, Quebec, Canada
ARTIVA INC.	5130 & 5208 Ramsayville Road, Ottawa, Canada
O'HEMP INC.	N/A - dormant
VITALITY NATURAL HEALTH LLC	254 Truss Road, Eureka, MT 59917, United States 9085 Advancement Avenue, Las Cruces, Dona Ana County, New Mexico, United States

SCHEDULE II
Trade Names

None.

SCHEDULE III
Copyrights

None.

SCHEDULE IV
Patents

None as of today; however, upon closing the acquisition of Acenzia the Company will acquire those listed in the attachment following on the next page.

Acenzia - Internal IP Audit results - October 26, 2018

Importance to the company: 1: Good to have; 2: Important and is strategic; 3: Critical to the business

IP Assets	Notes	Importance for the company	Estimated Value based on WIPO (US$)
Patent: ACCELERATED PREDICTION OF CANCER PROGRESSION AND RESPONSE TO TREATMENT	10 years lifespan, and 7 jurisdictions. Approved in Singapore and Japan	3	$1,000,000
Trade Mark 1 (Suntrition as a manufacturing brand)	Continuous use since 2001, registered 2011	2	$50,000
Trade Mark 2 (Acenzia)	Continuous use since 2015, registered 2018 in Canada. Registration available in the USA but not pursued yet.	3	$100,000
Trade Mark 3 (Powered by Acenzia)	Not registered yet, but in use since 2017	3	$100,000
Publications	4 published+3 in preparation. Funding $525,000	3	$700,000
Trade secrets - Standardized protocols/Recipes - NHP identifications and standardizations	674 number of assays were developed	3	$300,000
Trade secrets - Standardized protocols/Recipes - NHP development and physiological potency detection	15 physiological assays, funding about $225,000, through NRC	3	$300,000
Formulations developed inhouse	900 master formulas and over 650 experimental trials for their development	3	$200,000

Proprietary assets through material transfers	16 unique cell lines, 4 standard cell lines and 12 proprietary	2	4x$1000 = $4,000 12x$5000 = $60,000
Site licences	Health Canada, FDA, NSF, OMAFRA, PHA, Halal, Kosher, Organic,	3	8X$100,000= $800,000
In-licencing of formulations	142 formulations from Pharmaline, Nutria Plus, Prodip,	2	$200,000
In-licencing of brands for out-licensing with partner clients such as Iran	MuscleTech, Pharmafreak, Prodip, Fusion brands	2	4x$100,000 = $400,000
Raw material supply networks	812 networks out of which about 100 is strategic	3	100x$5,000+700x $1,000=$1,200,000
Loyal and strategic clients - Goodwill	Lifestyles, GH, Jamieson, Senescence, Seaford, Hanan,	3	$50,000
Un-published research	UKE cell line work, Work with Ascites from Singapore, and AOx assay for human blood	3	3x$10,000 = $30,000
Strategic partners for the oncology patent - goodwill	UKE university; ASTAR, Singapore; and University of Windsor	3	$100,000
		Total (USD)	**$5,594,000**
		Total (CAD, 1.31)	**$7,328,140**

Patent agent:

Corrinne Lobe
Innovate LLP
340 King St. East, 2nd floor
Toronto ON
M5A 1K8
T: 416-712-3215 | E: corrinne.lobe@innovatellp.com | W: www.innovatellp.com

Trademark agent:

Alexander Stack | CARAVEL LAW
Lawyer, Registered Patent and Trademark Agent
p: 416-526-7022
f: 416-479-0244
e: astack@caravellaw.com | caravellaw.com

SCHEDULE V
Trademarks

None.

SCHEDULE VI
Depositary and Other Accounts

Bank	Account	Account Name	Address	Contact	Currency
BMO	00021768828	LiveWell Canada Inc.	100 King Street W, Floor 18, Toronto, ON, M5X 1A1, Canada	Clare Cotman (416-643-1703)	CAD Dollar
BMO	00024598536	LiveWell Canada Inc.	100 King Street W, Floor 18, Toronto, ON, M5X 1A1, Canada	Clare Cotman (416-643-1703)	US Dollar
BMO	00021771816	LiveWell Foods Quebec Inc.	100 King Street W, Floor 18, Toronto, ON, M5X 1A1, Canada	Clare Cotman (416-643-1703)	CAD Dollar
Alterna Savings	6135225	LiveWell Foods Quebec Inc.	112 Kent Street, Unit 106, Ottawa, ON K1P 5P2, Canada	Angela Dzinas (613-560-0147)	CAD Dollar
Trail West Bank	1036096	Vitality Natural Health LLC	2604 Hw2 East, Kalispell, MT, 59901, USA	Katie Peters	US Dollar

SCHEDULE VII
Commercial Tort Claim

None.

SCHEDULE VIII
Real Property

COMPANY	LOCATION
LIVEWELL FOODS QUEBEC INC.	Civic number 211, Route 301, Litchfield, Quebec, Canada
ARTIVA INC.	5130 & 5208 Ramsayville Road, Ottawa, Canada
VITALITY NATURAL HEALTH LLC	254 Truss Road, Eureka, MT 59917, United States
	9085 Advancement Avenue, Las Cruces, Dona Ana County, New Mexico, United States

SCHEDULE IX
Equipment Subject to Certificate of Title or Ownership

LiveWell Canada

LiveWell does not have any motor vehicles and its equipment is generally limited to computer and equipment – valued less than $50,000

Vitality Natural Health LLC

Vitality has the following two used vehicles:

DATE	Vendor	Vehicles	Amount
04/23/2018	Owen Kenney	1991 INTERNATIONAL Box Truck	11,200.00
04/30/2018	Owen Kenney	Pickup Truck	15,000.00

Additionally, the Company has invested various equipment to build its extraction facility in Montana, which amounts to over $1 million. See next page for table.

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DATE	Vendor	Equipment	Amount
08/28/2017		Equipment Purchase	328,892.00
09/01/2017			200,937.00
09/27/2017	Swanson Refrigeration	Swansons Refrigera	8,836.21
09/28/2017		Equipment Purchase	48,075.00
12/18/2017		Wall panels for building	14,800.00
01/10/2018	Meader Equipment	Bank of the West - Meader Equip	35,831.76
01/10/2018	Phoenix Equipment	Phoenix Equipment	17,000.00
01/12/2018	USA Lab	USA Lab Equipment	0,914.00
01/12/2018	USA Lab	USA Lab Equipment	7,000.00
01/10/2018	Carson Byers, Reimbursement	Lowes - refrigerator	74.47
01/25/2018		Short Path (Via Trade)	17,340.00
02/09/2018	Carson Byers	Ferguson - pump	299.99
02/09/2018	Phoenix Equipment	Phoenix Equipment	-17,000.00
02/23/2018	LabFirst Scientific Instruments	Invoice paid by Vitality Canada	67,579.00
02/28/2018	Summit Industrial Supply	Paid by Vitality Canada	76,630.00
03/01/2018	Wood Solutions	Wood Solutions	3,853.00
03/07/2018	Summit Industrial Supply	Paid by Vitality Canada	6,400.00
03/06/2018	Apollo Machine	APOLLO MACHINE AND PURCHASE INTL 03/07 SASKATOON CAN CARD 3133	3,079.40
03/26/2018	Carson Byers, Reimbursement	Walmart - TVs, Wall mounts	444.68
04/19/2018	TigerTec LLC	Paid by Vitality Canada	8,190.00
05/01/2018	Owen Kenney, Reimbursement	Refridgerator	125.00
05/01/2018	Britney M. Hostutler	Britney - pay for stove	60.00
05/17/2018	Advanced Refrigeration & Appliance	freezer systems	31,301.00
05/22/2018	Bil-KST Stainless Steel Ltd	SHANGHAI PUDONG DEVWT 180522-137851 /BNF=BILL KST STAINLESS STEEL LIMITED SRF# 0004318142607852 TRN#180522137851 RFB#	10,206.00
06/22/2018	Americooler	PAYPAL *AMERICOOLE PURCHASE 06/21 402-935-7733 FL CARD 4138	3,100.00
05/30/2018		WT FED#02643 BANK OF AMERICA, N /FTR/BNF=LABORATORY SUPPLY NETWORK INC SRF# 0004318150827343 TRN#180530193107 RFB#	67,737.00
05/31/2018	Carson Byers, Reimbursement	Home Depot - AC unit	100.00
05/31/2018	Carson Byers, Reimbursement	Lab First - equipment	100.00
06/29/2018	Kevin Kenney, Reimbursement	Harbor Freight - sand blast cabinet	229.36
06/30/2018	JWC Environmental	Inv 92801 - grinder	29,617.00
07/02/2018	Webstaurant	POS purchase on 07/02/18 at THE POS purchase on 07/02/18 at THE WEBSTAURANT STOR - 717	8,034.00
07/30/2018	Bench Industries	Inv 15308	23,000.00
08/22/2018	Carson Byers, Reimbursement	Wenzhou Eagle Extractors - Reimburse for Carson using his paypal to buy supplies for lab	1,627.60
08/22/2018	Kevin Kenney, Reimbursement	Harbor Freight - pallet jack	279.98
08/28/2018	Dealers Industrial	POS purchase on 08/28/18 at DEAL POS purchase on 08/28/18 at DEALERS INDUSTRIAL E - 906	1,379.00
09/05/2018		Re-class of Freight Expenses incurred as part of Equipment Purchase from Expense to Fixed Assets.	590.80
09/06/2018	Dealers Industrial	TECO E510 NEMA 1/IP20 Variable Speed Drive With Detachable Keypad and speed pot x6 @$358.00	2,148.00
09/06/2018	Dealers Industrial	15 HP, 1800 RPM, 230/460 Volts, XPFC, 254T, Motor x1 @$1097.00	1,097.00
09/06/2018	Dealers Industrial	1 HP, 1800 RPM, 230/460 Volts, XPFC, 143T, Motor X4 @$176.00	704.00
09/07/2018	John C Ernst Co	POS purchase on 09/06/18 at JOHN POS purchase on 09/06/18 at JOHN C. ERNST CO. IN - SPA	874.48
09/11/2018	D&K Tanks	Inv09102018C	6,650.00
09/13/2018	KG Power Systems	POS purchase on 09/13/18 at KGPO POS purchase on 09/13/18 at KGPOWERSYSTEMSCOM - 800-22	4,708.00
09/14/2018	Carson Byers, Reimbursement	CMS - centrifuge	2,095.00
09/18/2018	Pipe Fittings Direct	POS purchase on 09/18/18 at PIPE POS purchase on 09/18/18 at PIPEFITTINGSDIRECT.C - 608 - flanges	276.54
09/21/2018	Torgerson's, LLC	Combine/pick up header	13,000.00
09/26/2018	Commercial Machine Services	stainless steel tank for extraction - Inv10580	2,824.77
09/26/2018	Murdoch's	200 gal rectangular water tank	369.99
09/28/2018	Equipment Connection, LLC	2018 PJ 30" low pro gooseneck trailer	15,900.00
10/04/2018	Shaw Stainless	Inv 87552 - equipment for extraction machine	7,370.26
10/04/2018		Re-class of Freight Expenses incurred as part of Equipment Purchase from Expense to Fixed Assets.	878.00
10/16/2018	Dealers Industrial	POS purchase on 10/16/18 at DEAL POS purchase on 10/16/18 at DEALERS INDUSTRIAL E - 908	1,737.00
10/16/2018		Re-class of Freight Expenses incurred as part of Equipment Purchase from Expense to Fixed Assets.	248.84
10/17/2018	Torgerson's, LLC	POS purchase on 10/16/18 at TORG POS purchase on 10/16/18 at TORGERSONS KALISPELL - KAL	2,345.00
10/19/2018	RainHarvest Systems	POS purchase on 10/19/18 at RAIN POS purchase on 10/19/18 at RAINHARVEST SYSTEMS - 770-	269.95
10/26/2018	HayAnchor.com	POS purchase on 10/26/18 at HAYA POS purchase on 10/26/18 at HAYANCHOR.COM - 9702163036	487.21
10/30/2018	Bench Industries	Auger - Inv15470	1,800.00
10/31/2018	Shaw Stainless	POS purchase on 10/31/18 at INT* POS purchase on 10/31/18 at INT*IN *SHAW STAINLE - 770	1,881.60
11/01/2018	WSParts.Inc	POS purchase on 10/31/18 at WSPA POS purchase on 10/31/18 at WSPARTS INC - 321-472-8075	400.00
11/07/2018	Advanced Refrigeration & Appliance	Ethylene Glycol Chiller System	10,967.00
11/14/2018	Carson Byers, Reimbursement	Pacific Steel - Extraction equipment - aluminum plate	315.00
11/14/2018	Kevin Kenney, Reimbursement	Pipingnow - couplings, bushings	53.43
11/14/2018	Kevin Kenney, Reimbursement	JMEllsworth - Sanitary gaskets	190.02
11/14/2018	Kevin Kenney, Reimbursement	Suzie Store - butterfly valve (sample valve)	106.98
11/14/2018	Kevin Kenney, Reimbursement	Chem Seal - butterfly valves	140.00
11/14/2018	Kevin Kenney, Reimbursement	Aquabond - butterfly valves	184.95
11/15/2018		Re-class of Freight Expenses incurred as part of Equipment Purchase from Expense to Fixed Assets.	168.34
11/16/2018	Ole Cast Machinery	Outgoing Wire	12,050.00
11/18/2018	Plumbing Supply Group	POS purchase on 11/16/18 at PLUM POS purchase on 11/16/18 at PLUMBING SUPPLY GROU - CHI - Tankless water heater and cords - order #YB181114329	7,543.64
11/16/2018	Dealers Industrial	POS purchase on 11/16/18 at DEAL POS purchase on 11/16/18 at DEALERS INDUSTRIAL E - 908	1,470.00
11/19/2018	John C Ernst Co	POS purchase on 11/16/18 at JOHN POS purchase on 11/16/18 at JOHN C. ERNST CO. IN - SPA - glass tubes, valves	1,160.47
11/20/2018	Shaw Stainless	POS purchase on 11/20/18 at INT* POS purchase on 11/20/18 at INT*IN *SHAW STAINLE - 770	1,200.00
11/20/2018	Mainlandvf	POS purchase on 11/20/18 at PAYP POS purchase on 11/20/18 at PAYPAL *MAINLANDVAL - 4029	189.60
11/20/2018	Chemseal	POS purchase on 11/20/18 at PAYP POS purchase on 11/20/18 at PAYPAL *CHEMSEALINC - 4029 - order 1924/1924-1 - butterfly valve tri clamp	460.00
11/21/2018	Mainlandvf	POS purchase on 11/21/18 at PAYP POS purchase on 11/21/18 at PAYPAL *MAINLANDVAL - 4029	-21.60
11/21/2018	Glacier Tanks	POS purchase on 11/20/18 at GLAC POS purchase on 11/20/18 at GLACIER TANKS LLC - 360-96	154.76
11/26/2018	Carson Byers, Reimbursement	Torgerson's - combine	3,746.42
11/26/2018	Carson Byers, Reimbursement	Torgerson's - Belt for combine	318.00
11/27/2018	Amazon	POS purchase on 11/27/18 at AMZN POS purchase on 11/27/18 at AMZN MKTP US*M02ME6E - AMZ	251.69
11/27/2018	Wenzhou Sunthai Valve Co	POS purchase on 11/27/18 at WWW. POS purchase on 11/27/18 at WWW.ALIBABA.COM - DELAWARE	423.39
11/28/2018	Carson Byers, Reimbursement	LabFirst Scientific Instruments - InvLB201811018	2,510.00
11/29/2018	Amazon	POS purchase on 11/28/18 at AMZN POS purchase on 11/28/18 at AMZN MKTP US*M05T73A - AMZ - water filter	84.36
11/29/2018	Amazon	POS purchase on 11/28/18 at AMAZ POS purchase on 11/28/18 at AMAZON.COM*M08YC4E70 - AMZ - centrifugal pump	269.26
11/30/2018	John C Ernst Co	POS purchase on 11/29/18 at JOHN POS purchase on 11/29/18 at JOHN C. ERNST CO. IN - SPA	326.15
12/10/2018	John C Ernst Co	POS purchase on 12/10/18 at JOHN POS purchase on 12/10/18 at JOHN C. ERNST CO. IN - SPA - - goes on extraction tanks	273.87
12/10/2018	NWestco	POS purchase on 12/08/18 at NWES POS purchase on 12/08/18 at NWESTCO - 001 - 4067554343 - 2x 500gal wall tank	2,400.00
12/11/2018	LCI Corporation International	Asby. head, mating ring, o-ring	2,107.00
12/11/2018	NWestco	POS purchase on 12/11/18 at NWES POS purchase on 12/11/18 at NWESTCO - 001 - 4067554343 - pump and other supplies	726.91
12/17/2018	Torgerson's, LLC	POS purchase on 12/16/18 at TORG POS purchase on 12/16/18 at TORGERSONS KALISPELL - KAL - refund	-1,401.90
12/17/2018	Torgerson's, LLC	POS purchase on 12/14/18 at TORG POS purchase on 12/14/18 at TORGERSONS KALISPELL - KAL - equipment returned, purchase refunded	1,401.90
12/17/2018	Guangzhour Fan Bo Lun Import & Export C	POS purchase on 12/14/18 at WWW. POS purchase on 12/14/18 at - heating mantle	1,066.00
12/20/2018	Garratt-Callahan Company	Chemical pump 150psi	419.00
12/27/2018	Carson Byers, Reimbursement	Nwestco - diesel tank and fittings	1,389.62
12/31/2018		To transfer all FA purchases after Sept 1 to project	-121,062.19
			1,017,058.45

GUARANTY OF OBLIGATIONS

This GUARANTY, dated as of February 14, 2019 (this "**Guaranty**"), is made by each of the undersigned (the "**Guarantor**"), in favor of Dominion Capital LLC, a Delaware limited liability company, in its capacity as collateral agent (in such capacity, the "**Collateral Agent**" as hereinafter further defined) for the "**Purchaser**" party to the Purchase Agreement (each as defined below).

WITNESSETH:

WHEREAS, LiveWell Canada Inc., a Canadian corporation ("**LiveWell**"), Vitality CBD Natural Health Products Inc., a Canadian corporation ("**Vitality**", and, together with LiveWell, the "**Companies**"), and Dominion Capital, LLC, in its capacity as an investor (the "**Purchaser**") are parties to the Securities Purchase Agreement, dated as of February 14, 2019 (as amended, restated, extended, replaced or otherwise modified from time to time and together with all amendments, supplements and exhibits thereto, collectively, the "**Securities Purchase Agreement**"), pursuant to which, among other actions set forth therein, LiveWell shall sell a $3,000,000 aggregate principal amount senior secured note (such note, together with any promissory notes or other securities issued in exchange or substitution therefor or replacement thereof, and as any of the same may be amended, supplemented, restated or modified and in effect from time to time, the "**Notes**") to the Purchaser; and

WHEREAS, the Securities Purchase Agreement requires that each Guarantor execute and deliver to the Collateral Agent simultaneously with the execution of the Securities Purchase Agreement (i) a guaranty guaranteeing all of the obligations of the Companies under the Securities Purchase Agreement, and the other Transaction Documents (as defined below) and (ii) a Security and Pledge Agreement, dated as of the date hereof, granting the Collateral Agent for the benefit of the Noteholders a lien on and security interest in all of their assets and properties (the "**Security Agreement**"); and

WHEREAS, each Guarantor has determined that the execution, delivery and performance of this Guaranty directly benefits, and is in the best interest of, the Guarantor and that the Purchaser would not have entered into the Securities Purchase Agreement and the other Transaction Documents and/or taken the actions required of it under such documents including purchasing the Note if the Guarantor had executed and delivered this Guaranty.-'

NOW, THEREFORE, in consideration of the premises and the agreements herein and in order to induce the Purchaser to perform under the Securities Purchase Agreement, each Guarantor hereby agrees with the Purchaser as follows:

SECTION 1. Definitions. Reference is hereby made to the Securities Purchase Agreement and the Initial Note and each Additional Note for a statement of the terms thereof. All terms used in this Guaranty and the recitals hereto which are defined in the Securities Purchase Agreement or the Initial Note or an Additional Note, and which are not otherwise defined herein shall have the same meanings herein as set forth therein. In addition, the following terms when used in the Guaranty shall have the meanings set forth below:

"**Bankruptcy Code**" means Chapter 11 of Title 11 of the United States Code, 11 U.S.C §§ 101 et seq. (or other applicable bankruptcy, insolvency or similar laws).

"**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

"**Capital Stock**" means (i) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock (including, without limitation, any warrants, options, rights or other securities exercisable or convertible into equity interests or securities of such Person), and (ii) with respect to any Person that is not a corporation, any and all partnership, membership or other equity interests of such Person.

"**Collateral**" means all assets and properties of the Parent and each other Guarantor, wherever located and whether now or hereafter existing and whether now owned or hereafter acquired, of every kind and description, tangible or intangible, including, without limitation, the collateral described in Section 2 of the Security Agreement.

"**Collateral Agent**" shall have the meaning set forth in the recitals hereto.

"**Governmental Authority**" means any nation or government, any Federal, state, city, town, municipality, county, local, foreign or other political subdivision thereof or thereto and any department, commission, board, bureau, instrumentality, agency or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"**Guaranteed Obligations**" shall have the meaning set forth in Section 2 of this Guaranty.

"**Guarantor**" shall have the meaning set forth in the first paragraph of this Guaranty.

"**Indemnified Party**" shall have the meaning set forth in Section 13(a) of this Guaranty

"**Insolvency Proceeding**" means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code or under any other bankruptcy or insolvency law, assignments for the benefit of creditors, formal or informal moratoria, compositions, or extensions generally with creditors, or proceedings seeking reorganization, arrangement, or other similar relief.

"**Notes**" shall have the meaning set forth in the recitals hereto.

"**Noteholders**" means the Buyer and any other holder of all or any portion of the Notes.

"**Obligations**" shall have the meaning set forth in Section 3 of the Security Agreement.

"**Other Taxes**" shall have the meaning set forth in Section 12(a)(iv) of this Guaranty.

"**Paid in Full**" **or** "**Payment in Full**" means the indefeasible payment in full in cash (and/or through the issuance of Company Common Stock but solely to the extent, in accordance with and pursuant to the terms of the Initial Note and any Additional Notes) of all of the Guaranteed Obligations.

"**Person**" means an individual, corporation, limited liability company, partnership, association, joint-stock company, trust, unincorporated organization, joint venture or other enterprise or entity or Governmental Authority.

"**Purchaser**" shall have the meaning set forth in the recitals hereto.

"**Securities Purchase Agreement**" shall have the meaning set forth in the recitals hereto.

"**Security Agreement**" shall have the meaning set forth in the recitals hereto.

"**Subsidiary**" means any Person in which a Guarantor directly or indirectly (i) owns a majority of the outstanding Capital Stock, voting stock or holds any equity or similar interest of such Person, or (ii) controls or operates a substantial portion of the business, operations or administration of such Person including and all of the foregoing, collectively, "**Subsidiaries**".

"**Taxes**" shall have the meaning set forth in Section 12(a) of this Guaranty.

"**Transaction Party**" means the Companies and each other Guarantor, collectively, "**Transaction Parties**".

SECTION 2. Guaranty.

(a) Each Guarantor hereby unconditionally and irrevocably guaranties to the Collateral Agent, for the benefit of the Collateral Agent, the Purchaser and any other Noteholder the punctual payment, as and when due and payable, by stated maturity, acceleration or otherwise, of all Obligations including, without limitation, all interest, make-whole, redemption and other amounts that accrue after the commencement of any Insolvency Proceeding, of the Companies or Guarantor, whether or not the payment of such principal, interest, make-whole, redemption and/or other amounts are enforceable or are allowable in such Insolvency Proceeding, and all fees, late fees (as defined in the Notes), interest, premiums, penalties, causes of actions, costs, commissions, expense reimbursements, indemnifications and all other amounts due or to become due under the Notes and the other Transaction Documents and (all of the foregoing collectively being the "**Guaranteed Obligations**"), and agrees to pay any and all costs and expenses (including reasonable and documented counsel fees and expenses) incurred by the Collateral Agent in enforcing any rights under this Guaranty or any other Transaction Document. Without limiting the generality of the foregoing, each Guarantor's liability hereunder shall extend to all amounts that constitute part of the Guaranteed Obligations and would be owed by the Companies to the Collateral Agent or the Purchaser under the Securities Purchase Agreement, the Notes and any other Transaction Document but for the fact that they are unenforceable or not allowable due to the existence of an Insolvency Proceeding involving any Transaction Party.

(b) Each Guarantor, and by its acceptance of this Guaranty, the Collateral Agent and the Purchaser, hereby confirms that it is the intention of all such Persons that this Guaranty and the Guaranteed Obligations of the Guarantor hereunder not constitute a fraudulent transfer or conveyance for purposes of the Bankruptcy Code, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar foreign, federal, provincial, state, or other applicable law to the extent applicable to this Guaranty and the Guaranteed Obligations of the Guarantor hereunder. To effectuate the foregoing intention, the Collateral Agent, the Purchaser and each Guarantor hereby irrevocably agree that the Guaranteed Obligations of the Guarantor under this Guaranty at any time shall be limited to the maximum amount as will result in the Guaranteed Obligations of the Guarantor under this Guaranty not constituting a fraudulent transfer or conveyance.

SECTION 3. Guaranty Absolute; Continuing Guaranty; Assignments.

(a) Each Guarantor hereby guaranties that the Guaranteed Obligations will be paid strictly in accordance with the terms of the Notes and the other Transaction Documents, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Collateral Agent, the Purchaser and/or any other Noteholder with respect thereto. The obligations of each Guarantor under this Guaranty are independent of the Guaranteed Obligations, and a separate action or actions may be brought and prosecuted against each Guarantor to enforce such obligations, irrespective of whether any action is brought against any Transaction Party or whether any Transaction Party is joined in any such action or actions. The liability of each Guarantor under this

Guaranty shall be as a primary obligor (and not merely as a surety) and shall be irrevocable, absolute and unconditional irrespective of, and each Guarantor hereby irrevocably waives, to the maximum extent permitted by law, any defenses it may now or hereafter have in any way relating to, any or all of the following:

(i) any lack of validity or enforceability of the Notes and/or any other Transaction Document;

(ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to departure from any Transaction Document, including, without limitation, any increase in the Guaranteed Obligations resulting from the extension of additional credit to any Transaction Party or extension of the maturity of any Guaranteed Obligations or otherwise;

(iii) any taking, exchange, release or non-perfection of any Collateral;

(iv) any taking, release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations;

(v) any change, restructuring or termination of the corporate, limited liability company or partnership structure or existence of any Transaction Party;

(vi) any manner of application of Collateral or any other collateral, or proceeds thereof, to all or any of the Guaranteed Obligations, or any manner of sale or other disposition of any Collateral or any other collateral for all or any of the Guaranteed Obligations or any other Obligations of any Transaction Party under the Transaction Documents or any other assets of any Transaction Party or any of its Subsidiaries;

(vii) any failure of the Collateral Agent, the Purchaser and/or any other Noteholder to disclose to any Transaction Party any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of any other Transaction Party now or hereafter known to the Collateral Agent, the Purchaser and/or any other Noteholder (each Guarantor waiving any duty on the part of the Collateral Agent, the Purchaser and/or any other Noteholder to disclose such information);

(viii) taking any action in furtherance of the release of the Guarantor or any other Person that is liable for the Obligations from all or any part of any liability arising under or in connection with any Transaction Document without the prior written consent of the Collateral Agent; or

(ix) any other circumstance (including, without limitation, any statute of limitations) or any existence of or reliance on any representation by the Collateral Agent, the Purchaser and/or any other Noteholder that might otherwise constitute a defense available to, or a discharge of, any Transaction Party or any other guarantor or surety.

(b) This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by the Collateral Agent, the Purchaser, any other Noteholder and/or any other Person upon the

insolvency, bankruptcy or reorganization of any Transaction Party or otherwise, all as though such payment had not been made.

(c) This Guaranty is a continuing guaranty and shall (i) remain in full force and effect until Payment in Full of the Guaranteed Obligations (other than inchoate indemnity obligations) and shall not terminate for any reason prior to the Maturity Date of the Notes (other than Payment in Full of the Guaranteed Obligations), and (ii) be binding upon each Guarantor and its respective successors and assigns. This Guaranty shall inure to the benefit of and be enforceable by the Collateral Agent, the Purchaser and/or any other Noteholder and their respective successors, and permitted pledgees, transferees and assigns. Without limiting the generality of the foregoing sentence, the Collateral Agent, the Purchaser and/or any other Noteholder may pledge, assign or otherwise transfer all or any portion of its rights, remedies and obligations under and subject to the terms of any Transaction Document to any other Person and such other Person shall thereupon become vested with all the benefits in respect thereof granted to the Collateral Agent, the Purchaser and/or any other Noteholder (as applicable) herein or otherwise, in each case as provided in the Securities Purchase Agreement or such other Transaction Document.

SECTION 4. Waivers. To the extent permitted by applicable law, each Guarantor hereby waives promptness, diligence, protest, notice of acceptance and any other notice or formality of any kind with respect to any of the Guaranteed Obligations and this Guaranty and any requirement that the Collateral Agent exhaust any right or take any action against any Transaction Party or any other Person or any Collateral. Each Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated herein and that the waiver set forth in this Section 4 is knowingly made in contemplation of such benefits. Each Guarantor hereby waives any right to revoke this Guaranty, and acknowledges that this Guaranty is continuing in nature and applies to all Guaranteed Obligations, whether existing now or in the future. Without limiting the foregoing, to the extent permitted by applicable law, each Guarantor hereby unconditionally and irrevocably waives (a) any defense arising by reason of any claim or defense based upon an election of remedies by the Collateral Agent or the Purchaser that in any manner impairs, reduces, releases or otherwise adversely affects the subrogation, reimbursement, exoneration, contribution or indemnification rights of the Guarantor or other rights of the Guarantor to proceed against any of the other Transaction Parties, any other guarantor or any other Person or any Collateral, and (b) any defense based on any right of set-off or counterclaim against or in respect of the Guaranteed Obligations of the Guarantor hereunder. Each Guarantor hereby unconditionally and irrevocably waives any duty on the part of the Collateral Agent, the Purchaser and/or any other Noteholder to disclose to the Guarantor any matter, fact or thing relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of any other Transaction Party or any of its Subsidiaries now or hereafter known by the Collateral Agent, the Purchaser and/or any other Noteholder.

SECTION 5. Subrogation. No Guarantor may exercise any rights that it may now or hereafter acquire against any Transaction Party or any other Guarantor and/or guarantor that arise from the existence, payment, performance or enforcement of the Guarantor's obligations under this Guaranty, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of the Collateral Agent, the Purchaser and/or any other Noteholder against any Transaction Party or any other guarantor or any Collateral, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from any Transaction Party or any other guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security solely on account of such claim, remedy or right, unless and until there has been Payment in Full of the Guaranteed Obligations. If any amount shall be paid to a Guarantor in violation of the immediately preceding sentence at any time prior to Payment in Full of the Guaranteed Obligations and all other

amounts payable under this Guaranty, such amount shall be held in trust for the benefit of the Collateral Agent and shall forthwith be paid to the Collateral Agent to be credited and applied to the Guaranteed Obligations and all other amounts payable under this Guaranty, whether matured or un-matured, in accordance with the terms of the Transaction Document, or to be held as Collateral for any Guaranteed Obligations or other amounts payable under this Guaranty thereafter arising. If (a) a Guarantor shall make payment to the Collateral Agent of all or any part of the Guaranteed Obligations, and (b) there has been Payment in Full of the Guaranteed Obligations, the Collateral Agent will, at the Guarantor's request and expense, execute and deliver to the Guarantor appropriate documents to evidence payment in Full of the Guaranteed Obligations without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Guaranteed Obligations resulting from such payment by the Guarantor.

SECTION 6. Representations, Warranties and Covenants.

(a) Each Guarantor hereby represents and warrants as of the date first written above as follows:

(i) the Guarantor (A) is a corporation, limited liability company or limited partnership duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization as set forth on the signature pages hereto, (B) has all requisite corporate, limited liability company or limited partnership power and authority to conduct its business as now conducted and as presently contemplated and to execute, deliver and perform its obligations under this Guaranty and each other Transaction Document to which the Guarantor is a party, and to consummate the transactions contemplated hereby and thereby and (C) is duly qualified to do business and is in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary except where the failure to be so qualified (individually or in the aggregate) would not result in a Material Adverse Effect.

(ii) The execution, delivery and performance by the Guarantor of this Guaranty and each other Transaction Document to which the Guarantor is a party (A) have been duly authorized by all necessary corporate, limited liability company or limited partnership action, (B) do not and will not contravene its charter, articles, certificate of formation or by-laws, its limited liability company or operating agreement or its certificate of partnership or partnership agreement, as applicable, or any applicable law or any contractual restriction binding on the Guarantor or its properties do not and will not result in or require the creation of any lien, security interest or encumbrance (other than pursuant to any Transaction Document) upon or with respect to any of its properties, and (C) do not and will not result in any default, noncompliance, suspension, revocation, impairment, forfeiture or nonrenewal of any material permit, license, authorization or approval applicable to it or its operations or any of its properties.

(iii) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or other Person is required in connection with the due execution, delivery and performance by the Guarantor of this Guaranty or any of the other Transaction Documents to which the Guarantor is a party (other than expressly provided for in any of the Transaction Documents).

(iv) This Guaranty has been duly executed and delivered by the Guarantor and is, and each of the other Transaction Documents to which the Guarantor is or will be

a party, when executed and delivered, will be, a legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms, except as may be limited by the Bankruptcy Code or other applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, suretyship or similar laws and equitable principles (regardless of whether enforcement is sought in equity or at law).

(v) There is no pending or, to the knowledge of the Guarantor, threatened action, suit or proceeding against the Guarantor or to which any of the properties of the Guarantor is subject, before any court or other Governmental Authority or any arbitrator that (A) if adversely determined, could reasonably be expected to have a Material Adverse Effect or (B) relates to this Guaranty or any of the other Transaction Documents to which the Guarantor is a party or any transaction contemplated hereby or thereby.

(vi) The Guarantor (A) has read and understands the terms and conditions of the Securities Purchase Agreement and the other Transaction Documents, and (B) now has and will continue to have independent means of obtaining information concerning the affairs, financial condition and business of the Companies and the other Transaction Parties, and has no need of, or right to obtain from the Collateral Agent or the Purchaser, any credit or other information concerning the affairs, financial condition or business of the Companies or the other Transaction Parties.

(vii) There are no conditions precedent to the effectiveness of this Guaranty that have not been satisfied or waived.

(b) Each Guarantor covenants and agrees that until Payment in Full of the Guaranteed Obligations, it will comply with each of the covenants which are set forth in Section 4 of the Securities Purchase Agreement as if the Guarantor were a party thereto.

SECTION 7. Right of Set-off. Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent, the Purchaser and/or any other Noteholder may, and is hereby authorized to, at any time and from time to time, without notice to the Guarantors (any such notice being expressly waived by each Guarantor) and to the fullest extent permitted by law, set-off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Collateral Agent, the Purchaser and/or any other Noteholder to or for the credit or the account of the Guarantors against any and all obligations of the Guarantors now or hereafter existing under this Guaranty or any other Transaction Document, irrespective of whether or not the Collateral Agent, the Purchaser and/or any other Noteholder shall have made any demand under this Guaranty or any other Transaction Document and although such obligations may be contingent or unmatured. The Collateral Agent, the Purchaser and/or any other Noteholder agrees to notify the relevant Guarantor promptly after any such set-off and application made by the Collateral Agent or the Purchaser, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Collateral Agent, the Purchaser and/or any other Noteholder under this Section 7 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Collateral Agent, the Purchaser and/or any other Noteholder may have under this Guaranty or any other Transaction Document in law or otherwise.

SECTION 8. Limitation on Guaranteed Obligations.

(a) Notwithstanding any provision herein contained to the contrary, each Guarantor's liability hereunder shall be limited to an amount not to exceed as of any date of determination the greater of:

(i) the amount of all Guaranteed Obligations, plus interest thereon at the applicable interest rate as specified in the Notes, including Cash Interest and PIK Interest; and

(ii) the amount which could be claimed by the Collateral Agent from the Guarantor under this Guaranty without rendering such claim voidable or avoidable under the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law after taking into account, among other things, Guarantor's right of contribution and indemnification.

(b) Each Guarantor agrees that the Guaranteed Obligations may at any time and from time to time exceed the amount of the liability of the Guarantor hereunder without impairing the guaranty hereunder or affecting the rights and remedies of the Collateral Agent, the Purchaser and/or any other Noteholder hereunder or under applicable law.

(c) No payment made by the Companies, the Guarantors, any other guarantor or any other Person or received or collected by the Collateral Agent, the Purchaser and/or any other Noteholder from the Companies, the Guarantor, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Guaranteed Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of the Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by the Guarantors in respect of the Guaranteed Obligations or any payment received or collected from the Guarantors in respect of the Guaranteed Obligations), remain liable for the Guaranteed Obligations up to the maximum liability of the Guarantors hereunder until after all of the Guaranteed Obligations and all other amounts payable under this Guaranty shall have been Paid in Full.

SECTION 9. Notices, Etc. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Guaranty must be in writing and will be deemed to have been given and effective on the earliest of: (a) the date of transmission, if such notice or communication is delivered via facsimile or email attachment at the facsimile number or email address as set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Business Day, (b) the next Business Day after the date of transmission, if such notice or communication is delivered via facsimile or email attachment at the facsimile number or email address as set forth on the signature pages attached hereto on a day that is not a Business Day or later than 5:30 p.m. (New York City time) on any Business Day, (c) the second (2^{nd}) Business Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

SECTION 10. Exclusive Jurisdiction; Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Note shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflict of laws thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement and defense of the transactions contemplated by any of the Transaction Documents (whether brought against a party hereto or its respective Affiliates, directors, officers, shareholders, employees or agents) shall only be commenced in the state and federal courts sitting in New York, New York (the "New York Courts"). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the

New York Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such New York Courts, or such New York Courts are improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by applicable Law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable Law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Note or the transactions contemplated hereby.

SECTION 11. WAIVER OF JURY TRIAL, ETC. EACH GUARANTOR HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR UNDER ANY OTHER TRANSACTION DOCUMENT OR IN CONNECTION WITH OR ARISING OUT OF THIS GUARANTY, ANY OTHER TRANSACTION DOCUMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY.

SECTION 12. Taxes.

(a) All payments made by the Guarantors hereunder or under any other Transaction Document shall be made in accordance with the terms of the respective Transaction Document and shall be made without set-off, counterclaim, withholding, deduction or other defense. Without limiting the foregoing, all such payments shall be made free and clear of and without deduction or withholding for any present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding taxes imposed on the net income of the Collateral Agent, the Purchaser and/or any other Noteholder by the jurisdiction in which the Collateral Agent, the Purchaser and/or any other Noteholder is organized or where it has its principal lending office (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities, collectively or individually, "**Taxes**"). If a Guarantor shall be required to deduct or to withhold any Taxes from or in respect of any amount payable hereunder or under any other Transaction Document:

(i) the amount so payable shall be increased to the extent necessary so that after making all required deductions and withholdings (including Taxes on amounts payable to the Collateral Agent or the Purchaser pursuant to this sentence) the Collateral Agent or the Purchaser receives an amount equal to the sum it would have received had no such deduction or withholding been made,

(ii) the Guarantor shall make such deduction or withholding,

(iii) the Guarantor shall pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law, and

(iv) as promptly as possible thereafter, the Guarantor shall send the Collateral Agent or the Purchaser an official receipt (or, if an official receipt is not available, such other documentation as shall be satisfactory to the Collateral Agent, as the case may be) showing payment. In addition, the Guarantor agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that

arise from any payment made hereunder or from the execution, delivery, registration or enforcement of, or otherwise with respect to, this Guaranty or any other Transaction Document (collectively, **"Other Taxes"**).

(b) Each Guarantor hereby indemnifies and agrees to hold each Indemnified Party harmless from and against Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 12) paid by any Indemnified Party as a result of any payment made hereunder or from the execution, delivery, registration or enforcement of, or otherwise with respect to, this Guaranty or any other Transaction Document, and any liability (including penalties, interest and expenses for nonpayment, late payment or otherwise) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted so long as the Guarantor was provided with the right set forth above. This indemnification shall be paid within thirty (30) days from the date on which the Collateral Agent or the Purchaser makes written demand therefor, which demand shall identify the nature and amount of such Taxes or Other Taxes.

(c) If a Guarantor fails to perform any of its obligations under this Section 12, the Guarantor shall indemnify the Collateral Agent and the Purchaser for any taxes, interest or penalties that may become payable as a result of any such failure. The obligations of each Guarantor under this Section 12 shall survive the termination of this Guaranty and the payment of the Obligations and all other amounts payable hereunder.

SECTION 13. Indemnification.

(a) Without limitation of any other obligations of the Guarantors or remedies of the Collateral Agent or the Purchaser under this Guaranty or applicable law, except to the extent resulting from such Indemnified Party's gross negligence or willful misconduct, as determined by a final judgment of a court of competent jurisdiction no longer subject to appeal, each Guarantor shall, to the fullest extent permitted by law, indemnify, defend and save and hold harmless the Collateral Agent and the Purchaser and each of their affiliates and their respective officers, directors, members, managers, employees, agents and advisors (each, an **"Indemnified Party"**) from and against, and shall pay on demand, any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and expenses of counsel) that may be incurred by or asserted or awarded against any Indemnified Party in connection with or as a result of any failure of any Guaranteed Obligations to be the legal, valid and binding obligations of any Transaction Party enforceable against such Transaction Party in accordance with their terms.

(b) Each Guarantor hereby also agrees that none of the Indemnified Parties shall have any liability (whether direct or indirect, in contract, tort or otherwise) or any fiduciary duty or obligation to the Guarantor or any of its respective affiliates or any of their respective officers, directors, employees, agents and advisors, and the Guarantor hereby agrees not to assert any claim against any Indemnified Party on any theory of liability, for special, indirect, consequential, incidental or punitive damages arising out of or otherwise relating to the facilities, the actual or proposed use of the proceeds of the advances, the Transaction Documents or any of the transactions contemplated by the Transaction Documents.

SECTION 14. Miscellaneous.

(a) Each Guarantor will make each payment hereunder in lawful money of the United States of America and in immediately available funds to the Collateral Agent or the Purchaser, at such address specified by the Collateral Agent or the Purchaser from time to time by notice to the Guarantor.

(b) No amendment or waiver of any provision of this Guaranty and no consent to any departure by a Guarantor therefrom shall in any event be effective unless the same shall be in writing and signed by the Guarantors, the Collateral Agent and the Purchaser, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(c) No failure on the part of the Collateral Agent or the Purchaser to exercise, and no delay in exercising, any right or remedy hereunder or under any other Transaction Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder or under any Transaction Document preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies of the Collateral Agent and the Purchaser provided herein and in the other Transaction Documents are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law. The rights and remedies of the Collateral Agent and the Purchaser under any Transaction Document against any party thereto are not conditional or contingent on any attempt by the Collateral Agent or the Purchaser to exercise any of their respective rights or remedies under any other Transaction Document against such party or against any other Person.

(d) If any provision of this Guaranty or any Transaction Document is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Guaranty so long as this Guaranty as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

(e) This Guaranty is a continuing guaranty and shall (i) remain in full force and effect until Payment in Full of the Guaranteed Obligations (other than inchoate indemnity obligations) and shall not terminate for any reason prior to the respective Maturity Date of the Notes (other than Payment in Full of the Guaranteed Obligations) and (ii) be binding upon each Guarantor and its respective successors and assigns. This Guaranty shall inure, together with all rights and remedies of the Collateral Agent hereunder, to the benefit of and be enforceable by the Collateral Agent, the Purchaser, and their respective successors, and permitted pledgees, transferees and assigns. Without limiting the generality of the foregoing sentence, the Collateral Agent or the Purchaser may pledge, assign or otherwise transfer all or any portion of its rights and obligations under and subject to the terms of the Securities Purchase Agreement or any other Transaction Document to any other Person in accordance with the terms thereof, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to the Collateral Agent or the Purchaser (as applicable) herein or otherwise, in each case as provided in the Securities Purchase Agreement or such Transaction Document. None of the rights or obligations of the Guarantors hereunder may be assigned or otherwise transferred without the prior written consent of the Purchaser.

(f) This Guaranty and the other Transaction Documents reflect the entire understanding of the transaction contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, entered into before the date hereof.

(g) The headings of this Guaranty are for convenience of reference and shall not form part of, or affect the interpretation of, this Guaranty. Unless the context clearly indicates otherwise,

each pronoun herein shall be deemed to include the masculine, feminine, neuter, singular and plural forms thereof. The terms "including," "includes," "include" and words of like import shall be construed broadly as if followed by the words "without limitation." The terms "herein," "hereunder," "hereof" and words of like import refer to this entire Agreement instead of just the provision in which they are found.

SECTION 15. Currency Indemnity.

If, for the purpose of obtaining or enforcing judgment against Guarantor in any court in any jurisdiction, it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section 15 referred to as the "**Judgment Currency**") an amount due under this Guaranty in any currency (the "**Obligation Currency**") other than the Judgment Currency, the conversion shall be made at the rate of exchange prevailing on the Business Day immediately preceding (a) the date of actual payment of the amount due, in the case of any proceeding in the courts of courts of the jurisdiction that will give effect to such conversion being made on such date, or (b) the date on which the judgment is given, in the case of any proceeding in the courts of any other jurisdiction (the applicable date as of which such conversion is made pursuant to this Section 15 being hereinafter in this Section 15 referred to as the "**Judgment Conversion Date**").

If, in the case of any proceeding in the court of any jurisdiction referred to in the preceding paragraph, there is a change in the rate of exchange prevailing between the Judgment Conversion Date and the date of actual receipt of the amount due in immediately available funds, the Guarantors shall pay such additional amount (if any, but in any event not a lesser amount) as may be necessary to ensure that the amount actually received in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of the Obligation Currency which could have been purchased with the amount of the Judgment Currency stipulated in the judgment or judicial order at the rate of exchange prevailing on the Judgment Conversion Date. Any amount due from a Guarantor under this Section 15 shall be due as a separate debt and shall not be affected by judgment being obtained for any other amounts due under or in respect of this Guaranty.

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IN WITNESS WHEREOF, each Guarantor has caused this Guaranty to be executed by its respective duly authorized officer, as of the date first above written.

LIVEWELL FOODS CANADA INC.

By: _____
Name:
Title:

LIVEWELL FOODS QUEBEC INC.

By: _____
Name:
Title:

O-HEMP INC.

By: _____
Name:
Title:

ARTIVA, INC.

By: _____
Name:
Title:

ACCEPTED BY:

DOMINION CAPITAL LLC
as Collateral Agent

By: DocuSigned by: Mikhail Gurwich EF58C284300A402...
Name:
Title:
Address:

IN WITNESS WHEREOF, Vitality has caused this Guaranty to be executed by its respective duly authorized officer, as of the date first above written.

VITALITY CBD NATURAL HEALTH PRODUCTS INC., as Guarantor

By:_____
Name:
Title:

IN WITNESS WHEREOF, Vitality Natural Health LLC has caused this Guaranty to be executed by its respective duly authorized officer, as of the date first above written.

VITALITY NATURAL HEALTH LLC.,
as Guarantor

By: _____
Name: Steven Kretzmann
Title: CFO

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "Agreement") is dated as of February 14, 2019, between LiveWell Canada Inc., a Canadian corporation ("LiveWell"), Vitality CBD Natural Health Products Inc., a Canadian corporation ("Vitality", and, together with LiveWell, the "Companies"), each of the individuals and/or entities that execute a signature page hereto (each a "Purchaser" and collectively the "Purchasers") and Dominion Capital LLC, as a Purchaser and as collateral agent.

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506 promulgated thereunder, the Companies desire to issue and sell to the Purchasers, and the Purchasers desires to purchase from the Companies, securities of the Companies as more fully described in this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Companies and the Purchasers agree as follows:

ARTICLE I
DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement: (a) capitalized terms that are not otherwise defined herein have the meanings given to such terms in the Note (as defined herein), and (b) the following terms have the meanings set forth in this Section 1.1:

"Acquiring Person" shall have the meaning ascribed to such term in Section 4.7.

"Action" shall have the meaning ascribed to such term in Section 3.1(j).

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Artiva Property" means the real property owned by Artiva Inc., a Subsidiary of LiveWell, located at 5130 and 5208 Ramsayville Road, Ottawa, Ontario, Canada.

"Board of Directors" means the boards of directors of the Companies.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or Canada or any day on which commercial banking institutions in the State of New York or the Province of Ontario are authorized or required by law or other governmental action to close.

"Canadian AML Laws" means all laws, rules and regulations of Canada generally known to concern bribery of government officials or public corruption including, without limitation, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada); Part II.1 of the *Criminal Code* (Canada); the *Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism* (Canada); the *United Nations Al-Quaida and Taliban Regulations* (Canada) and any similar laws or regulations currently in force or hereafter enacted.

"Canadian Pension Plan" means any pension, retirement, savings, profit sharing, health, medical, dental, disability, life insurance, welfare or other employee benefit plan, program, policy or practice, whether written or oral, funded or unfunded, registered or unregistered, including, without limitation, a "registered pension plan," as that term is defined in subsection 248(1) of the *Canadian Tax Act*, which is or was sponsored, administered or contributed to, or required to be contributed to by, the Companies or under which the Companies have any actual or potential liability.

"Canadian Sanction Laws" means all economic or financial sanctions or trade embargoes or restrictive measures enacted, imposed, administered or enforced from time to time by the Canadian government including,

without limitation, any sanctions imposed by the *Special Economic Measures Act* (Canada), the *United Nations Act* (Canada) or any Canadian AML Laws.

"Canadian Securities Authorities" means, collectively, the securities commissions or similar securities regulatory authorities in each of the provinces or territories of Canada, including the OSC, and the Toronto Stock Exchange, the TSX Venture Exchange, the NEO Exchange and the Canadian Securities Exchange.

"Canadian Securities Laws" means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder.

"Closing" means the closing of the purchase and sale of the Securities pursuant to Section 2.1.

"Closing Date" means the Trading Day on which all of the Transaction Documents have been executed and delivered by the applicable parties thereto, and all conditions precedent to (i) the Purchaser's obligations to pay the Subscription Amount and (ii) the Companies' obligations to deliver the Securities, in each case, have been satisfied or waived.

"Commission" means the United States Securities and Exchange Commission.

"Vitality Common Stock" means the common stock of Vitality and any other class of securities into which such securities may hereafter be reclassified or changed.

"LiveWell Common Stock" means the common stock of LiveWell and any other class of securities into which such securities may hereafter be reclassified or changed.

"Collateral Agent" shall have the meaning set forth in Article VI.

"Common Stock Equivalents" means any securities of the Companies or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Conversion Price" shall have the meaning ascribed to such term in the Note.

"Conversion Shares" shall have the meaning ascribed to such term in the Note.

"Disclosure Schedules" shall have the meaning ascribed to such term in Section 3.1.

"Disclosure Time" means, (i) if this Agreement is signed prior to midnight on any Trading Day, 8:00 a.m. (New York City time) on the Trading Day immediately following the date hereof, and (ii) if this Agreement is signed after midnight on any Trading Day, 8:00 a.m. (New York City time) on the date hereof.

"Dominion" shall mean Dominion Capital LLC.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Exempt Issuance" means the issuance of (a) shares of Common Stock or options to employees, officers, service providers such as attorneys or bona-fide independent contractors of the Companies, or directors of the Companies pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Companies, or approved by a majority of shareholders of the Companies, (b) securities upon the exercise or exchange of or conversion of any Securities issued hereunder and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date of this Agreement, provided that such securities have not

been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than in connection with stock splits or combinations) or to extend the term of such securities, and (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Companies, provided that such securities are issued as "restricted securities" (as defined in Rule 144) and carry no registration rights that require or permit the filing of any registration statement in connection therewith during the prohibition period in Section 4.13(a) herein, and provided that any such issuance shall only be to a Person (or to the equityholders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Companies and shall provide to the Companies additional benefits in addition to the investment of funds, but shall not include a transaction in which the Companies is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

"FCPA" means the Foreign Corrupt Practices Act of 1977, as amended.

"Hypothec" means the movable hypothec, among LiveWell and its Quebec Subsidiary, as grantors, and Dominion, as hypothecary representative for the Purchasers (including Dominion), charging all movable (personal) property, present and future, of LiveWell and its Quebec Subsidiary, in the form substantially similar to Exhibit E attached hereto.

"Indebtedness" shall have the meaning ascribed to such term in Section 3.1(bb).

"Intellectual Property Rights" shall have the meaning ascribed to such term in Section 3.1(p).

"Legend Removal Date" shall have the meaning ascribed to such term in Section 4.1(c).

"Liens" means a lien, charge, pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

"Litchfield Property" means the real property owned by LiveWell Foods Québec Inc., a Subsidiary of LiveWell, located at 211, Route 301, Litchfield, Québec, Canada.

"Material Adverse Effect" shall have the meaning assigned to such term in Section 3.1(b).

"Material Permits" shall have the meaning ascribed to such term in Section 3.1(n).

"Mortgage and Assignment of Leases and Rents" means the mortgage and assignment of leases and rents, among Artiva Inc., a Subsidiary of LiveWell, as grantors, and Dominion, as collateral agent for the Purchasers (including Dominion), in connection with the Artiva Property in the form substantially similar to Exhibit E attached hereto.

"Montana Property" means the real property known municipally as 254 Truss Road, Eureka, Montana 59917, and the specific equipment located therein.

"New Mexico Property" means the real property known municipally as 9085 Advancement Ave., Las Cruces, New Mexico, and the specific equipment located therein.

"Notes" means the 10% Senior Secured Convertible Notes in the aggregate principal amount of $3,000,000 due, subject to the terms therein, twelve (12) months from its date of issuance, issued by LiveWell to each Purchaser hereunder, in the form of Exhibit A attached hereto.

"OSC" means the Ontario Securities Commission.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Proceeding" means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Public Information Failure" shall have the meaning ascribed to such term in Section 4.3(b).

"Public Information Failure Payments" shall have the meaning ascribed to such term in Section 4.3(b).

"Purchaser Party" shall have the meaning ascribed to such term in Section 4.10.

"Registration Rights Agreement" means the Registration Rights Agreement, dated on or about the date hereof, among the Companies and the Purchaser, in the form of Exhibit B attached hereto.

"Registration Statement" means a registration statement meeting the requirements set forth in the Registration Rights Agreement and covering the resale of the Underlying Shares by the Purchaser as provided for in the Registration Rights Agreement.

"Required Approvals" shall have the meaning ascribed to such term in Section 3.1(e).

"Required Minimum" means, as of any date, 200% of the maximum aggregate number of shares of Common Stock then issued or potentially issuable in the future pursuant to the Transaction Documents, including any Underlying Shares issuable upon exercise in full of all Warrants or conversion in full of all Notes (including Underlying Shares issuable as payment of interest on the Note), ignoring any conversion or exercise limits set forth therein, and assuming that the Conversion Price is at all times on and after the date of determination 75% of the then Conversion Price on the Trading Day immediately prior to the date of determination.

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"SEC Reports" shall have the meaning ascribed to such term in Section 3.1(h).

"Securities" means the Note, the Warrants, the Warrant Shares and the Underlying Shares.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Security Agreements" means collectively, (i) the Security Agreement governed by the laws of Ontario, and (ii) the Security Agreement governed by the laws of New York, among the Companies and their Subsidiaries, as grantors, and Dominion, as collateral agent, each in the form substantially similar to Exhibit E attached hereto.

"Security Documents" means collectively, the Security Agreements, the Hypothec, the Subsidiary Guarantee and the Mortgage and Assignment of Leases and Rents.

"Short Sales" means all "short sales" as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include locating and/or borrowing shares of Common Stock).

"Subscription Amount" means, as to the Purchaser, the aggregate amount to be paid for Notes and Warrants purchased hereunder as specified below the Purchaser's name on the signature page of this Agreement and next to the heading "Subscription Amount," in United States dollars and in immediately available funds.

"Subsequent Financing" shall have the meaning ascribed to such term in Section 4.16.

"Subsidiary" means any subsidiary of the Companies as set forth on Schedule 3.1(a) and shall, where applicable, also include any direct or indirect subsidiary of the Companies formed or acquired after the date hereof.

"Subsidiary Guarantee" means the Guarantee Agreement governed by the laws of New York, among the Subsidiaries and Vitality, as guarantors, and Dominion, as collateral agent for the Purchasers (including Dominion), as beneficiaries, in the form substantially similar to Exhibit D attached hereto.

"Trading Day" means a day on which the principal Trading Market is open for trading.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the Toronto Stock Exchange, the TSX Venture Exchange, the NEO Exchange, the Canadian Securities Exchange, or the New York Stock Exchange (or any successors to any of the foregoing).

"Transaction Documents" means this Agreement, the Notes, the Warrants, the Registration Rights Agreement, the Security Documents, all exhibits and schedules thereto and hereto and any other documents or agreements executed in connection with the transactions contemplated hereunder.

"Transfer Agent" means TSX Trust, the current transfer agent of LiveWell, and any successor transfer agent of LiveWell.

"Underlying Shares" means the Warrant Shares and shares of Common Stock issued and issuable pursuant to the terms of the Notes, including without limitation, shares of Common Stock issued and issuable in lieu of the cash payment of interest on the Notes in accordance with the terms of the Notes, in each case without respect to any limitation or restriction on the conversion of the Notes or the exercise of the Warrants.

"Variable Rate Transaction" shall have the meaning ascribed to such term in Section 4.17

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time); provided, however, that if the Common Stock is then listed or quoted on more than one Trading Market, then the Trading Market for purposes of any calculations to be made pursuant to the terms of this Note shall be the Trading Market selected by the Holder in its sole discretion), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Purchaser of a majority in interest of the Securities then outstanding and reasonably acceptable to the Companies, the fees and expenses of which shall be paid by the Companies.

"Warrants" means the Vitality Common Stock purchase warrants delivered to the Purchaser at the Closing in accordance with Section 2.2(a) hereof, in the form of Exhibit C attached hereto.

"Warrant Shares" means the shares of Vitality Common Stock issuable upon exercise of the Warrants.

ARTICLE II

PURCHASE AND SALE

2.1 Closing. (a) On the Initial Closing Date, upon the terms and subject to the conditions set forth herein, substantially concurrent with the execution and delivery of this Agreement by the parties hereto, the Companies agree to sell, and the Purchasers agree to purchase, the Notes and the Warrants. The Purchasers shall deliver to LiveWell's counsel in trust, Perley-Robertson, Hill & McDougall LLP/s.r.l, via wire transfer, the Subscription Amount set forth opposite such Purchasers name on the signature page hereto (which Subscription Amounts shall aggregate USD $3,000,000)in immediately available funds, and the Livewell shall deliver to the Purchasers the Notes and Warrants, and the Companies and the Purchaser shall deliver the other items set forth in Section 2.2 deliverable at the Initial Closing. Upon satisfaction of the covenants and conditions set forth in Sections 2.2 and 2.3, the Closing shall occur by electronic exchange of documents.

(b) Subsequent to the execution and delivery of this Purchase Agreement and prior to the second anniversary of the Initial Closing, Dominion may request, and Livewell in its sole discretion may permit Dominion and certain Purchasers designated by Dominion to purchase second notes in the aggregate principal amount of up to $15,000,000 (the "Second Notes') and second warrants (the "Second Warrants") to purchase up to an additional aggregate 15,000,000 shares of Common Stock of Livewell or any successor entity by providing Dominion with notice within ten (10) days of the Livewell's receipt of the request from Dominion. The Second Note and the Second Warrant will have such terms and conditions as Dominion and the Company agree. For the avoidance of doubt, the issuance of the Second Notes and the Second Warrants shall be subject to the Company's approval upon the request of Dominion.

2.2 Deliveries.

(a) On or prior to the Initial Closing Date, the Companies shall deliver or cause to be delivered to the Purchasers the following:

(i) this Agreement duly executed by the Companies;

(ii) the Notes with an aggregate principal amount of $2,000,000 registered in the name of the Purchasers;

(iii) the Warrants registered in the name of the Purchaser to purchase 2,000,000 shares of Vitality Common Stock;

(iv) LiveWell shall have provided the Purchaser with its wire instructions;

(v) to the extent that the Security Documents are in a final settled form, duly executed copies of the Security Documents by the Companies, and their Subsidiaries, as applicable;

(vi) an IP Security Agreement;

(vi) the Registration Rights Agreement duly executed by the Companies;

(vii) a duly certified copy of the constating documents and by-laws of each of the Companies and their Subsidiaries certified by a senior officer of the relevant entity, accompanied by good standing or equivalent certificates issued by the appropriate governmental body of each entity's jurisdiction of incorporation and principal place of business;

(viii) a duly certified copy of a resolution or resolutions of the board of directors of each of the Companies and their Subsidiaries relating to the authority of each entity to execute and deliver and perform its obligations under the Transaction Documents to which it is a party and all other instruments, agreements, certificates and other documents provided for or contemplated by the said Transaction Documents and the manner in which and by whom the foregoing documents are to be executed and delivered, certified by a senior officer of the relevant entity; and

(ix) legal opinions from counsel to the Companies and their Subsidiaries relating to such matters as the Purchasers may reasonably require.

(b) On or prior to the Initial Closing Date, the Purchasers shall deliver or cause to be delivered to the Companies the following:

(i) this Agreement duly executed by each Purchaser;

(ii) the Purchaser's Subscription Amount by wire transfer to Perley-Robertson, Hill & McDougall LLP/s.r.l in trust in the account specified in Schedule 2.2(b);

(iii) to the extent that the Security Documents are in a final settled form, duly executed copies of the Security Documents in favor of Purchasers, as secured party; and

(iv) the Registration Rights Agreement duly executed by the Purchaser.

(c) In the event the Purchasers elect to purchase the Second Notes and Second Warrants, and the Company approves such purchase, on or prior to the Second Closing Date, the Companies shall deliver or cause to be delivered to the Purchasers the following

(i)the Second Notes

(ii) the Second Warrants

(iii) an officer's certificate certifying that the representations and warranties are true and correct as of such date and that all conditions set forth in Section 2.3 have been met.

(d) In the event the Purchasers elect to purchase the Second Notes and Second Warrants, and the Company approves such purchase, on or prior to the Second Closing Date, the Purchasers shall deliver or cause to be delivered to the Companies the following:

(i) the Purchaser's Subscription Amount by wire transfer to Perley-Robertson, Hill & McDougall LLP/s.r.l in trust in the account specified in Schedule 2.2(b);

2.3 Closing Conditions.

(a) The obligations of the Companies hereunder in connection with the Initial Closing are subject to the following conditions being met:

(i) the accuracy in all material respects on (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) the Initial Closing Date of the representations and warranties of the Purchaser contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of the Purchaser required to be performed at or prior to the Initial Closing Date shall have been performed; and

(iii) the delivery by the Purchaser of the items set forth in Section 2.2(b) of this Agreement.

(b) The respective obligations of the Purchaser hereunder in connection with the Initial Closing are subject to the following conditions being met:

(i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) when made and on the Initial Closing Date of the representations and warranties of the Companies contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of the Companies required to be performed at or prior to the Initial Closing Date shall have been performed;

(iii) the delivery by the Companies of the items set forth in Section 2.2(a) of this Agreement; and

(iv) there shall have been no Material Adverse Effect with respect to the Companies since the date hereof.

(c) The obligations of the Companies hereunder in connection with the Second Closing are subject to the following conditions being met:

(i) the accuracy in all material respects when made and on the Second Closing Date of the representations and warranties of the Purchasers contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of the Purchasers required to be performed at or prior to the Second Closing Date shall have been performed; and

(iii) the delivery by the Purchasers of the items set forth in Section 2.2(d) of this Agreement.

(b) The respective obligations of the Purchasers hereunder in connection with the Second Closing are subject to the following conditions being met:

(i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) when made and on the Second Closing Date of the representations and warranties of the Companies contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of the Companies required to be performed at or prior to the Second Closing Date shall have been performed;

(iii) the delivery by the Companies of the items set forth in Section 2.2(a) of this Agreement; and

(iv) there shall have been no Material Adverse Effect with respect to the Companies since the date hereof.

2.4 Post-closing undertakings

(a) To the extent that any of the Security Documents is not in a final settled form on the Closing Date, the Companies agree to negotiate in good faith and to settle, execute and deliver such Security Documents by no later than ten (10) Business Days following the Closing Date.

(b) Immediately following the execution of the Security Documents referenced in paragraph (a) above but no later than five (5) Business Days thereafter, the Companies shall (i) ensure that all Security Documents will have been registered, recorded or otherwise perfected or published wherever and however necessary to enforce and set up the rights thereunder against third persons; (ii) deliver to Dominion, as collateral agent for the Purchasers (including Dominion), legal opinions from counsel to the Companies and their Subsidiaries relating to the perfection, recordation, registration and/or publication of the Security Documents.

(c) Immediately but no later than 30 days following the execution of this Agreement, LiveWell shall cause its Subsidiary, Artiva Inc., to use its best efforts to obtain the consent of the first ranking mortgagee of Artiva Property.

(d) Immediately but no later than 30 days following the execution of this Agreement, LiveWell shall use its best efforts to obtain a landlord waiver in favour of Dominion, as collateral agent for the Purchasers (including Dominion), as secured party, in respect of each leased premises.

(e) LiveWell shall use its best efforts to complete the purchase of all issued and outstanding shares of Acenzia Inc., and forthwith the completion of such share purchase transaction but no later than 60 days thereafter, cause Acenzia Inc. to execute and deliver the additional debtor joinder under the applicable Security Agreement, and create a security interest in favour of Dominion, as collateral agent for the Purchasers (including Dominion), as secured party, on all personal and real property owned by Acenzia Inc. to be registered, recorded or otherwise perfected or published wherever and however necessary to enforce and set up the rights thereunder against third persons, together with legal opinions from counsel to LiveWell relating to the perfection, recordation, registration and/or publication of the security documents.

(f) Immediately but no later than 30 days following the execution of this Agreement, the Companies shall use their best effort to ensure that Vitality complete the subdivision of the New Mexico Property.

(g) By no later than 60 days following the execution of this Agreement, the Companies shall ensure that Vitality (i) grant in favour of Dominion, as collateral agent, a first priority mortgage and security interest on such New Mexico Property and ensure that such mortgage and security interest have been registered, recorded or otherwise perfected or published wherever and however necessary to enforce and set up the rights thereunder against third persons; (ii) execute all documents necessary to ensure that Dominion, as collateral agent, has access to the New Mexico Property in order to access all personal property located thereon in the Event of a Default under the Note; and (iii) deliver to the Purchasers legal opinions from counsel to Vitality relating to the ranking, perfection, recordation, registration and/or publication of mortgage and security interest on such New Mexico Property.

(h) By no later than 60 days following the execution of this Agreement, the Companies shall ensure that Vitality (i) grant in favour of Dominion, as collateral agent, a first priority mortgage and security interest on the Montana Property and ensure that such mortgage and security interest have been registered, recorded or otherwise perfected or published wherever and however necessary to enforce and set up the rights thereunder against third persons; (ii) execute all documents necessary to ensure that Dominion, as collateral agent, has access to the Montana Property in order to access all personal property located thereon in the Event of a Default under the Note; and (iii) deliver to the Purchasers legal opinions from counsel to Vitality relating to the ranking, perfection, recordation, registration and/or publication of mortgage and security interest on such Montana Property.

(i) By no later than 60 days following the execution of this Agreement, the Companies shall deliver a legal opinion from counsel to the Companies and their Subsidiaries, in form and substance reasonably acceptable to Dominion and its counsel, relating to the due execution, authorization and enforceability of the Security Agreement governed by the laws of New York, among the Companies and their Subsidiaries, as grantors, and Purchasers, as secured party.

Any failure to satisfy any of these post-closing undertakings within such applicable time period, unless otherwise waived by Dominion or an additional time period is granted by Dominion, will constitute an Event of Default.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Companies. Except as set forth in the Disclosure Schedules, which Disclosure Schedules shall be deemed a part hereof and shall qualify any representation or otherwise made herein to the extent of the disclosure contained in the corresponding section of the Disclosure Schedules, the Companies hereby make the following representations and warranties to the Purchasers:

(a) Subsidiaries. All of the direct and indirect subsidiaries of the Companies are set forth on Schedule 3.1(a). The Companies own, directly or indirectly, all of the capital stock or other equity interests of each

Subsidiary free and clear of any Liens, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of pre-emptive and similar rights to subscribe for or purchase securities.

(b) Organization and Qualification. Each of the Companies and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Companies nor any Subsidiary is in violation nor default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Companies and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in: (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Companies and the Subsidiaries, taken as a whole, or (iii) a material adverse effect on either of the Companies' ability to perform in any material respect on a timely basis its obligations under any Transaction Document (any of (i), (ii) or (iii), a "Material Adverse Effect") and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(c) Authorization; Enforcement.

(i) The Companies have the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents and otherwise to carry out their obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the other Transaction Documents by the Companies and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Companies and no further action is required by the Companies, the Board of Directors or the Companies' stockholders in connection herewith or therewith other than in connection with the Required Approvals. This Agreement and each other Transaction Document to which it is a party has been (or upon delivery will have been) duly executed by the Companies and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Companies enforceable against the Companies in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(d) No Conflicts. The execution, delivery and performance by the Companies of this Agreement and the other Transaction Documents to which it is a party, the issuance and sale of the Securities and the consummation by it of the transactions contemplated hereby and thereby do not and will not: (i) conflict with or violate any provision of the Companies' or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Companies or any Subsidiary, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Companies or Subsidiary debt or otherwise) or other understanding to which the Companies or any Subsidiary is a party or by which any property or asset of the Companies or any Subsidiary is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Companies or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Companies or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. Except for the filing of a form 72-503F *Report of distributions outside Canada* with the OSC, the Companies are not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Companies of the Transaction Documents, other than: (i) the filings required pursuant to Section 4.6 of this Agreement, (ii) the filing with the Commission pursuant to the Registration Rights Agreement, (iii) the notice and/or application(s) to each applicable Trading Market for the issuance and sale of the Securities and the listing of the Conversion Shares and Warrant Shares for trading thereon in the time and manner required thereby, (iv) the filing of Form D with the Commission and such filings as are required to be made under applicable state securities laws and (v) Shareholder Approval (collectively, the "Required Approvals").

(f) Issuance of the Securities. The Securities are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Companies other than restrictions on transfer provided for in the Transaction Documents. The Underlying Shares, when issued in accordance with the terms of the Transaction Documents, will be validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Companies other than restrictions on transfer provided for in the Transaction Documents. LiveWell has reserved from its duly authorized capital stock a number of shares of Common Stock for issuance of the Underlying Shares at least equal to the Required Minimum on the date hereof.

(g) Capitalization. The capitalization of the Companies as of the date hereof is as set forth on Schedule 3.1(g), which Schedule 3.1(g) shall also include the number of shares of Common Stock owned beneficially, and of record, by Affiliates of the Companies as of the date hereof. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except as a result of the purchase and sale of the Securities, there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire any shares of Common Stock or the capital stock of any Subsidiary, or contracts, commitments, understandings or arrangements by which the Companies or any Subsidiary is or may become bound to issue additional shares of Common Stock or Common Stock Equivalents or capital stock of any Subsidiary. The issuance and sale of the Securities will not obligate the Companies or any Subsidiary to issue shares of Common Stock or other securities to any Person (other than the Purchaser) and will not result in a right of any holder of Companies securities to adjust the exercise, conversion, exchange or reset price under any of such securities. There are no outstanding securities or instruments of the Companies or any Subsidiary that contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Companies or any Subsidiary is or may become bound to redeem a security of the Companies or such Subsidiary. The Companies do not have any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement. All of the outstanding shares of capital stock of the Companies are duly authorized, validly issued, fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. No further approval or authorization of any stockholder, the Board of Directors or others is required for the issuance and sale of the Securities. There are no stockholders agreements, voting agreements or other similar agreements with respect to the Companies' capital stock to which the Companies are a party or, to the knowledge of the Companies, between or among any of the Companies' stockholders.

(h) The financial statements set forth on Schedule 3.1 (h) fairly present in all material respects the financial condition and operating results of the Companies as of the dates, and for the periods, indicated therein. Except for the liabilities as set forth in such financial statements, the Companies have no material liabilities or obligations, contingent or otherwise. The financial statements fairly present the consolidated financial position of the Companies in accordance with International Financial Reporting Standards.

(i) Material Changes; Undisclosed Events, Liabilities or Developments. Since the date of the latest audited financial statements filed on SEDAR, except as set forth on Schedule 3.1(i), (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) LiveWell has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not

required to be reflected in LiveWell's financial statements pursuant to GAAP or disclosed in filings made with the Commission, (iii) LiveWell has not altered its method of accounting, (iv) LiveWell has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock and (v) LiveWell has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing LiveWell stock option plans. LiveWell does not have pending before the Commission any request for confidential treatment of information. Except for the issuance of the Securities contemplated by this Agreement or as set forth on Schedule 3.1(i), no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to LiveWell or their Subsidiaries or their respective businesses, prospects, properties, operations, assets or financial condition, that would be required to be disclosed by LiveWell under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least 1 Trading Day prior to the date that this representation is made.

(j) Litigation. Except as disclosed in Schedule 3.1(j), there is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Companies, threatened against or affecting the Companies, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "Action") which (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Securities or (ii) could, if there were an unfavourable decision, have or reasonably be expected to result in a Material Adverse Effect. Neither the Companies nor any Subsidiary, nor any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Companies, there is not pending or contemplated, any investigation by the Commission involving the Companies or any current or former director or officer of the Companies. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Companies or any Subsidiary under the Exchange Act or the Securities Act. No delisting of, suspension of trading in or cease trading order with respect to any securities of the Companies and, to the knowledge of the Companies, no inquiry or investigation (formal or informal) of any Canadian Securities Authority, or any enforcement action by any Canadian Securities Authority, is in effect or ongoing or, to the knowledge of the Companies, expected to be implemented or undertaken against the Companies, other than LiveWell's current trading halt pending fundamental change that was issued upon the announcement of the Vitality Combination.

(k) Labour Relations. No labour dispute exists or, to the knowledge of the Companies, is imminent with respect to any of the employees of the Companies, which could reasonably be expected to result in a Material Adverse Effect. None of the Companies' or their Subsidiaries' employees are a member of a union that relates to such employee's relationship with the Companies or such Subsidiary, and neither the Companies nor any of their Subsidiaries are a party to a collective bargaining agreement, and the Companies and their Subsidiaries believe that their relationships with their employees are good. To the knowledge of the Companies, no executive officer of the Companies or any Subsidiary, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favour of any third party, and the continued employment of each such executive officer does not subject the Companies or any of their Subsidiaries to any liability with respect to any of the foregoing matters. The Companies and their Subsidiaries are in compliance with all U.S. federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours, including without limitation, the Canadian Pension Plan, except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(l) Compliance. Neither the Companies nor any Subsidiary: (i) are in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Companies or any Subsidiary under), nor have the Companies or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and

employment and labour matters, except in each case as could not have or reasonably be expected to result in a Material Adverse Effect.

(m) Environmental Laws. The Companies and their Subsidiaries (i) are in compliance with all federal, state, local and foreign laws relating to pollution or protection of human health or the environment (including ambient air, surface water, groundwater, land surface or subsurface strata), including laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "Hazardous Materials") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands, or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations, issued, entered, promulgated or approved thereunder ("Environmental Laws"); (ii) have received all permits licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses; and (iii) are in compliance with all terms and conditions of any such permit, license or approval where in each clause (i), (ii) and (iii), the failure to so comply could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(n) Regulatory Permits. The Companies and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in the SEC Reports and in Sedar, except where the failure to possess such permits could not reasonably be expected to result in a Material Adverse Effect ("Material Permits"), and neither the Companies nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit.

(o) Title to Assets. The Companies and the Subsidiaries have good and marketable title in fee simple to all real property owned by them and good and marketable title in all personal property owned by them that is material to the business of the Companies and the Subsidiaries, in each case free and clear of all Liens, except for (i) Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Companies and the Subsidiaries and (ii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made therefor in accordance with GAAP and, the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Companies and the Subsidiaries are held by them under valid, subsisting and enforceable leases with which the Companies and the Subsidiaries are in compliance. As of the date hereof, LiveWell Foods Canada Inc., a Subsidiary of LiveWell, has minimum assets and operations in the province of Quebec. To the extent that is no longer the case, LiveWell Foods Canada Inc. will be obligated to grant to the holders of the Notes, within (5) five days, a first ranking lien on all personal (movable) and real (immoveable) property of LiveWell Foods Canada Inc. located in the province of Quebec.

(p) Intellectual Property. The Companies and the Subsidiaries have, or have rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights necessary or required for use in connection with their respective businesses as described in the SEC Reports and in Sedar which the failure to so have could have a Material Adverse Effect (collectively, the "Intellectual Property Rights"). None of, and neither the Companies nor any Subsidiary has received a notice (written or otherwise) that any of, the Intellectual Property Rights has expired, terminated or been abandoned, or is expected to expire or terminate or be abandoned, within two (2) years from the date of this Agreement. Neither the Companies nor any Subsidiary has received, since the date of the latest audited financial statements included within the SEC Reports and Sedar, a written notice of a claim or otherwise has any knowledge that the Intellectual Property Rights violate or infringe upon the rights of any Person, except as could not have or reasonably be expected to not have a Material Adverse Effect. To the knowledge of the Companies, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights. The Companies and their Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(q) Insurance. The Companies and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses

in which the Companies and the Subsidiaries are engaged, including, but not limited to, directors and officers insurance coverage at least equal to the aggregate Subscription Amount. Neither the Companies nor any Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.

(r) Transactions with Affiliates and Employees. Except as set forth on Schedule 3.1(r), none of the officers or directors of the Companies or any Subsidiary and, to the knowledge of the Companies, none of the employees of the Companies or any Subsidiary is presently a party to any transaction with the Companies or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from providing for the borrowing of money from or lending of money to, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Companies, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee, stockholder, member or partner, in each case in excess of $120,000 other than for (i) payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Companies and (iii) other employee benefits, including stock option agreements under any stock option plan of the Companies.

(s) [RESERVED].

(t) Certain Fees. There are no brokerage or finder's fees or commissions are or will be payable by the Companies or any Subsidiaries to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents. The Purchaser shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the transactions contemplated by the Transaction Documents.

(u) Private Placement. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Securities by the Companies to the Purchaser as contemplated hereby. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2, the offer and sale of the Securities by the Companies to the Purchaser as contemplated hereby is exempt from the prospectus requirement under Canadian Securities Laws. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the Trading Market.

(v) Investment Companies. The Companies are not, and are not an Affiliate of, and immediately after receipt of payment for the Securities, will not be or be an Affiliate of, an "investment company" within the meaning of the Investment Companies Act of 1940, as amended. The Companies shall conduct their business in a manner so that it will not become an "investment company" subject to registration under the Investment Companies Act of 1940, as amended.

(w) Registration Rights. Other than the Purchaser, no Person has any right to cause the Companies or any Subsidiary to effect the registration under the Securities Act of any securities of the Companies or any Subsidiaries.

(x) [RESERVED].

(y) [RESERVED].

(z) Disclosure. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, the Companies confirm that neither they nor any other Person acting on their behalf has provided the Purchaser or their agents or counsel with any information that it believes constitutes or might constitute material, non-public information. The Companies understand and confirm that the Purchaser will rely on the foregoing representation in effecting transactions in securities of the Companies. All of the disclosure furnished by or on behalf of the Companies to the Purchaser regarding the Companies and their Subsidiaries, their respective businesses and the transactions contemplated hereby, including the Disclosure Schedules to this Agreement, is true and correct and does not contain any untrue statement of a

material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The press releases disseminated by the Companies during the twelve months preceding the date of this Agreement taken as a whole do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made and when made, not misleading. The Companies acknowledge and agree that the Purchaser does not make or has not made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 3.2 hereof.

(aa) No Integrated Offering. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2, neither the Companies, nor any of their Affiliates, nor any Person acting on their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Securities to be integrated with prior offerings by the Companies for purposes of (i) the Securities Act which would require the registration of any such securities under the Securities Act, or (ii) any applicable shareholder approval provisions of any Trading Market on which any of the securities of the Companies are listed or designated.

(bb) Solvency. Based on the consolidated financial condition of the Companies as of the Closing Date, after giving effect to the receipt by the Companies of the proceeds from the sale of the Securities hereunder, (i) the fair saleable value of the Companies' assets exceed the amount that will be required to be paid on or in respect of the Companies' existing debts and other liabilities (including known contingent liabilities) as they mature, (ii) the Companies' assets do not constitute unreasonably small capital to carry on its business as now conducted and as proposed to be conducted including its capital needs taking into account the particular capital requirements of the business conducted by the Companies, consolidated and projected capital requirements and capital availability thereof, and (iii) the current cash flow of the Companies, together with the proceeds the Companies would receive, were it to liquidate all of its assets, after taking into account all anticipated uses of the cash, would be sufficient to pay all amounts on or in respect of its liabilities when such amounts are required to be paid. The Companies do not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt). The Companies have no knowledge of any facts or circumstances which lead it to believe that it will file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within one year from the Closing Date. Schedule 3.1(bb) sets forth as of the date hereof all outstanding secured and unsecured Indebtedness of the Companies or any Subsidiary, or for which the Companies or any Subsidiary has commitments. For the purposes of this Agreement, "Indebtedness" means (x) any liabilities for borrowed money or amounts owed in excess of $50,000 (other than trade accounts payable incurred in the ordinary course of business), (y) all guaranties, endorsements and other contingent obligations in respect of indebtedness of others, whether or not the same are or should be reflected in the Companies' consolidated balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and (z) the present value of any lease payments in excess of $50,000 due under leases required to be capitalized in accordance with GAAP. Neither the Companies nor any Subsidiary is in default with respect to any Indebtedness.

(cc) Tax Status. Except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, the Companies and their Subsidiaries each (i) has made or filed all United States federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations and (iii) has set aside on its books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Companies or of any Subsidiary know of no basis for any such claim.

(dd) No General Solicitation. Neither the Companies nor any Person acting on behalf of the Companies has offered or sold any of the Securities by any form of general solicitation or general advertising. The Companies have offered the Securities for sale only to the Purchaser and certain other "accredited investors" within the meaning of Rule 501 under the Securities Act.

(ee) Foreign Corrupt Practices. Neither the Companies nor any Subsidiary, nor to the knowledge of the Companies or any Subsidiary, any agent or other person acting on behalf of the Companies or any Subsidiary, has (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Companies or any Subsidiary (or made by any person acting on its behalf of which the Companies is aware) which is in violation of law or (iv) violated in any material respect any provision of FCPA, the Canadian AML Laws or the Canadian Sanction Laws.

(ff) Accountants. The Companies' accounting firms are set forth on Schedule 3.1(ff) of the Disclosure Schedules. To the knowledge and belief of the Companies, such accounting firm (i) is a registered public accounting firm as required by the Exchange Act and (ii) shall express its opinion with respect to the financial statements to be included in the Companies' Annual Report for the fiscal years ending [*].

(gg) Seniority. As of the Closing Date, no Indebtedness or other claim against the Companies is senior to the Note in right of payment, whether with respect to interest or upon liquidation or dissolution, or otherwise, other than indebtedness secured by purchase money security interests (which is senior only as to underlying assets covered thereby) and capital lease obligations (which is senior only as to the property covered thereby).

(hh) No Disagreements with Accountants and Lawyers. There are no disagreements of any kind presently existing, or reasonably anticipated by the Companies to arise, between the Companies and the accountants and lawyers formerly or presently employed by the Companies and the Companies are current with respect to any fees owed to its accountants and lawyers which could affect the Companies' ability to perform any of its obligations under any of the Transaction Documents.

(ii) Acknowledgment Regarding Purchaser's Purchase of Securities. The Companies acknowledge and agree that the Purchaser is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated thereby. The Companies further acknowledge that the Purchaser is not acting as a financial advisor or fiduciary of the Companies (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any advice given by the Purchaser or any of its respective representatives or agents in connection with the Transaction Documents and the transactions contemplated thereby is merely incidental to the Purchaser's purchase of the Securities. The Companies further represent to the Purchaser that the Companies' decisions to enter into this Agreement and the other Transaction Documents have been based solely on the independent evaluation of the transactions contemplated hereby by the Companies and its representatives.

(jj) Acknowledgment Regarding Purchaser's Trading Activity. Anything in this Agreement or elsewhere herein to the contrary notwithstanding (except for Sections 3.2(f) and 4.15 hereof), it is understood and acknowledged by the Companies that: (i) the Purchaser has not been asked by the Companies to agree, nor has the Purchaser agreed, to desist from purchasing or selling, long and/or short, securities of the Companies, or "derivative" securities based on securities issued by the Companies or to hold the Securities for any specified term, (ii) past or future open market or other transactions by the Purchaser, specifically including, without limitation, Short Sales or "derivative" transactions, before or after the closing of this or future private placement transactions, may negatively impact the market price of the Companies' publicly-traded securities, (iii) the Purchaser, and counter-parties in "derivative" transactions to which the Purchaser is a party, directly or indirectly, may presently have a "short" position in the Common Stock and (iv) the Purchaser shall not be deemed to have any affiliation with or control over any arm's length counter-party in any "derivative" transaction. The Companies further understand and acknowledge that (y) the Purchaser may engage in hedging activities at various times during the period that the Securities are outstanding, including, without limitation, during the periods that the value of the Underlying Shares deliverable with respect to Securities are being determined, and (z) such hedging activities (if any) could reduce the value of the existing stockholders' equity interests in the Companies at and after the time that the hedging activities are being conducted. The Companies acknowledge that such aforementioned hedging activities do not constitute a breach of any of the Transaction Documents.

(kk) [RESERVED].

(ll) [RESERVED].

(mm) Stock Option Plans. Each stock option granted by the Companies under the Companies' stock option plans were granted (i) in accordance with the terms of the Companies' stock option plan and (ii) with an exercise price at least equal to the fair market value of the Common Stock on the date such stock option would be considered granted under GAAP and applicable law. No stock option granted under the Companies' stock option plan has been backdated. The Companies have not knowingly granted, and there is no and has been no Companies policy or practice to knowingly grant, stock options prior to, or otherwise knowingly coordinate the grant of stock options with, the release or other public announcement of material information regarding the Companies or their Subsidiaries or their financial results or prospects.

(nn) Office of Foreign Assets Control. Neither the Companies nor any Subsidiary nor, to the Companies' knowledge, any director, officer, agent, employee or affiliate of the Companies or any Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC").

(oo) U.S. Real Property Holding Corporation. The Companies are not and have never been a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and the Companies shall so certify upon Purchaser's request.

(pp) Bank Holding Companies Act. Neither the Companies nor any of their Subsidiaries or Affiliates are subject to the Bank Holding Companies Act of 1956, as amended (the "BHCA") and to regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve"). Neither the Companies nor any of their Subsidiaries or Affiliates owns or controls, directly or indirectly, five percent (5%) or more of the outstanding shares of any class of voting securities or twenty-five percent or more of the total equity of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve. Neither the Companies nor any of their Subsidiaries or Affiliates exercises a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve.

(qq) Money Laundering. The operations of the Companies and their Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "Money Laundering Laws") and the Canadian Sanction Laws, and no Action or Proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Companies or any Subsidiary with respect to the Money Laundering Laws or the Canadian Sanction Laws is pending or, to the knowledge of the Companies or any Subsidiary, threatened.

(rr) No Disqualification Events. With respect to the Securities to be offered and sold hereunder in reliance on Rule 506 under the Securities Act, none of the Companies, any of their predecessors, any affiliated issuer, any director, executive officer, other officer of the Companies participating in the offering hereunder, any beneficial owner of 20% or more of the Companies' outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the Securities Act) connected with the Companies in any capacity at the time of sale (each, an "Issuer Covered Person" and, together, "Issuer Covered Persons") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "Disqualification Event"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Companies have exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Companies have complied, to the extent applicable, with their disclosure obligations under Rule 506(e), and have furnished to the Purchaser a copy of any disclosures provided thereunder.

(ss) Other Covered Persons. The Companies are not aware of any person (other than any Issuer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Securities.

(tt) Notice of Disqualification Events. The Companies will notify the Purchaser in writing, prior to the Closing Date of (i) any Disqualification Event relating to any Issuer Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person.

(uu) Promotional Stock Activities. Neither the Companies, their officers, their directors, nor any affiliates or agents of the Companies have engaged in any stock promotional activity that could give rise to a complaint, inquiry, or trading suspension by the Securities and Exchange Commission alleging (i) a violation of the anti-fraud provisions of the federal securities laws, (ii) violations of the anti-touting provisions, (iii) improper "gun-jumping; or (iv) promotion without proper disclosure of compensation.

(vv) Payments of Cash. Except as disclosed on Schedule 3.1(vv), neither the Companies, their officers, or any affiliates or agents of the Companies have withdrawn or paid cash (not including a check or other similar negotiable instrument) to any vendor in an aggregate amount that exceeds Five Thousand Dollars ($5,000) for any purpose.

3.2 Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants as of the date hereof and as of the Closing Date to the Companies as follows (unless as of a specific date therein, in which case they shall be accurate as of such date):

(a) Organization; Authority. Such Purchaser is either an individual or an entity duly incorporated or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership, limited liability company or similar power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by the Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate, partnership, limited liability company or similar action, as applicable, on the part of the Purchaser. Each Transaction Document to which it is a party has been duly executed by the Purchaser, and when delivered by the Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of the Purchaser, enforceable against it in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Own Account. Such Purchaser understands that the Securities are "restricted securities" and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Securities as principal for its own account and not with a view to or for distributing or reselling such Securities or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any of such Securities in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Securities in violation of the Securities Act or any applicable state securities law (this representation and warranty not limiting the Purchaser's right to sell the Securities pursuant to the Registration Statement or otherwise in compliance with applicable federal and state securities laws). Such Purchaser is acquiring the Securities hereunder in the ordinary course of its business.

(c) Purchaser Status. At the time the Purchaser was offered the Securities, it was, and as of the date hereof it is, and on each date on which it exercises any Warrants or converts any Notes it will be an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act.

(d) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(e) General Solicitation. Such Purchaser is not, to the Purchaser's knowledge, purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in

any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or, to the knowledge of the Purchaser, any other general solicitation or general advertisement.

(f) Certain Transactions and Confidentiality. Other than consummating the transactions contemplated hereunder, the Purchaser has not, nor has any Person acting on behalf of or pursuant to any understanding with the Purchaser, directly or indirectly executed any purchases or sales, including Short Sales, of the securities of the Companies during the period commencing as of the time that the Purchaser first received a term sheet (written or oral) from the Companies or any other Person representing the Companies setting forth the material terms of the transactions contemplated hereunder and ending immediately prior to the execution hereof. The Purchaser covenants and agrees that neither it, nor any Affiliate acting on its behalf or pursuant to any understanding with it will execute any Short Sales (as such term is defined in Rule 200 of Regulation SHO of the Exchange Act) of the Common Stock or hedging transaction, which establishes a net short position with respect to the Companies' Common Stock during the period commencing with the execution of this Agreement and ending on the earlier Maturity Date (as defined in the Note) of the Note or the full repayment or conversion of the Note; provided that this provision shall not prohibit any sales made where a corresponding Notice of Conversion is tendered to the Companies and the shares received upon such conversion or exercise are used to close out such sale (a "Prohibited Short Sale"); provided, further that this provision shall not operate to restrict a Purchaser's trading under any prior securities purchase agreement containing contractual rights that explicitly protects such trading in respect of the previously issued securities.

ARTICLE IV.
OTHER AGREEMENTS OF THE PARTIES

4.1 Transfer Restrictions.

(a) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Securities other than pursuant to an effective registration statement or Rule 144, to the Companies or to an Affiliate of a Purchaser or in connection with a pledge as contemplated in Section 4.1(b), the Companies may require the transferor thereof to provide to the Companies an opinion of counsel selected by the transferor and reasonably acceptable to the Companies, the form and substance of which opinion shall be reasonably satisfactory to the Companies, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and the Registration Rights Agreement and shall have the rights and obligations of a Purchaser under this Agreement and the Registration Rights Agreement.

(b) The Purchaser agrees to the imprinting, so long as is required by this Section 4.1, of a legend on any of the Securities in the following form:

[NEITHER] THIS SECURITY [NOR THE SECURITIES INTO WHICH THIS SECURITY IS [EXERCISABLE] [CONVERTIBLE]] HAS [NOT] BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY [AND THE SECURITIES ISSUABLE UPON [EXERCISE] [CONVERSION] OF THIS SECURITY] MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [***FOUR MONTHS AND A DAY AFTER THE DISTRIBUTION DATE***]. / [THE DATE THAT IS FOUR (4) MONTHS AND ONE (1) DAY AFTER THE

LATER OF (I) [THE DISTRIBUTION DATE] AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

The Companies acknowledge and agree that a Purchaser may from time to time pledge pursuant to a bona fide margin agreement with a registered broker-dealer or grant a security interest in some or all of the Securities to a financial institution that is an "accredited investor" as defined in Rule 501(a) under the Securities Act and, if required under the terms of such arrangement, the Purchaser may transfer pledged or secured Securities to the pledgees or secured parties. Such a pledge or transfer would not be subject to approval of the Companies and no legal opinion of legal counsel of the pledgee, secured party or pledgor shall be required in connection therewith. Further, no notice shall be required of such pledge. At the appropriate Purchaser's expense, the Companies will execute and deliver such reasonable documentation as a pledgee or secured party of Securities may reasonably request in connection with a pledge or transfer of the Securities, including, if the Securities are subject to registration pursuant to the Registration Rights Agreement, the preparation and filing of any required prospectus supplement under Rule 424(b)(3) under the Securities Act or other applicable provision of the Securities Act to appropriately amend the list of Selling Stockholders (as defined in the Registration Rights Agreement) thereunder.

(c) Certificates evidencing the Underlying Shares shall not contain any legend (including the legend set forth in Section 4.1(b) hereof): (i) while a registration statement (including the Registration Statement) covering the resale of such security is effective under the Securities Act, (ii) following any sale of such Underlying Shares pursuant to Rule 144 (assuming cashless exercise of the Warrants), (iii) if such Underlying Shares are eligible for sale under Rule 144 (assuming cashless exercise of the Warrants) or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission). The Companies shall cause their counsel to issue a legal opinion to the Transfer Agent or the Purchaser promptly if required by the Transfer Agent to effect the removal of the legend hereunder, or if requested by the Purchaser, respectively. If all or any portion of a Note is converted or Warrant is exercised at a time when there is an effective registration statement to cover the resale of the Underlying Shares, or if such Underlying Shares may be sold under Rule 144 without the requirement for the Companies to be in compliance with the current public information required under Rule 144 (assuming cashless exercise of the Warrants) as to such Underlying Shares and without volume or manner-of-sale restrictions or if such legend is not otherwise required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission) then such Underlying Shares shall be issued free of all legends. The Companies agree that following such time as such legend is no longer required under this Section 4.1(c), it will, no later than the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined below) following the delivery by a Purchaser to the Companies or the Transfer Agent of a certificate representing Underlying Shares, as applicable, issued with a restrictive legend (such date, the "Legend Removal Date"), deliver or cause to be delivered to the Purchaser a certificate representing such shares that is free from all restrictive and other legends; *provided that* the Purchaser shall have previously delivered to the Companies all documents required by the Companies' Transfer Agent and/or Counsel to deliver Shares that are free of restrictive legends. The Companies may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this Section 4. Certificates for Underlying Shares subject to legend removal hereunder shall be transmitted by the Transfer Agent to the Purchaser by crediting the account of the Purchaser's prime broker with the Depository Trust Companies System as directed by the Purchaser. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Companies' primary Trading Market with respect to the Common Stock as in effect on the date of delivery of a certificate representing Underlying Shares, as applicable, issued with a restrictive legend.

(d) In addition to the Purchaser's other available remedies, the Companies shall pay to a Purchaser, in cash, (i) as partial liquidated damages and not as a penalty, for each $1,000 of Underlying Shares (based on the VWAP of the Common Stock on the date such Securities are submitted to the Transfer Agent) delivered for removal of the restrictive legend and subject to Section 4.1(c), $10 per Trading Day (increasing to $20 per Trading Day five (5) Trading Days after such damages have begun to accrue) for each Trading Day after the Legend Removal Date until such certificate is delivered without a legend and (ii) if the Companies fail to (a) issue and deliver (or cause to be delivered) to a Purchaser by the Legend Removal Date a certificate representing the Securities so delivered to the Companies by the Purchaser that is free from all restrictive and

other legends and (b) if after the Legend Removal Date the Purchaser purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Purchaser of all or any portion of the number of shares of Common Stock, or a sale of a number of shares of Common Stock equal to all or any portion of the number of shares of Common Stock that the Purchaser anticipated receiving from the Companies without any restrictive legend, then, an amount equal to the excess of the Purchaser's total purchase price (including brokerage commissions and other out-of-pocket expenses, if any) for the shares of Common Stock so purchased (including brokerage commissions and other out-of-pocket expenses, if any) (the "Buy-In Price") over the product of (A) such number of Underlying Shares that the Companies was required to deliver to the Purchaser by the Legend Removal Date multiplied by (B) the lowest closing sale price of the Common Stock on any Trading Day during the period commencing on the date of the delivery by the Purchaser to the Companies of the applicable Underlying Shares (as the case may be) and ending on the date of such delivery and payment under this clause (ii).

(e) The Purchaser agrees with the Companies that the Purchaser will sell any Securities pursuant to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and that if Securities are sold pursuant to a Registration Statement, they will be sold in compliance with the plan of distribution set forth therein, and acknowledges that the removal of the restrictive legend from certificates representing Securities as set forth in this Section 4.1 is predicated upon the Companies' reliance upon this understanding.

4.2 Acknowledgment of Dilution. The Companies acknowledge that the issuance of the Securities may result in dilution of the outstanding shares of Common Stock, which dilution may be substantial under certain market conditions. The Companies further acknowledge that their obligations under the Transaction Documents, including, without limitation, its obligation to issue the Underlying Shares pursuant to the Transaction Documents, are unconditional and absolute and not subject to any right of set off, counterclaim, delay or reduction, regardless of the effect of any such dilution or any claim the Companies may have against the Purchaser and regardless of the dilutive effect that such issuance may have on the ownership of the other stockholders of the Companies.

4.3 Furnishing of Information; Public Information.

(a) Until the earliest of the time that (i) the Purchaser does not own Securities or (ii) the Warrants have expired, the Companies covenant to maintain the registration of the Common Stock under Section 12(b) or 12(g) of the Exchange Act and to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Companies after the date hereof pursuant to the Exchange Act even if the Companies are not then subject to the reporting requirements of the Exchange Act.

(b) At any time during the period commencing from the six (6) month anniversary of the date hereof and ending at such time that all of the Securities may be sold without the requirement for the Companies to be in compliance with Rule 144(c)(1) and otherwise without restriction or limitation pursuant to Rule 144, if the Companies (i) shall fail for any reason to satisfy the current public information requirement under Rule 144(c) or (ii) have ever been an issuer described in Rule 144 (i)(1)(i) or becomes an issuer in the future, and the Companies shall fail to satisfy any condition set forth in Rule 144(i)(2) (a "Public Information Failure") then, in addition to the Purchaser's other available remedies, the Companies shall pay to a Purchaser, in cash, as partial liquidated damages and not as a penalty, by reason of any such delay in or reduction of its ability to sell the Securities, an amount in cash equal to two percent (2.0%) of the aggregate Subscription Amount of the Purchaser's Securities on the day of a Public Information Failure and on every thirtieth (30^{th}) day (pro rated for periods totaling less than thirty days) thereafter until the earlier of (a) the date such Public Information Failure is cured and (b) such time that such public information is no longer required for the Purchaser to transfer the Underlying Shares pursuant to Rule 144. The payments to which a Purchaser shall be entitled pursuant to this Section 4.3(b) are referred to herein as "Public Information Failure Payments." Public Information Failure Payments shall be paid on the earlier of (i) the last day of the calendar month during which such Public Information Failure Payments are incurred and (ii) the third (3^{rd}) Business Day after the event or failure giving rise to the Public Information Failure Payments is cured. In the event the Companies fails to make Public Information Failure Payments in a timely manner, such Public Information Failure Payments shall bear interest at the rate of 1.5% per month (prorated for partial months) until paid in full. Nothing herein shall limit the Purchaser's right to pursue actual damages for the Public Information Failure, and the Purchaser shall have the

right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief.

4.4 Integration. The Companies shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Securities in a manner that would require the registration under the Securities Act of the sale of the Securities or that would be integrated with the offer or sale of the Securities for purposes of the rules and regulations of any Trading Market such that it would require shareholder approval prior to the closing of such other transaction unless shareholder approval is obtained before the closing of such subsequent transaction.

4.5 Conversion and Exercise Procedures. Each of the form of Notice of Exercise included in the Warrant and the form of Notice of Conversion included in the Note set forth the totality of the procedures required of the Purchaser in order to exercise the Warrants or convert the Note. Without limiting the preceding sentences, no ink-original Notice of Exercise or Notice of Conversion shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise or Notice of Conversion form be required in order to exercise the Warrant or convert the Note. No additional legal opinion, other information or instructions shall be required of the Purchaser to exercise the Warrants or convert the Note. The Companies shall honour exercises of the Warrants and conversions of the Note and shall deliver Underlying Shares in accordance with the terms, conditions and time periods set forth in the Transaction Documents.

4.6 Securities Laws Disclosure; Publicity. The Companies shall by the Disclosure Time, issue a press release disclosing the material terms of the transactions contemplated hereby. From and after the issuance of such press release, the Companies represent to the Purchaser that they shall have publicly disclosed all material, non-public information delivered to the Purchaser by the Companies or any of their Subsidiaries, or any of their respective officers, directors, employees or agents in connection with the transactions contemplated by the Transaction Documents. In addition, effective upon the issuance of such press release, the Companies acknowledge and agree that any and all confidentiality or similar obligations under any agreement, whether written or oral, between the Companies, any of their Subsidiaries or any of their respective officers, directors, agents, employees or Affiliates on the one hand, and the Purchaser or any of their Affiliates on the other hand, shall terminate. The Companies and the Purchaser shall consult with each other in issuing any other press releases with respect to the transactions contemplated hereby, and neither the Companies nor the Purchaser shall issue any such press release nor otherwise make any such public statement without the prior consent of the Companies, with respect to any press release of the Purchaser, or without the prior consent of the Purchaser, with respect to any press release of the Companies, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. Notwithstanding the foregoing, the Companies shall not publicly disclose the name of the Purchaser, or include the name of the Purchaser in any filing with the Commission or any regulatory agency or Trading Market, without the prior written consent of the Purchaser, except (a) as required by federal securities law in connection with (i) any registration statement contemplated by the Registration Rights Agreement and (ii) the filing of final Transaction Documents with the Commission and (b) to the extent such disclosure is required by law or Trading Market regulations, in which case the Companies shall provide the Purchaser with prior notice of such disclosure permitted under this clause (b).

4.7 Shareholder Rights Plan. No claim will be made or enforced by the Companies or, with the consent of the Companies, any other Person, that the Purchaser is an "Acquiring Person" under any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-takeover plan or arrangement in effect or hereafter adopted by the Companies, or that the Purchaser could be deemed to trigger the provisions of any such plan or arrangement, by virtue of receiving Securities under the Transaction Documents or under any other agreement between the Companies and the Purchaser.

4.8 Non-Public Information. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, which shall be disclosed pursuant to Section 4.6, the Companies covenant and agree that neither they, nor any other Person acting on their behalf will provide the Purchaser or its agents or counsel with any information that constitutes, or the Companies reasonably believe constitutes, material non-public information, unless prior thereto the Purchaser shall have consented to the receipt of such information and agreed with the Companies to keep such information confidential. The Companies understand and confirm that the Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Companies. To the extent that the Companies deliver any material, non-public information to the Purchaser without the Purchaser's consent, the

Companies hereby covenant and agree that the Purchaser shall not have any duty of confidentiality to the Companies, any of their Subsidiaries, or any of their respective officers, directors, agents, employees or Affiliates, or a duty to the Companies, any of their Subsidiaries or any of their respective officers, directors, agents, employees or Affiliates not to trade on the basis of, such material, non-public information, provided that the Purchaser shall remain subject to applicable law. The Companies understand and confirm that the Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Companies.

4.9 Use of Proceeds. Except as set forth on Schedule 4.9 attached hereto, Livewell shall use the net proceeds from the sale of the Notes hereunder for the purpose of making a loan to Vitality to be used by Vitality to purchase the New Mexico facility for which the Purchasers shall have a first priority security interest. Vitality hereby covenants and agrees that it will not repay more than fifty (50%) of the principal amount of the loan at any time prior to the Vitality Combination. In addition, Livewell agrees not to accept any such repayment of the loan in excess of fifty percent (50%) of its original principal amount at any time prior to the Vitality Combination.

4.10 Indemnification of Purchaser. Subject to the provisions of this Section 4.10, the Companies will indemnify and hold the Purchaser and its directors, officers, shareholders, members, partners, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls the Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, agents, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a "Purchaser Party") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any the Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Companies in this Agreement or in the other Transaction Documents or (b) any action instituted against the Purchaser Parties in any capacity, or any of them or their respective Affiliates, by any stockholder of the Companies who is not an Affiliate of the Purchaser Party, with respect to any of the transactions contemplated by the Transaction Documents (unless such action is solely based upon a material breach of the Purchaser Party's representations, warranties or covenants under the Transaction Documents or any agreements or understandings the Purchaser Party may have with any such stockholder or any violations by the Purchaser Party of state or federal securities laws or any conduct by the Purchaser Party which is finally judicially determined to constitute fraud, gross negligence or willful misconduct). If any action shall be brought against the Purchaser Party in respect of which indemnity may be sought pursuant to this Agreement, the Purchaser Party shall promptly notify the Companies in writing, and the Companies shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Companies in writing, (ii) the Companies have failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of counsel, a material conflict on any material issue between the position of the Companies and the position of the Purchaser Party, in which case the Companies shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The Companies will not be liable to the Purchaser under this Agreement (y) for any settlement by a Purchaser Party effected without the Companies' prior written consent, which shall not be unreasonably withheld or delayed; or (z) to the extent, but only to the extent that a loss, claim, damage or liability is attributable to the Purchaser Party's breach of any of the representations, warranties, covenants or agreements made by the Purchaser Party in this Agreement or in the other Transaction Documents. The indemnification required by this Section 4.10 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or are incurred. The indemnity agreements contained herein shall be in addition to any cause of action or similar right of the Purchaser Party against the Companies or others and any liabilities the Companies may be subject to pursuant to law.

4.11 Reservation and Listing of Securities.

(a) The Companies shall maintain a reserve of the Required Minimum from its duly authorized shares of Common Stock for issuance pursuant to the Transaction Documents in such amount as may then be required to fulfill its obligations in full under the Transaction Documents.

(b) If, on any date, the number of authorized but unissued (and otherwise unreserved) shares of Common Stock is less than the Required Minimum on such date, then the Board of Directors shall use commercially reasonable efforts to amend the Companies' certificate or articles of incorporation to increase the number of authorized but unissued shares of Common Stock to at least the Required Minimum at such time, as soon as possible and in any event not later than the 75th day after such date.

(c) The Companies shall, if applicable: (i) in the time and manner required by the principal Trading Market, prepare and file with such Trading Market an additional shares listing application covering a number of shares of Common Stock at least equal to the Required Minimum on the date of such application, (ii) take all steps necessary to cause such shares of Common Stock to be approved for listing or quotation on such Trading Market as soon as possible thereafter, (iii) provide to the Purchaser evidence of such listing or quotation and (iv) maintain the listing or quotation of such Common Stock on any date at least equal to the Required Minimum on such date on such Trading Market or another Trading Market. The Companies agrees to maintain the eligibility of the Common Stock for electronic transfer through the Depository Trust Companies or another established clearing corporation, including, without limitation, by timely payment of fees to the Depository Trust Companies or such other established clearing corporation in connection with such electronic transfer.

4.12 [RESERVED].

4.13 [RESERVED].

4.14 [RESERVED].

4.15 Certain Transactions and Confidentiality. The Purchaser covenants that neither it, nor any Affiliate acting on its behalf or pursuant to any understanding with it will execute any purchases or sales, including Short Sales, of any of the Companies' securities during the period commencing with the execution of this Agreement and ending at such time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.6. The Purchaser covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Companies pursuant to the initial press release as described in Section 4.6, the Purchaser will maintain the confidentiality of the existence and terms of this transaction and the information included in the Disclosure Schedules. Notwithstanding the foregoing, and notwithstanding anything contained in this Agreement to the contrary, the Companies expressly acknowledge and agree that (i) no Purchaser makes any representation, warranty or covenant hereby that it will not engage in effecting transactions in any securities of the Companies after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.6, (ii) no Purchaser shall be restricted or prohibited from effecting any transactions in any securities of the Companies in accordance with applicable securities laws from and after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.6 and (iii) no Purchaser shall have any duty of confidentiality or duty not to trade in the securities of the Companies to the Companies or their Subsidiaries after the issuance of the initial press release as described in Section 4.6.

4.16 Participation Right in Future Financings. From and after the date hereof until the twenty four months anniversary of the Effective Date, upon any issuance by the Companies or any of their Subsidiaries of any debt or equity securities for cash consideration (a "Subsequent Financing"), the Purchasers shall in the aggregate have the right to participate in up to an amount of the Subsequent Financing equal to twenty percent (20%) of the amount of the Subsequent Financing on the same terms, conditions and price provided for in the Subsequent Financing.

4.17 Variable Rate Transactions; Other. So long as the Notes remains outstanding or the Holder holds any Securities, the Company and each of its Subsidiaries shall be prohibited from effecting or entering into (or publicly announcing or recommending to its stockholders the approval or adoption thereof by such stockholders) any agreement, plan, arrangement or transaction to effect, directly or indirectly, any issuance by the Company or any of its Subsidiaries of Common Stock or Common Stock Equivalents (or a combination of units thereof) involving a Variable Rate Transaction, without the prior written consent of the Holder (which consent may be withheld, delayed or conditioned in the sole discretion of such Holder). "Variable Rate Transaction" means a transaction in which the Company (i) issues or sells any debt or equity securities that are convertible into, exchangeable or exercisable for, or include the right to receive, additional shares of Common Stock either (A) at a conversion price, exercise price or exchange rate or other price that is based upon, and/or varies with, the trading prices of or quotations for the shares of Common Stock at any time after the

initial issuance of such debt or equity securities or (B) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such debt or equity security or upon the occurrence of specified or contingent events directly or indirectly related to the business of the Company or the market for the Common Stock or (ii) enters into, or effects a transaction under, any agreement, including, but not limited to, an equity line of credit, an at-the-market offering (as defined in SEC Rule 415) or a similarly structured transaction, whereby the Company may issue securities at a future determined price. Notwithstanding the foregoing, the restrictions contained in this Section 4.17 shall not apply to (i) an Exempt Issuance.

ARTICLE V.
MISCELLANEOUS

5.1 Termination. This Agreement may be terminated by the Purchaser by written notice to the other parties, if the Closing has not been consummated on or before the fifth (5th) Trading Day following the date hereof, provided, however, that no such termination will affect the right of any party to sue for any breach by any other party (or parties).

5.2 Fees and Expenses. Except as expressly set forth in the Transaction Documents to the contrary, each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Companies shall pay all Transfer Agent fees (including, without limitation, any fees required for same-day processing of any instruction letter delivered by the Companies and any conversion or exercise notice delivered by a Purchaser), stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to the Purchaser.

5.3 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.4 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment at the email address as set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment as set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2nd) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

5.5 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Companies and the Purchaser, or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right. Any amendment effected in accordance with this Section 5.5 shall be binding upon the Purchaser and holder of Securities and the Companies.

5.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

5.7 Successors and Assigns. This Agreement shall be binding upon and enure to the benefit of the parties and their successors and permitted assigns. The Companies may not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Purchaser (other than by merger). The Purchaser may assign any or all of its rights under this Agreement to any Person to whom the Purchaser assigns or transfers any Securities, provided

that such transferee agrees in writing to be bound, with respect to the transferred Securities, by the provisions of the Transaction Documents that apply to the "Purchaser."

5.8 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Section 4.10.

5.9 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal Proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any Action or Proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such Action or Proceeding is improper or is an inconvenient venue for such Proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such Action or Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If any party shall commence an Action or Proceeding to enforce any provisions of the Transaction Documents, then, in addition to the obligations of the Companies under Section 4.10, the prevailing party in such Action or Proceeding shall be reimbursed by the non-prevailing party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Action or Proceeding.

5.10 Survival. The representations and warranties contained herein shall survive the Closing and the delivery of the Securities.

5.11 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

5.12 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

5.13 Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) any of the other Transaction Documents, whenever the Purchaser exercises a right, election, demand or option under a Transaction Document and the Companies do not timely perform its related obligations within the periods therein provided, then the Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Companies, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights; provided, however, that, in the case of a rescission of a conversion of a Note or exercise of a Warrant, the Purchaser shall be required to return any shares of Common Stock subject to any such rescinded conversion or exercise notice concurrently with the return to the Purchaser of the aggregate exercise price

paid to the Companies for such shares and the restoration of the Purchaser's right to acquire such shares pursuant to the Purchaser's Warrant (including, issuance of a replacement warrant certificate evidencing such restored right).

5.14 Replacement of Securities. If any certificate or instrument evidencing any Securities is mutilated, lost, stolen or destroyed, the Companies shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Companies of such loss, theft or destruction. The applicant for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs (including customary indemnity) associated with the issuance of such replacement Securities.

5.15 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchaser and the Companies will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any Action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.16 Payment Set Aside. To the extent that the Companies make a payment or payments to the Purchaser pursuant to any Transaction Document or the Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Companies, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

5.17 [RESERVED].

5.18 [RESERVED].

5.19 Liquidated Damages. The Companies' obligations to pay any partial liquidated damages or other amounts owing under the Transaction Documents is a continuing obligation of the Companies and shall not terminate until all unpaid partial liquidated damages and other amounts have been paid notwithstanding the fact that the instrument or security pursuant to which such partial liquidated damages or other amounts are due and payable shall have been canceled.

5.20 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

5.21 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto. In addition, each and every reference to share prices and shares of Common Stock in any Transaction Document shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of this Agreement.

For purposes of any assets, liabilities or entities located in any Canadian province or territory, including the Province of Québec, and for all other purposes pursuant to which the interpretation or construction of this Agreement may be subject to the laws of any Canadian province or territory, including the Province of Quebec, or a court or tribunal exercising jurisdiction in any Canadian province or territory, including the Province of Quebec, (i) "personal property" shall include "movable property", (ii) "real property" or "real estate" shall include "immovable property", (iii) "security interest", "mortgage" and "lien" shall include a "hypothec", "right of retention", "prior claim" and a resolutory clause, (iv) all references to filing, perfection, priority, remedies, registering or recording under the UCC shall include publication under the applicable *Personal Property Security Act* or, for the Province of Quebec, the *Civil Code of Quebec*, (v) all references to "perfection" of or "perfected" liens or security interest shall include a reference to an "opposable" or "set up" lien or security interest as against third parties, (vi) an "agent" shall include a "mandatary",

(viii) "gross negligence or wilful misconduct" shall be deemed to be "intentional or gross fault", (ix) "priority" shall include "prior claim", (x) "state" shall include "province", (xi) "accounts" shall include "claims", and (xii) "guarantee" or "guarantor" shall include "suretyship" or "surety". For Quebec law purposes, the parties hereto confirm that it is their wish that this Agreement and any other document executed in connection with the transactions contemplated herein be drawn up in the English language only and that all other documents contemplated thereunder or relating thereto, including notices, may also be drawn up in the English language only. *Les parties aux présentes confirment que c'est leur volonté que cette convention et les autres documents de crédit soient rédigés en langue anglaise seulement et que tous les documents, y compris tous avis, envisagés par cette convention et les autres documents peuvent être rédigés en langue anglaise seulement.*

5.22 WAIVER OF JURY TRIAL. **IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.**

ARTICLE VI

COLLATERAL AGENT.

6.1 Appointment. Purchasers hereby irrevocably appoint Dominion, to act on their behalf as the Collateral Agent hereunder and under the other Transaction Documents and authorizes the Collateral Agent to take such actions on their behalf and to exercise such powers as are delegated to the Collateral Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article VI are solely for the benefit of the Collateral Agent and the Purchasers, and the Companies will have no rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Transaction Documents (or any other similar term) with reference to the Collateral Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead, such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

6.2 Rights as a Lender. The Person serving as the Collateral Agent hereunder will have the same rights and powers in its capacity as a Purchaser as any other Purchaser and may exercise the same as though it were not the Collateral Agent, and the term "Purchaser" or "Purchasers" will, unless otherwise expressly indicated or unless the context otherwise requires, include the person serving as the Collateral Agent hereunder in its individual capacity to the extent such Person is a Purchaser. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, the Company or any other Subsidiaries or Affiliates of the Company as if such Person were not the Collateral Agent hereunder and without any duty to account therefor to the Purchasers.

6.3 Exculpatory Provisions.

(a) The Collateral Agent will not have any duties or obligations except those expressly set forth herein and in the other Transaction Documents, and its duties hereunder are administrative in nature. Without limiting the generality of the foregoing, the Collateral Agent:

(i) will not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default under the Notes has occurred and is continuing;

(ii) will not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Transaction Documents that the Collateral Agent is required to exercise as directed in writing by the holders of a majority in outstanding principal amount under the Notes (the "Majority Purchasers") (or such other number or percentage of the Purchasers as will be expressly provided for herein or in the other Transaction Documents); *provided* that the Collateral Agent will not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Collateral Agent to liability or that is contrary to any Transaction Document or any applicable statutes, rules, ordinances, regulations guidance documents, contract terms, and other requirements of all

applicable governmental authorities, including any action that may be in violation of the automatic stay under any bankruptcy or insolvency; and

(iii) will not, except as expressly set forth herein and in the other Transaction Documents, have any duty to disclose, and will not be liable for the failure to disclose, any information relating to the Companies or any of its Subsidiaries or Affiliates that is communicated to or obtained by the Person serving as the Collateral Agent or any of its Affiliates in any capacity.

(b) The Collateral Agent will not be liable for any action taken or not taken by it (i) with the consent or at the request of the Majority Purchasers (or such other number or percentage of the Purchasers as will be necessary, or as the Collateral Agent believes in good faith will be necessary, under the circumstances), or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Collateral Agent will be deemed not to have knowledge of any Event of Default unless and until notice describing such Event of Default is given to the Collateral Agent in writing by the Companies or a Purchaser.

(c) The Collateral Agent will not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Transaction Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Transaction Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth herein, other than to confirm receipt of items expressly required to be delivered to the Collateral Agent.

6.4 Reliance by Collateral Agent. The Collateral Agent will be entitled to rely upon, and will not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Collateral Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and will not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of the loan evidenced by the Notes that by its terms must be fulfilled to the satisfaction of a Purchaser, the Collateral Agent may presume that such condition is satisfactory to such Purchaser unless the Collateral Agent has received notice to the contrary from such Lender prior to the making of such loan. The Collateral Agent may consult with legal counsel (who may be counsel for the Companies), independent accountants and other experts selected by it, and will not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

6.5 Delegation of Duties. The Collateral Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Transaction Document by or through any one or more sub-agents appointed by the Collateral Agent. The Collateral Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory provisions of this Section will apply to any such sub-agent and to the Affiliates of the Collateral Agent and any such sub-agent, and will apply to their respective activities in connection with the syndication of the facility as well as activities as Collateral Agent. The Collateral Agent will not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Collateral Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

6.6 Resignation of Agent

(a) The Collateral Agent may at any time give notice of its resignation to the Purchasers and the Companies, which notice shall set forth the effective date of such resignation (the *"Resignation Effective Date"*), such date not to be earlier than the thirtieth (30th) day following the date of such notice. The Majority Purchasers and the Companies shall mutually agree upon a successor to the Collateral Agent. If the Majority Purchasers and the Companies are unable to so mutually agree and no successor shall have been appointed within twenty-five (25) days after the retiring Collateral Agent gives notice of its resignation, then the retiring Collateral Agent may (but will not be obligated to), on behalf of the Purchasers, appoint a successor Collateral Agent it shall designate (in its reasonable discretion after consultation with the Companies and the Majority Purchasers). Whether or not a successor has been appointed, such resignation will become effective in accordance with such notice on the Resignation Effective Date.

(b) With effect from the Resignation Effective Date (i) the retiring Collateral Agent will be discharged from its duties and obligations hereunder and under the other Transaction Purchasers under any of the Transaction Documents, the retiring Collateral Agent will continue to hold such Collateral until such time as a successor Collateral Agent is appointed) and (ii) except for any indemnity payments owed to the retiring Collateral Agent, all payments, communications and determinations provided to be made by, to or through the Collateral Agent will instead be made by or to each Lender directly, until such time, if any, as the Majority Purchasers appoint a successor Collateral Agent as provided for above. Upon the acceptance of a successor's appointment as Collateral Agent hereunder, such successor will succeed to and

become vested with all of the rights, powers, privileges and duties of the retiring Collateral Agent (other than any rights to indemnity payments owed to the retiring Collateral Agent), and the retiring Collateral Agent will be discharged from all of its duties and obligations hereunder or under the other Transaction Documents. The fees payable by the Company to a successor Collateral Agent will be the same as those payable to its predecessor unless otherwise agreed between the Companies and such successor. After the retiring Collateral Agent's resignation hereunder and under the other Transaction Documents, the provisions of this Article VI will continue in effect for the benefit of such retiring Collateral Agent, its sub-agents and their respective Affiliates in respect of any actions taken or omitted to be taken by any of them while the retiring Collateral Agent was acting as Collateral Agent.

6.7. Non-Reliance on Collateral Agent and Other Purchasers. Each Purchaser acknowledges that it has, independently and without reliance upon the Collateral Agent or any other Purchaser or any of their Affiliates and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Purchaser also acknowledges that it will, independently and without reliance upon the Collateral Agent or any other Purchaser or any of their Affiliates and based on such documents and information as it will from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Transaction Document or any related agreement or any document furnished hereunder or thereunder.

6.8. Collateral Agent May File Proofs of Claim. In case of the pendency of any bankruptcy or insolvency proceeding or any other judicial proceeding relative to the Company, the Collateral Agent (irrespective of whether the principal of the Notes will then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Collateral Agent has made any demand on the Company) will be entitled and empowered (but not obligated), by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Notes and all other obligations that are owing and unpaid hereunder or under any other Transaction Document and to file such other documents as may be necessary or advisable in order to have the claims of the Purchasers and the Collateral Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Purchasers and the Collateral Agent and their respective agents and counsel and all other amounts due the Purchasers and the Collateral Agent under this Agreement or any other Transaction Document) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same.

Any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Purchaser to make any payments of the type described above in this Section 6.8 to the Collateral Agent and, in the event that the Collateral Agent consents to the making of such payments directly to the Purchasers, to pay to the Collateral Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Collateral Agent and its agents and counsel, and any other amounts due the Collateral Agent under this Agreement or any other Transaction Document.

6.9 Collateral and Guaranty Matters; Appointment of Collateral Agent.

(a) Without limiting the provisions of Section 6.8, the Purchasers irrevocably agree as follows:

(i) the Collateral Agent is authorized, at its option and in its discretion, to release any Lien on any property granted to or held by the Collateral Agent under any Transaction Document (A) on the date when all obligations have been satisfied in full in cash (other than obligations under the Warrant and contingent obligations as to which no claims have been asserted), (B) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted under the Transaction Documents, and

(ii) Upon request by the Collateral Agent at any time, each Purchaser will confirm in writing the Collateral Agent's authority to release or subordinate its interest in particular types or items of Collateral.

(b) The Collateral Agent will not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the

Collateral Agent's lien thereon, or any certificate prepared by any Obligor in connection therewith, nor will the Collateral Agent be responsible or liable to the Purchasers for any failure to monitor or maintain any portion of the Collateral.

(c) Each Purchaser hereby appoints the Collateral Agent as its collateral agent under each of the Transaction Documents and agrees that, in so acting, the Collateral Agent will have all of the rights, protections, exculpations, indemnities and other benefits provided to the Collateral Agent under this Agreement, and hereby authorizes and directs the Collateral Agent, on behalf of such Purchaser and all Purchasers, without the necessity of any notice to or further consent from any of the Purchaser, from time to time to (i) take any action with respect to any collateral or any Transaction Document which may be necessary to perfect and maintain perfected the liens on the collateral granted pursuant to any such Transaction Document or protect and preserve the Collateral Agent's ability to enforce the liens or realize upon the collateral, (ii) act as collateral agent for each Purchaser that is a secured party for purposes of acquiring, holding, enforcing and perfecting all Liens created by the Loan Documents and all other purposes stated therein, (iii) enter into non-disturbance or similar agreements in connection with licensing agreements and arrangements permitted by this Agreement and the other Transaction Documents and (iv) otherwise to take or refrain from taking any and all action that the Collateral Agent shall deem necessary or advisable in fulfilling its role as collateral agent under any of the Transaction Documents.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

LIVEWELL CANADA INC.

By: _____

Name: Steven Archambault
Title: CFO & CAO
Facsimile:
Email: sarchambault@livewellfoods.ca
Address: 179 Promenade du Portage, Gatineau, QC, J8X 2K5, Canada

VITALITY CBD NATURAL HEALTH PRODUCTS INC.

By: _____

Name: Steven Archambault
Title: CFO
Facsimile:
Email: sarchambault@livewellfoods.ca
Address: 1400-340 Albert Street, Ottawa, ON K1R 0A5, Canada

DOMINION CAPITAL LLC, as Purchaser and as Collateral Agent

By: DocuSigned by: Mikhail Gurvich
EF58028430DA402...

Name:
Title:
Facsimile:
Email:
Address:

NOMIS BAY LTD, as Purchaser

_____

Name:
Title:
Facsimile:
Email:

Address:

BPY LIMITED, as Purchaser

By: _____
Name:
Title:
Facsimile:
Email:
Address:

Schedule 2.2(b)

PERLEY-ROBERTSON, HILL & McDOUGALL LLP/s.r.l.

DO NOT CHANGE THIS FORM IN ANY WAY

PLEASE SEND A COPY OF THE TRANSFER RECEIPT TO

PERLEY-ROBERTSON, HILL & McDOUGALL LLP/s.r.l.

EITHER

BY FAX TO 613.238.8775

OR

BY E-MAIL TO TRUST@PERLAW.CA

AS SOON AS POSSIBLE AFTER A TRANSFER HAS BEEN INITIATED.
THIS WILL HELP TO EXPEDITE THE PROPER ALLOCATION OF ALL INCOMING TRANSFERS.

NOTE:
PLEASE ENSURE THAT WHEN FUNDS ARE WIRED THE NAME OF THE REMITTER AND YOUR FILE NUMBER (i.e. ABCD001) IS SPECIFICALLY IDENTIFIED IN THE TELEX MESSAGE FROM THE SENDING BANK.

Wire transfers are only accepted if the Beneficiary Name, Address, and Account Information are specified.

U.S. $ WIRING INSTRUCTIONS

Bank Name: Royal Bank of Canada
Bank Address: 90 Sparks Street, Ottawa, ON K1P 5B4

Bank#: 003
Transit#: 00006
Swift #: ROYCCAT2 (from outside Canada only)
Account Number: 00006-4006748

Beneficiary Name: Perley-Robertson, Hill & McDougall LLP/s.r.l. In Trust
Beneficiary Address: 1400 – 340 Albert Street, Ottawa, ON K1R 0A5

This is Exhibit "C" *referred to in the*

affidavit of Philip Gross

sworn before me, this 28th

day of February 2020

A COMMISSIONER FOR OATHS/NOTARY PUBLIC IN AND FOR
THE STATE OF MARYLAND

ALISANN FROLOVA
NOTARY
PUBLIC
BALTIMORE COUNTY, MD

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "Agreement") is dated as of March 20, 2019, between LiveWell Canada Inc., a Canadian corporation ("LiveWell"), Vitality CBD Natural Health Products Inc., a Canadian corporation ("Vitality", and, together with LiveWell, the "Companies"), and each of the individuals and/or entities that execute a signature page hereto (each a "Purchaser" and collectively the "Purchasers") and Dominion Capital LLC, as collateral agent.

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506 promulgated thereunder, the Companies desire to issue and sell to the Purchasers, and the Purchasers desires to purchase from the Companies, securities of the Companies as more fully described in this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Companies and the Purchasers agree as follows:

ARTICLE I
DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement: (a) capitalized terms that are not otherwise defined herein have the meanings given to such terms in the Note (as defined herein), and (b) the following terms have the meanings set forth in this Section 1.1:

"Acquiring Person" shall have the meaning ascribed to such term in Section 4.7.

"Action" shall have the meaning ascribed to such term in Section 3.1(j).

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Artiva Property" means the real property owned by Artiva Inc., a Subsidiary of LiveWell, located at 5130 and 5208 Ramsayville Road, Ottawa, Ontario, Canada.

"Board of Directors" means the boards of directors of the Companies.

"Bridge Lenders" means the purchasers of the Companies' 10% convertible notes in the principal amount of $3,000,000 issued on February 15, 2019.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or Canada or any day on which commercial banking institutions in the State of New York or the Province of Ontario are authorized or required by law or other governmental action to close.

"Canadian AML Laws" means all laws, rules and regulations of Canada generally known to concern bribery of government officials or public corruption including, without limitation, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada); Part II.1 of the *Criminal Code* (Canada); the *Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism* (Canada); the *United Nations Al-Qaida and Taliban Regulations* (Canada) and any similar laws or regulations currently in force or hereafter enacted.

"Canadian Pension Plan" means any pension, retirement, savings, profit sharing, health, medical, dental, disability, life insurance, welfare or other employee benefit plan, program, policy or practice, whether written or oral, funded or unfunded, registered or unregistered, including, without limitation, a "registered pension plan," as that term is defined in subsection 248(1) of the *Canadian Tax Act*, which is or was sponsored, administered or contributed to, or required to be contributed to by, the Companies or under which the Companies have any actual or potential liability.

"Canadian Sanction Laws" means all economic or financial sanctions or trade embargoes or restrictive measures enacted, imposed, administered or enforced from time to time by the Canadian government including, without limitation, any sanctions imposed by the *Special Economic Measures Act* (Canada), the *United Nations Act* (Canada) or any Canadian AML Laws.

"Canadian Securities Authorities" means, collectively, the securities commissions or similar securities regulatory authorities in each of the provinces or territories of Canada, including the OSC, and the Toronto Stock Exchange, the TSX Venture Exchange, the NEO Exchange and the Canadian Securities Exchange.

"Canadian Securities Laws" means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder.

"Closing" means the closing of the purchase and sale of the Securities pursuant to Section 2.1.

"Closing Date" means the Trading Day on which all of the Transaction Documents have been executed and delivered by the applicable parties thereto, and all conditions precedent to (i) the Purchaser's obligations to pay the Subscription Amount and (ii) the Companies' obligations to deliver the Securities, in each case, have been satisfied or waived.

"Commission" means the United States Securities and Exchange Commission.

"Vitality Common Stock" means the common stock of Vitality and any other class of securities into which such securities may hereafter be reclassified or changed.

"LiveWell Common Stock" means the common stock of LiveWell and any other class of securities into which such securities may hereafter be reclassified or changed.

"Collateral Agent" shall have the meaning set forth in Article VI.

"Common Stock Equivalents" means any securities of the Companies or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Conversion Price" shall have the meaning ascribed to such term in the Note.

"Conversion Shares" shall have the meaning ascribed to such term in the Note.

"Disclosure Schedules" shall have the meaning ascribed to such term in Section 3.1.

"Disclosure Time" means, (i) if this Agreement is signed prior to midnight on any Trading Day, 8:00 a.m. (New York City time) on the Trading Day immediately following the date hereof, and (ii) if this Agreement is signed after midnight on any Trading Day, 8:00 a.m. (New York City time) on the date hereof.

"Dominion" shall mean Dominion Capital LLC.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Exempt Issuance" means the issuance of (a) shares of Common Stock or options to employees, officers, service providers such as attorneys or bona-fide independent contractors of the Companies, or directors of the Companies pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Companies, or approved by a majority of shareholders of the Companies, (b) securities upon the exercise or exchange of or conversion of any

Securities issued hereunder and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date of this Agreement, provided that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than in connection with stock splits or combinations) or to extend the term of such securities, and (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Companies, provided that such securities are issued as "restricted securities" (as defined in Rule 144) and carry no registration rights that require or permit the filing of any registration statement in connection therewith during the prohibition period in Section 4.13(ii) herein, and provided that any such issuance shall only be to a Person (or to the equityholders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Companies and shall provide to the Companies additional benefits in addition to the investment of funds, but shall not include a transaction in which the Companies is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

"FCPA" means the Foreign Corrupt Practices Act of 1977, as amended.

"Hypothec" means the movable hypothec, among LiveWell and its Quebec Subsidiary, as grantors, and Dominion, as hypothecary representative for the Purchasers, charging all movable (personal) property, present and future, of LiveWell and its Quebec Subsidiary, in the form substantially similar to Exhibit E attached hereto.

"Indebtedness" shall have the meaning ascribed to such term in Section 3.1(bb).

"Intellectual Property Rights" shall have the meaning ascribed to such term in Section 3.1(p).

"Legend Removal Date" shall have the meaning ascribed to such term in Section 4.1(c).

"Liens" means a lien, charge, pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

"Litchfield Property" means the real property owned by LiveWell Foods Québec Inc., a Subsidiary of LiveWell, located at 211, Route 301, Litchfield, Québec, Canada.

"Material Adverse Effect" shall have the meaning assigned to such term in Section 3.1(b).

"Material Permits" shall have the meaning ascribed to such term in Section 3.1(n).

"Mortgage and Assignment of Leases and Rents" means the mortgage and assignment of leases and rents, among Artiva Inc., a Subsidiary of LiveWell, as grantors, and Dominion, as collateral agent for the Purchasers in connection with the Artiva Property in the form substantially similar to Exhibit E attached hereto.

"Montana Property" means the real property known municipally as 254 Truss Road, Eureka, Montana 59917, and the specific equipment located therein.

"New Mexico Property" means the real property known municipally as 9085 Advancement Ave., Las Cruces, New Mexico, and the specific equipment located therein.

"Notes" means the 10% Senior Secured Convertible Notes in the aggregate principal amount of {$12,000,000} due, subject to the terms therein, thirteen (13) months from its date of issuance, issued by LiveWell to each Purchaser hereunder, in the form of Exhibit A attached hereto.

"OSC" means the Ontario Securities Commission.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Proceeding" means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Public Information Failure" shall have the meaning ascribed to such term in Section 4.3(b).

"Public Information Failure Payments" shall have the meaning ascribed to such term in Section 4.3(b).

"Purchaser Party" shall have the meaning ascribed to such term in Section 4.10.

"Registration Rights Agreement" means the Registration Rights Agreement, dated on or about the date hereof, among the Companies and the Purchaser, in the form of Exhibit B attached hereto.

"Registration Statement" means a registration statement meeting the requirements set forth in the Registration Rights Agreement and covering the resale of the Underlying Shares by the Purchaser as provided for in the Registration Rights Agreement.

"Required Approvals" shall have the meaning ascribed to such term in Section 3.1(e).

"Required Minimum" means, as of any date, 200% of the maximum aggregate number of shares of Common Stock then issued or potentially issuable in the future pursuant to the Transaction Documents, including any Underlying Shares issuable upon exercise in full of all Warrants or conversion in full of all Notes (including Underlying Shares issuable as payment of interest on the Note), ignoring any conversion or exercise limits set forth therein, and assuming that the Conversion Price is at all times on and after the date of determination 75% of the then Conversion Price on the Trading Day immediately prior to the date of determination.

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"SEC Reports" shall have the meaning ascribed to such term in Section 3.1(h).

"Securities" means the Note, the Warrants, the Warrant Shares and the Underlying Shares.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Security Agreements" means collectively, (i) the Security Agreement governed by the laws of Ontario, and (ii) the Security Agreement governed by the laws of New York, among the Companies and their Subsidiaries, as grantors, and Dominion, as collateral agent, each in the form substantially similar to Exhibit E attached hereto.

"Security Documents" means collectively, the Security Agreements, the Hypothec, the Subsidiary Guarantee and the Mortgage and Assignment of Leases and Rents.

"Short Sales" means all "short sales" as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include locating and/or borrowing shares of Common Stock).

"Subscription Amount" means, as to the Purchaser, the aggregate amount to be paid for Notes and Warrants purchased hereunder as specified below the Purchaser's name on the signature page of this Agreement and next to the heading "Subscription Amount," in United States dollars and in immediately available funds.

"Subsequent Financing" shall have the meaning ascribed to such term in Section 4.16.

"Subsidiary" means any subsidiary of the Companies as set forth on Schedule 3.1(a) and shall, where applicable, also include any direct or indirect subsidiary of the Companies formed or acquired after the date hereof.

"Subsidiary Guarantee" means the Guarantee Agreement governed by the laws of New York, among the Subsidiaries and Vitality, as guarantors, and Dominion, as collateral agent for the Purchasers, as beneficiaries, in the form substantially similar to Exhibit D attached hereto.

"Trading Day" means a day on which the principal Trading Market is open for trading.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the Toronto Stock Exchange, the TSX Venture Exchange, the NEO Exchange, the Canadian Securities Exchange, or the New York Stock Exchange (or any successors to any of the foregoing).

"Transaction Documents" means this Agreement, the Notes, the Warrants, the Registration Rights Agreement, the Security Documents, all exhibits and schedules thereto and hereto and any other documents or agreements executed in connection with the transactions contemplated hereunder.

"Transfer Agent" means TSX Trust, the current transfer agent of LiveWell, and any successor transfer agent of LiveWell.

"Underlying Shares" means the Warrant Shares and shares of Common Stock issued and issuable pursuant to the terms of the Notes, including without limitation, shares of Common Stock issued and issuable in lieu of the cash payment of interest on the Notes in accordance with the terms of the Notes, in each case without respect to any limitation or restriction on the conversion of the Notes or the exercise of the Warrants.

"Variable Rate Transaction" shall have the meaning ascribed to such term in Section 4.17

"Vitality" means Vitality CBD Natural Health Products Inc., a Canadian corporation.

"Vitality Combination" means the proposed amalgamation between LiveWell and Vitality.

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time); provided, however, that if the Common Stock is then listed or quoted on more than one Trading Market, then the Trading Market for purposes of any calculations to be made pursuant to the terms of this Note shall be the Trading Market selected by the Holder in its sole discretion), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Purchaser of a majority in interest of the Securities then outstanding and reasonably acceptable to the Companies, the fees and expenses of which shall be paid by the Companies.

"Warrants" means the Vitality Common Stock purchase warrants delivered to the Purchasers at the Closing in accordance with Section 2.2(a) hereof, in the form of Exhibit C attached hereto.

"Warrant Shares" means the shares of Vitality Common Stock issuable upon exercise of the Warrants.

ARTICLE II
PURCHASE AND SALE

2.1 Closing. (a) On the Closing Date, upon the terms and subject to the conditions set forth herein, substantially concurrent with the execution and delivery of this Agreement by the parties hereto, the Companies agree to sell, and the Purchasers agree to purchase, the Notes and the Warrants. The Purchasers shall deliver to LiveWell's counsel in trust, Perley-Robertson, Hill & McDougall LLP/s.r.l, via wire transfer, the Subscription Amount set forth opposite such Purchasers name on the signature page hereto (which Subscription Amounts shall aggregate USD $10,000,000) in immediately available funds, and the Livewell shall deliver to the Purchasers the Notes and Warrants, and the Companies and the Purchaser shall deliver the other items set forth in Section 2.2 deliverable at the Initial Closing. Upon satisfaction of the covenants and conditions set forth in Sections 2.2 and 2.3, the Closing shall occur by electronic exchange of documents.

2.2 Deliveries.

(a) On or prior to the Closing Date, the Companies shall deliver or cause to be delivered to the Purchasers the following:

(i) this Agreement duly executed by the Companies;

(ii) the Notes with an aggregate principal amount of $10,000,000 registered in the name of the Purchasers;

(iii) the Warrants registered in the name of the Purchaser to purchase __,000,000 shares of Vitality Common Stock;

(iii) LiveWell shall have provided the Purchaser with its wire instructions;

(iv) a Security Agreement and to the extent that any other Security Documents are in a final settled form, duly executed copies of the Security Documents by the Companies, and their Subsidiaries, as applicable;

(v) an IP Security Agreement;

(vi) the Registration Rights Agreement duly executed by the Companies;

(vii) a duly certified copy of the constating documents and by-laws of each of the Companies and their Subsidiaries certified by a senior officer of the relevant entity, accompanied by good standing or equivalent certificates issued by the appropriate governmental body of each entity's jurisdiction of incorporation and principal place of business;

(viii) a duly certified copy of a resolution or resolutions of the board of directors of each of the Companies and their Subsidiaries relating to the authority of each entity to execute and deliver and perform its obligations under the Transaction Documents to which it is a party and all other instruments, agreements, certificates and other documents provided for or contemplated by the said Transaction Documents and the manner in which and by whom the foregoing documents are to be executed and delivered, certified by a senior officer of the relevant entity; and

(ix) legal opinions from counsel to the Companies and their Subsidiaries relating to such matters as the Purchasers may reasonably require.

(b) On or prior to the Closing Date, the Purchasers shall deliver or cause to be delivered to the Companies the following:

(i) this Agreement duly executed by each Purchaser;

(ii) each Purchaser's Subscription Amount by wire transfer to Perley-Robertson, Hill & McDougall LLP/s.r.l in trust in the account specified in Schedule 2.2(b);

(iii) a Security Agreement and to the extent that any other Security Documents are in a final settled form, duly executed copies of the Security Documents in favor of Purchasers, as secured party; and

(iv) the Registration Rights Agreement duly executed by the Purchasers.

2.3 Closing Conditions.

(a) The obligations of the Companies hereunder in connection with the Closing are subject to the following conditions being met:

(i) the accuracy in all material respects on (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) the Closing Date of the representations and warranties of the Purchaser contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of the Purchaser required to be performed at or prior to the Closing Date shall have been performed; and

(iii) the delivery by the Purchaser of the items set forth in Section 2.2(b) of this Agreement.

(b) The respective obligations of the Purchasers hereunder in connection with the Closing are subject to the following conditions being met:

(i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) when made and on the Closing Date of the representations and warranties of the Companies contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of the Companies are required to be performed at or prior to the Closing Date shall have been performed;

(iii) the delivery by the Companies of the items set forth in Section 2.2(a) of this Agreement; and

(iv) there shall have been no Material Adverse Effect with respect to the Companies, since the date hereof.

2.4 Post-closing undertakings

(a) To the extent that any of the Security Documents is not in a final settled form on the Closing Date, the Companies agree to negotiate in good faith and to settle, execute and deliver such Security Documents by no later than ten (10) Business Days following the Closing Date.

(b) Immediately following the execution of the Security Documents referenced in paragraph (a) above but no later than five (5) Business Days thereafter, the Companies shall (i) ensure that all Security Documents will have been registered, recorded or otherwise perfected or published wherever and however necessary to

enforce and set up the rights thereunder against third persons; (ii) deliver to Dominion, as collateral agent for the Purchasers, legal opinions from counsel to the Companies and their Subsidiaries relating to the perfection, recordation, registration and/or publication of the Security Documents.

(c) Immediately but no later than 30 days following the execution of this Agreement, LiveWell shall cause its Subsidiary, Artiva Inc., to use its best efforts to obtain the consent of the first ranking mortgagee of Artiva Property.

(d) Immediately but no later than 30 days following the execution of this Agreement, LiveWell shall use its best efforts to obtain a landlord waiver in favour of Dominion, as collateral agent for the Purchasers, as secured party, in respect of each leased premises.

(e) LiveWell shall use its best efforts to complete the purchase of all issued and outstanding shares of Acenzia Inc., and forthwith the completion of such share purchase transaction but no later than 60 days thereafter, cause Acenzia Inc. to execute and deliver the additional debtor joinder under the applicable Security Agreement, and create a security interest in favour of Dominion, as collateral agent for the Purchasers, as secured party, on all personal and real property owned by Acenzia Inc. to be registered, recorded or otherwise perfected or published wherever and however necessary to enforce and set up the rights thereunder against third persons, together with legal opinions from counsel to LiveWell relating to the perfection, recordation, registration and/or publication of the security documents.

(f) Immediately but no later than 30 days following the execution of this Agreement, the Company shall use their best effort to ensure that Vitality complete the subdivision of the New Mexico Property.

(g) By no later than 60 days following the execution of this Agreement, the Companies shall ensure that Vitality (i) grant in favour of Dominion, as collateral agent, a second priority mortgage and security interest on such New Mexico Property and ensure that such mortgage and security interest have been registered, recorded or otherwise perfected or published wherever and however necessary to enforce and set up the rights thereunder against third persons; (ii) execute all documents necessary to ensure that Dominion, as collateral agent, has access to the New Mexico Property in order to access all personal property located thereon in the Event of a Default under the Note; and (iii) deliver to the Purchasers legal opinions from counsel to Vitality relating to the ranking, perfection, recordation, registration and/or publication of mortgage and security interest on such New Mexico Property.

(h) By no later than 60 days following the execution of this Agreement, the Companies shall ensure that Vitality (i) grant in favour of Dominion, as collateral agent, a second priority mortgage and security interest on the Montana Property and ensure that such mortgage and security interest have been registered, recorded or otherwise perfected or published wherever and however necessary to enforce and set up the rights thereunder against third persons; (ii) execute all documents necessary to ensure that Dominion, as collateral agent, has access to the Montana Property in order to access all personal property located thereon in the Event of a Default under the Note; and (iii) deliver to the Purchasers legal opinions from counsel to Vitality relating to the ranking, perfection, recordation, registration and/or publication of mortgage and security interest on such Montana Property.

(i) By no later than 60 days following the execution of this Agreement, the Companies shall deliver a legal opinion from counsel to the Companies and their Subsidiaries, in form and substance reasonably acceptable to Purchasers and their counsel, relating to the due execution, authorization and enforceability of the Security Agreement governed by the laws of New York, among the Companies and their Subsidiaries, as grantors, and Purchasers, as secured party.

Any failure to satisfy any of these post-closing undertakings within such applicable time period, unless otherwise waived by Purchasers or an additional time period is granted by Purchasers, will constitute an Event of Default.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Companies. Except as set forth in the Disclosure Schedules, which Disclosure Schedules shall be deemed a part hereof and shall qualify any representation or otherwise made herein to the extent of the disclosure contained in the corresponding section of the Disclosure Schedules, the Companies hereby make the following representations and warranties to the Purchasers:

(a) Subsidiaries. All of the direct and indirect subsidiaries of the Companies are set forth on Schedule 3.1(a). The Companies own, directly or indirectly, all of the capital stock or other equity interests of each Subsidiary free and clear of any Liens, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of pre-emptive and similar rights to subscribe for or purchase securities.

(b) Organization and Qualification. Each of the Companies and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Companies nor any Subsidiary is in violation nor default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Companies and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in: (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Companies and the Subsidiaries, taken as a whole, or (iii) a material adverse effect on either of the Companies' ability to perform in any material respect on a timely basis its obligations under any Transaction Document (any of (i), (ii) or (iii), a "Material Adverse Effect") and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(c) Authorization; Enforcement.

(i) The Companies have the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents and otherwise to carry out their obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the other Transaction Documents by the Companies and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Companies and no further action is required by the Companies, the Board of Directors or the Companies' stockholders in connection herewith or therewith other than in connection with the Required Approvals. This Agreement and each other Transaction Document to which it is a party has been (or upon delivery will have been) duly executed by the Companies and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Companies enforceable against the Companies in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(d) No Conflicts. The execution, delivery and performance by the Companies of this Agreement and the other Transaction Documents to which it is a party, the issuance and sale of the Securities and the consummation by it of the transactions contemplated hereby and thereby do not and will not: (i) conflict with or violate any provision of the Companies' or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Companies or any Subsidiary, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Companies or Subsidiary debt or otherwise) or other understanding to which the Companies or any Subsidiary is a party or by which any property or asset of the

Companies or any Subsidiary is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Companies or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Companies or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. Except for the filing of a form 72-503F *Report of distributions outside Canada* with the OSC, the Companies are not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Companies of the Transaction Documents, other than: (i) the filings required pursuant to Section 4.6 of this Agreement, (ii) the filing with the Commission pursuant to the Registration Rights Agreement, (iii) the notice and/or application(s) to each applicable Trading Market for the issuance and sale of the Securities and the listing of the Conversion Shares and Warrant Shares for trading thereon in the time and manner required thereby, (iv) the filing of Form D with the Commission and such filings as are required to be made under applicable state securities laws and (v) Shareholder Approval (collectively, the "Required Approvals").

(f) Issuance of the Securities. The Securities are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Companies other than restrictions on transfer provided for in the Transaction Documents. The Underlying Shares, when issued in accordance with the terms of the Transaction Documents, will be validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Companies other than restrictions on transfer provided for in the Transaction Documents. LiveWell has reserved from its duly authorized capital stock a number of shares of Common Stock for issuance of the Underlying Shares at least equal to the Required Minimum on the date hereof.

(g) Capitalization. The capitalization of the Companies as of the date hereof is as set forth on Schedule 3.1(g), which Schedule 3.1(g) shall also include the number of shares of Common Stock owned beneficially, and of record, by Affiliates of the Companies as of the date hereof. Except for the Bridge Lenders, no Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except as a result of the purchase and sale of the Securities, there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire any shares of Common Stock or the capital stock of any Subsidiary, or contracts, commitments, understandings or arrangements by which the Companies or any Subsidiary is or may become bound to issue additional shares of Common Stock or Common Stock Equivalents or capital stock of any Subsidiary. The issuance and sale of the Securities will not obligate the Companies or any Subsidiary to issue shares of Common Stock or other securities to any Person (other than the Purchaser) and will not result in a right of any holder of Companies securities to adjust the exercise, conversion, exchange or reset price under any of such securities. There are no outstanding securities or instruments of the Companies or any Subsidiary that contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Companies or any Subsidiary is or may become bound to redeem a security of the Companies or such Subsidiary. The Companies do not have any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement. All of the outstanding shares of capital stock of the Companies are duly authorized, validly issued, fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. No further approval or authorization of any stockholder, the Board of Directors or others is required for the issuance and sale of the Securities. There are no stockholders agreements, voting agreements or other similar agreements with respect to the Companies' capital stock to which the Companies are a party or, to the knowledge of the Companies, between or among any of the Companies' stockholders.

(h) The financial statements set forth on Schedule 3.1 (h) fairly present in all material respects the financial condition and operating results of the Companies as of the dates, and for the periods, indicated therein. Except for the liabilities as set forth in such financial statements and the Companies' notes issued to the Bridge Lenders, have no material liabilities or obligations, contingent or otherwise. The financial statements fairly

present the consolidated financial position of the Companies in accordance with International Financial Reporting Standards.

(i) Material Changes; Undisclosed Events, Liabilities or Developments. Since the date of the latest audited financial statements filed on SEDAR, except as set forth on Schedule 3.1(i), (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) LiveWell has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in LiveWell's financial statements pursuant to GAAP or disclosed in filings made with the Commission, (iii) LiveWell has not altered its method of accounting, (iv) LiveWell has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock and (v) LiveWell has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing LiveWell stock option plans. LiveWell does not have pending before the Commission any request for confidential treatment of information. Except for the issuance of the Securities contemplated by this Agreement or as set forth on Schedule 3.1(i), no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to LiveWell or their Subsidiaries or their respective businesses, prospects, properties, operations, assets or financial condition, that would be required to be disclosed by LiveWell under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least 1 Trading Day prior to the date that this representation is made.

(j) Litigation. Except as disclosed in Schedule 3.1(j), there is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Companies, threatened against or affecting the Companies, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "Action") which (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Securities or (ii) could, if there were an unfavourable decision, have or reasonably be expected to result in a Material Adverse Effect. Neither the Companies nor any Subsidiary, nor any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Companies, there is not pending or contemplated, any investigation by the Commission involving the Companies or any current or former director or officer of the Companies. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Companies or any Subsidiary under the Exchange Act or the Securities Act. No delisting of, suspension of trading in or cease trading order with respect to any securities of the Companies and, to the knowledge of the Companies, no inquiry or investigation (formal or informal) of any Canadian Securities Authority, or any enforcement action by any Canadian Securities Authority, is in effect or ongoing or, to the knowledge of the Companies, expected to be implemented or undertaken against the Companies, other than LiveWell's current trading halt pending fundamental change that was issued upon the announcement of the Vitality Combination.

(k) Labour Relations. No labour dispute exists or, to the knowledge of the Companies, is imminent with respect to any of the employees of the Companies, which could reasonably be expected to result in a Material Adverse Effect. None of the Companies' or their Subsidiaries' employees are a member of a union that relates to such employee's relationship with the Companies or such Subsidiary, and neither the Companies nor any of their Subsidiaries are a party to a collective bargaining agreement, and the Companies and their Subsidiaries believe that their relationships with their employees are good. To the knowledge of the Companies, no executive officer of the Companies or any Subsidiary, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favour of any third party, and the continued employment of each such executive officer does not subject the Companies or any of their Subsidiaries to any liability with respect to any of the foregoing matters. The Companies and their Subsidiaries are in compliance with all U.S. federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours, including without limitation, the Canadian Pension Plan, except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(l) Compliance. Neither the Companies nor any Subsidiary: (i) are in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Companies or any Subsidiary under), nor have the Companies or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labour matters, except in each case as could not have or reasonably be expected to result in a Material Adverse Effect.

(m) Environmental Laws. The Companies and their Subsidiaries (i) are in compliance with all federal, state, local and foreign laws relating to pollution or protection of human health or the environment (including ambient air, surface water, groundwater, land surface or subsurface strata), including laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "Hazardous Materials") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands, or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations, issued, entered, promulgated or approved thereunder ("Environmental Laws"); (ii) have received all permits licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses; and (iii) are in compliance with all terms and conditions of any such permit, license or approval where in each clause (i), (ii) and (iii), the failure to so comply could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(n) Regulatory Permits. The Companies and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in the SEC Reports and in Sedar, except where the failure to possess such permits could not reasonably be expected to result in a Material Adverse Effect ("Material Permits"), and neither the Companies nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit.

(o) Title to Assets. The Companies and the Subsidiaries have good and marketable title in fee simple to all real property owned by them and good and marketable title in all personal property owned by them that is material to the business of the Companies and the Subsidiaries, in each case free and clear of all Liens, except for (i) Liens of the Bridge Lenders; (ii) Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Companies and the Subsidiaries and (ii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made therefor in accordance with GAAP and, the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Companies and the Subsidiaries are held by them under valid, subsisting and enforceable leases with which the Companies and the Subsidiaries are in compliance. As of the date hereof, LiveWell Foods Canada Inc., a Subsidiary of LiveWell, has minimum assets and operations in the province of Quebec. To the extent that is no longer the case, LiveWell Foods Canada Inc. will be obligated to grant to the holders of the Notes, within (5) five days, a {first} ranking lien on all personal (movable) and real (immoveable) property of LiveWell Foods Canada Inc. located in the province of Quebec.

(p) Intellectual Property. The Companies and the Subsidiaries have, or have rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights necessary or required for use in connection with their respective businesses as described in the SEC Reports and in Sedar which the failure to so have could have a Material Adverse Effect (collectively, the "Intellectual Property Rights"). None of, and neither the Companies nor any Subsidiary has received a notice (written or otherwise) that any of, the Intellectual Property Rights has expired, terminated or been abandoned, or is expected to expire or terminate or be abandoned, within two (2) years from the date of this Agreement. Neither the Companies nor any Subsidiary has received, since the date of the latest audited financial statements included within the SEC Reports and Sedar, a written notice of a claim or otherwise has any knowledge that the Intellectual Property Rights violate

or infringe upon the rights of any Person, except as could not have or reasonably be expected to not have a Material Adverse Effect. To the knowledge of the Companies, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights. The Companies and their Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(q) Insurance. The Companies and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which the Companies and the Subsidiaries are engaged, including, but not limited to, directors and officers insurance coverage at least equal to the aggregate Subscription Amount. Neither the Companies nor any Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.

(r) Transactions with Affiliates and Employees. Except as set forth on Schedule 3.1(r), none of the officers or directors of the Companies or any Subsidiary and, to the knowledge of the Companies, none of the employees of the Companies or any Subsidiary is presently a party to any transaction with the Companies or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from providing for the borrowing of money from or lending of money to, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Companies, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee, stockholder, member or partner, in each case in excess of $120,000 other than for (i) payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Companies and (iii) other employee benefits, including stock option agreements under any stock option plan of the Companies.

(s) [RESERVED].

(t) Certain Fees. There are no brokerage or finder's fees or commissions that are or will be payable by the Companies or any Subsidiaries to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents. The Purchaser shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the transactions contemplated by the Transaction Documents.

(u) Private Placement. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Securities by the Companies to the Purchaser as contemplated hereby. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2, the offer and sale of the Securities by the Companies to the Purchaser as contemplated hereby is exempt from the prospectus requirement under Canadian Securities Laws. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the Trading Market.

(v) Investment Companies. The Companies are not, and are not an Affiliate of, and immediately after receipt of payment for the Securities, will not be or be an Affiliate of, an "investment company" within the meaning of the Investment Companies Act of 1940, as amended. The Companies shall conduct their business in a manner so that it will not become an "investment company" subject to registration under the Investment Companies Act of 1940, as amended.

(w) Registration Rights. Other than the Purchasers or Bridge Lenders, no Person has any right to cause the Companies or any Subsidiary to effect the registration under the Securities Act of any securities of the Companies or any Subsidiaries.

(x) [RESERVED].

(y) [RESERVED].

(z) Disclosure. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, the Companies confirm that neither they nor any other Person acting on their behalf has provided the Purchaser or their agents or counsel with any information that it believes constitutes or might constitute material, non-public information. The Companies understand and confirm that the Purchaser will rely on the foregoing representation in effecting transactions in securities of the Companies. All of the disclosure furnished by or on behalf of the Companies to the Purchaser regarding the Companies and their Subsidiaries, their respective businesses and the transactions contemplated hereby, including the Disclosure Schedules to this Agreement, is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The press releases disseminated by the Companies during the twelve months preceding the date of this Agreement taken as a whole do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made and when made, not misleading. The Companies acknowledge and agree that the Purchaser does not make or has not made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 3.2 hereof.

(aa) No Integrated Offering. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2, neither the Companies, nor any of their Affiliates, nor any Person acting on their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Securities to be integrated with prior offerings by the Companies for purposes of (i) the Securities Act which would require the registration of any such securities under the Securities Act, or (ii) any applicable shareholder approval provisions of any Trading Market on which any of the securities of the Companies are listed or designated.

(bb) Solvency. Based on the consolidated financial condition of the Companies as of the Closing Date, after giving effect to the receipt by the Companies of the proceeds from the sale of the Securities hereunder, (i) the fair saleable value of the Companies' assets exceed the amount that will be required to be paid on or in respect of the Companies' existing debts and other liabilities (including known contingent liabilities) as they mature, (ii) the Companies' assets do not constitute unreasonably small capital to carry on its business as now conducted and as proposed to be conducted including its capital needs taking into account the particular capital requirements of the business conducted by the Companies, consolidated and projected capital requirements and capital availability thereof, and (iii) the current cash flow of the Companies, together with the proceeds the Companies would receive, were it to liquidate all of its assets, after taking into account all anticipated uses of the cash, would be sufficient to pay all amounts on or in respect of its liabilities when such amounts are required to be paid. The Companies do not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt). The Companies have no knowledge of any facts or circumstances which lead it to believe that it will file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within one year from the Closing Date. Schedule 3.1(bb) sets forth as of the date hereof all outstanding secured and unsecured Indebtedness of the Companies or any Subsidiary, or for which the Companies or any Subsidiary has commitments. For the purposes of this Agreement, "Indebtedness" means (x) any liabilities for borrowed money or amounts owed in excess of $50,000 (other than trade accounts payable incurred in the ordinary course of business), (y) all guaranties, endorsements and other contingent obligations in respect of indebtedness of others, whether or not the same are or should be reflected in the Companies' consolidated balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and (z) the present value of any lease payments in excess of $50,000 due under leases required to be capitalized in accordance with GAAP. Neither the Companies nor any Subsidiary is in default with respect to any Indebtedness.

(cc) Tax Status. Except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, the Companies and their Subsidiaries each (i) has made or filed all United States federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations and (iii) has set aside on its books provision reasonably adequate for the

payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Companies or of any Subsidiary know of no basis for any such claim.

(dd) No General Solicitation. Neither the Companies nor any Person acting on behalf of the Companies has offered or sold any of the Securities by any form of general solicitation or general advertising. The Companies have offered the Securities for sale only to the Purchaser and certain other "accredited investors" within the meaning of Rule 501 under the Securities Act.

(ee) Foreign Corrupt Practices. Neither the Companies nor any Subsidiary, nor to the knowledge of the Companies or any Subsidiary, any agent or other person acting on behalf of the Companies or any Subsidiary, has (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Companies or any Subsidiary (or made by any person acting on its behalf of which the Companies is aware) which is in violation of law or (iv) violated in any material respect any provision of FCPA, the Canadian AML Laws or the Canadian Sanction Laws.

(ff) Accountants. The Companies' accounting firms are set forth on Schedule 3.1(ff) of the Disclosure Schedules. To the knowledge and belief of the Companies, such accounting firm (i) is a registered public accounting firm as required by the Exchange Act and (ii) shall express its opinion with respect to the financial statements to be included in the Companies' Annual Report for the fiscal years ending December 31, 2018.

(gg) Seniority. As of the Closing Date, other than the notes issued to the Bridge Lenders no Indebtedness or other claim against the Companies is senior to the Note in right of payment, whether with respect to interest or upon liquidation or dissolution, or otherwise, other than indebtedness secured by purchase money security interests (which is senior only as to underlying assets covered thereby) and capital lease obligations (which is senior only as to the property covered thereby).

(hh) No Disagreements with Accountants and Lawyers. There are no disagreements of any kind presently existing, or reasonably anticipated by the Companies to arise, between the Companies and the accountants and lawyers formerly or presently employed by the Companies and the Companies are current with respect to any fees owed to its accountants and lawyers which could affect the Companies' ability to perform any of its obligations under any of the Transaction Documents.

(ii) Acknowledgment Regarding Purchaser's Purchase of Securities. The Companies acknowledge and agree that the Purchaser is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated thereby. The Companies further acknowledge that the Purchaser is not acting as a financial advisor or fiduciary of the Companies (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any advice given by the Purchaser or any of its respective representatives or agents in connection with the Transaction Documents and the transactions contemplated thereby is merely incidental to the Purchaser's purchase of the Securities. The Companies further represent to the Purchaser that the Companies' decisions to enter into this Agreement and the other Transaction Documents have been based solely on the independent evaluation of the transactions contemplated hereby by the Companies and its representatives.

(jj) Acknowledgment Regarding Purchaser's Trading Activity. Anything in this Agreement or elsewhere herein to the contrary notwithstanding (except for Sections 3.2(f) and 4.15 hereof), it is understood and acknowledged by the Companies that: (i) the Purchaser has not been asked by the Companies to agree, nor has the Purchaser agreed, to desist from purchasing or selling, long and/or short, securities of the Companies, or "derivative" securities based on securities issued by the Companies or to hold the Securities for any specified term, (ii) past or future open market or other transactions by the Purchaser, specifically including, without limitation, Short Sales or "derivative" transactions, before or after the closing of this or future private placement transactions, may negatively impact the market price of the Companies' publicly-traded securities, (iii) the Purchaser, and counter-parties in "derivative" transactions to which the Purchaser is a party, directly or indirectly, may presently have a "short" position in the Common Stock and (iv) the Purchaser shall not be

deemed to have any affiliation with or control over any arm's length counter-party in any "derivative" transaction. The Companies further understand and acknowledge that (y) the Purchaser may engage in hedging activities at various times during the period that the Securities are outstanding, including, without limitation, during the periods that the value of the Underlying Shares deliverable with respect to Securities are being determined, and (z) such hedging activities (if any) could reduce the value of the existing stockholders' equity interests in the Companies at and after the time that the hedging activities are being conducted. The Companies acknowledge that such aforementioned hedging activities do not constitute a breach of any of the Transaction Documents.

(kk) [RESERVED].

(ll) [RESERVED].

(mm) Stock Option Plans. Each stock option granted by the Companies under the Companies' stock option plans were granted (i) in accordance with the terms of the Companies' stock option plan and (ii) with an exercise price at least equal to the fair market value of the Common Stock on the date such stock option would be considered granted under GAAP and applicable law. No stock option granted under the Companies' stock option plan has been backdated. The Companies have not knowingly granted, and there is no and has been no Companies policy or practice to knowingly grant, stock options prior to, or otherwise knowingly coordinate the grant of stock options with, the release or other public announcement of material information regarding the Companies or their Subsidiaries or their financial results or prospects.

(nn) Office of Foreign Assets Control. Neither the Companies nor any Subsidiary nor, to the Companies' knowledge, any director, officer, agent, employee or affiliate of the Companies or any Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC").

(oo) U.S. Real Property Holding Corporation. The Companies are not and have never been a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and the Companies shall so certify upon Purchaser's request.

(pp) Bank Holding Companies Act. Neither the Companies nor any of their Subsidiaries or Affiliates are subject to the Bank Holding Companies Act of 1956, as amended (the "BHCA") and to regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve"). Neither the Companies nor any of their Subsidiaries or Affiliates owns or controls, directly or indirectly, five percent (5%) or more of the outstanding shares of any class of voting securities or twenty-five percent or more of the total equity of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve. Neither the Companies nor any of their Subsidiaries or Affiliates exercises a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve.

(qq) Money Laundering. The operations of the Companies and their Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "Money Laundering Laws") and the Canadian Sanction Laws, and no Action or Proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Companies or any Subsidiary with respect to the Money Laundering Laws or the Canadian Sanction Laws is pending or, to the knowledge of the Companies or any Subsidiary, threatened.

(rr) No Disqualification Events. With respect to the Securities to be offered and sold hereunder in reliance on Rule 506 under the Securities Act, none of the Companies, any of their predecessors, any affiliated issuer, any director, executive officer, other officer of the Companies participating in the offering hereunder, any beneficial owner of 20% or more of the Companies' outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the Securities Act) connected with the Companies in any capacity at the time of sale (each, an "Issuer Covered Person" and, together, "Issuer Covered Persons") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "Disqualification Event"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Companies have exercised reasonable care to determine whether any

Issuer Covered Person is subject to a Disqualification Event. The Companies have complied, to the extent applicable, with their disclosure obligations under Rule 506(e), and have furnished to the Purchaser a copy of any disclosures provided thereunder.

(ss) Other Covered Persons. The Companies are not aware of any person (other than any Issuer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Securities.

(tt) Notice of Disqualification Events. The Companies will notify the Purchaser in writing, prior to the Closing Date of (i) any Disqualification Event relating to any Issuer Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person.

(uu) Promotional Stock Activities. Neither the Companies, their officers, their directors, nor any affiliates or agents of the Companies have engaged in any stock promotional activity that could give rise to a complaint, inquiry, or trading suspension by the Securities and Exchange Commission alleging (i) a violation of the anti-fraud provisions of the federal securities laws, (ii) violations of the anti-touting provisions, (iii) improper "gun-jumping; or (iv) promotion without proper disclosure of compensation.

(vv) Payments of Cash. Except as disclosed on Schedule 3.1(vv), neither the Companies, their officers, or any affiliates or agents of the Companies have withdrawn or paid cash (not including a check or other similar negotiable instrument) to any vendor in an aggregate amount that exceeds Five Thousand Dollars ($5,000) for any purpose.

3.2 Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants as of the date hereof and as of the Closing Date to the Companies as follows (unless as of a specific date therein, in which case they shall be accurate as of such date):

(a) Organization; Authority. Such Purchaser is either an individual or an entity duly incorporated or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership, limited liability company or similar power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by such Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate, partnership, limited liability company or similar action, as applicable, on the part of the Purchaser. Each Transaction Document to which it is a party has been duly executed by the Purchaser, and when delivered by the Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of the Purchaser, enforceable against it in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Own Account. Such Purchaser understands that the Securities are "restricted securities" and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Securities as principal for its own account and not with a view to or for distributing or reselling such Securities or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any of such Securities in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Securities in violation of the Securities Act or any applicable state securities law (this representation and warranty not limiting such Purchaser's right to sell the Securities pursuant to the Registration Statement or otherwise in compliance with applicable federal and state securities laws). Such Purchaser is acquiring the Securities hereunder in the ordinary course of its business.

(c) Purchaser Status. At the time such Purchaser was offered the Securities, it was, and as of the date hereof it is, and on each date on which it exercises any Warrants or converts any Notes it will be an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act.

(d) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(e) General Solicitation. Such Purchaser is not, to such Purchaser's knowledge, purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or, to the knowledge of the Purchaser, any other general solicitation or general advertisement.

(f) Certain Transactions and Confidentiality. Other than consummating the transactions contemplated hereunder, such Purchaser has not, nor has any Person acting on behalf of or pursuant to any understanding with the Purchaser, directly or indirectly executed any purchases or sales, including Short Sales, of the securities of the Companies during the period commencing as of the time that the Purchaser first received a term sheet (written or oral) from the Companies or any other Person representing the Companies setting forth the material terms of the transactions contemplated hereunder and ending immediately prior to the execution hereof. The Purchaser covenants and agrees that neither it, nor any Affiliate acting on its behalf or pursuant to any understanding with it will execute any Short Sales (as such term is defined in Rule 200 of Regulation SHO of the Exchange Act) of the Common Stock or hedging transaction, which establishes a net short position with respect to the Companies' Common Stock during the period commencing with the execution of this Agreement and ending on the earlier Maturity Date (as defined in the Note) of the Note or the full repayment or conversion of the Note; provided that this provision shall not prohibit any sales made where a corresponding Notice of Conversion is tendered to the Companies and the shares received upon such conversion or exercise are used to close out such sale (a "Prohibited Short Sale"); provided, further that this provision shall not operate to restrict a Purchaser's trading under any prior securities purchase agreement containing contractual rights that explicitly protects such trading in respect of the previously issued securities.

ARTICLE IV.
OTHER AGREEMENTS OF THE PARTIES

4.1 Transfer Restrictions.

(a) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Securities other than pursuant to an effective registration statement or Rule 144, to the Companies or to an Affiliate of a Purchaser or in connection with a pledge as contemplated in Section 4.1(b), the Companies may require the transferor thereof to provide to the Companies an opinion of counsel selected by the transferor and reasonably acceptable to the Companies, the form and substance of which opinion shall be reasonably satisfactory to the Companies, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and the Registration Rights Agreement and shall have the rights and obligations of a Purchaser under this Agreement and the Registration Rights Agreement.

(b) The Purchaser agrees to the imprinting, so long as is required by this Section 4.1, of a legend on any of the Securities in the following form:

[NEITHER] THIS SECURITY [NOR THE SECURITIES INTO WHICH THIS SECURITY IS [EXERCISABLE] [CONVERTIBLE]] HAS [NOT] BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY [AND THE SECURITIES ISSUABLE UPON [EXERCISE] [CONVERSION] OF THIS SECURITY] MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED

BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [***FOUR MONTHS AND A DAY AFTER THE DISTRIBUTION DATE***]. / [THE DATE THAT IS FOUR (4) MONTHS AND ONE (1) DAY AFTER THE LATER OF (I) [**THE DISTRIBUTION DATE**] AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

The Companies acknowledge and agree that a Purchaser may from time to time pledge pursuant to a bona fide margin agreement with a registered broker-dealer or grant a security interest in some or all of the Securities to a financial institution that is an "accredited investor" as defined in Rule 501(a) under the Securities Act and, if required under the terms of such arrangement, the Purchaser may transfer pledged or secured Securities to the pledgees or secured parties. Such a pledge or transfer would not be subject to approval of the Companies and no legal opinion of legal counsel of the pledgee, secured party or pledgor shall be required in connection therewith. Further, no notice shall be required of such pledge. At the appropriate Purchaser's expense, the Companies will execute and deliver such reasonable documentation as a pledgee or secured party of Securities may reasonably request in connection with a pledge or transfer of the Securities, including, if the Securities are subject to registration pursuant to the Registration Rights Agreement, the preparation and filing of any required prospectus supplement under Rule 424(b)(3) under the Securities Act or other applicable provision of the Securities Act to appropriately amend the list of Selling Stockholders (as defined in the Registration Rights Agreement) thereunder.

(c) Certificates evidencing the Underlying Shares shall not contain any legend (including the legend set forth in Section 4.1(b) hereof): (i) while a registration statement (including the Registration Statement) covering the resale of such security is effective under the Securities Act, (ii) following any sale of such Underlying Shares pursuant to Rule 144 (assuming cashless exercise of the Warrants), (iii) if such Underlying Shares are eligible for sale under Rule 144 (assuming cashless exercise of the Warrants) or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission). The Companies shall cause their counsel to issue a legal opinion to the Transfer Agent or the Purchaser promptly if required by the Transfer Agent to effect the removal of the legend hereunder, or if requested by the Purchaser, respectively, without charge to Purchaser. If all or any portion of a Note is converted or Warrant is exercised at a time when there is an effective registration statement to cover the resale of the Underlying Shares, or if such Underlying Shares may be sold under Rule 144 without the requirement for the Companies to be in compliance with the current public information required under Rule 144 (assuming cashless exercise of the Warrants) as to such Underlying Shares and without volume or manner-of-sale restrictions or if such legend is not otherwise required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission) then such Underlying Shares shall be issued free of all legends. The Companies agree that following such time as such legend is no longer required under this Section 4.1(c), it will, no later than the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined below) following the delivery by a Purchaser to the Companies or the Transfer Agent of a certificate representing Underlying Shares, as applicable, issued with a restrictive legend (such date, the "Legend Removal Date"), deliver or cause to be delivered to the Purchaser a certificate representing such shares that is free from all restrictive and other legends; *provided that* the Purchaser shall have previously delivered to the Companies all documents required by the Companies' Transfer Agent and/or Counsel to deliver Shares that are free of restrictive legends. The Companies may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this Section 4. Certificates for Underlying Shares subject to legend removal hereunder shall be transmitted by the Transfer Agent to the Purchaser by crediting the account of the Purchaser's prime broker with the Depository Trust Companies System as directed by the Purchaser. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Companies' primary Trading Market with respect to the Common Stock as in effect on the date of delivery of a certificate representing Underlying Shares, as applicable, issued with a restrictive legend.

(d) In addition to such Purchaser's other available remedies, the Companies shall pay to a Purchaser, in cash, (i) as partial liquidated damages and not as a penalty, for each $1,000 of Underlying Shares (based on the VWAP of the Common Stock on the date such Securities are submitted to the Transfer Agent) delivered for removal of the restrictive legend and subject to Section 4.1(c), $10 per Trading Day (increasing to $20 per Trading Day five (5) Trading Days after such damages have begun to accrue) for each Trading Day after the Legend Removal Date until such certificate is delivered without a legend and (ii) if the Companies fail to (a) issue and deliver (or cause to be delivered) to a Purchaser by the Legend Removal Date a certificate representing the Securities so delivered to the Companies by the Purchaser that is free from all restrictive and other legends and (b) if after the Legend Removal Date the Purchaser purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Purchaser of all or any portion of the number of shares of Common Stock, or a sale of a number of shares of Common Stock equal to all or any portion of the number of shares of Common Stock that the Purchaser anticipated receiving from the Companies without any restrictive legend, then, an amount equal to the excess of the Purchaser's total purchase price (including brokerage commissions and other out-of-pocket expenses, if any) for the shares of Common Stock so purchased (including brokerage commissions and other out-of-pocket expenses, if any) (the "Buy-In Price") over the product of (A) such number of Underlying Shares that the Companies was required to deliver to the Purchaser by the Legend Removal Date multiplied by (B) the lowest closing sale price of the Common Stock on any Trading Day during the period commencing on the date of the delivery by the Purchaser to the Companies of the applicable Underlying Shares (as the case may be) and ending on the date of such delivery and payment under this clause (ii).

(e) The Purchaser agrees with the Companies that the Purchaser will sell any Securities pursuant to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and that if Securities are sold pursuant to a Registration Statement, they will be sold in compliance with the plan of distribution set forth therein, and acknowledges that the removal of the restrictive legend from certificates representing Securities as set forth in this Section 4.1 is predicated upon the Companies' reliance upon this understanding.

4.2 Acknowledgment of Dilution. The Companies acknowledge that the issuance of the Securities may result in dilution of the outstanding shares of Common Stock, which dilution may be substantial under certain market conditions. The Companies further acknowledge that their obligations under the Transaction Documents, including, without limitation, its obligation to issue the Underlying Shares pursuant to the Transaction Documents, are unconditional and absolute and not subject to any right of set off, counterclaim, delay or reduction, regardless of the effect of any such dilution or any claim the Companies may have against the Purchaser and regardless of the dilutive effect that such issuance may have on the ownership of the other stockholders of the Companies.

4.3 Furnishing of Information; Public Information.

(a) Until the earliest of the time that (i) the Purchaser does not own Securities or (ii) the Warrants have expired, the Companies covenant to maintain the registration of the Common Stock under Section 12(b) or 12(g) of the Exchange Act and to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Companies after the date hereof pursuant to the Exchange Act even if the Companies are not then subject to the reporting requirements of the Exchange Act.

(b) At any time during the period commencing from the six (6) month anniversary of the date hereof and ending at such time that all of the Securities may be sold without the requirement for the Companies to be in compliance with Rule 144(c)(1) and otherwise without restriction or limitation pursuant to Rule 144, if the Companies (i) shall fail for any reason to satisfy the current public information requirement under Rule 144(c) or (ii) have ever been an issuer described in Rule 144 (i)(1)(i) or becomes an issuer in the future, and the Companies shall fail to satisfy any condition set forth in Rule 144(i)(2) (a "Public Information Failure") then, in addition to the Purchaser's other available remedies, the Companies shall pay to a Purchaser, in cash, as partial liquidated damages and not as a penalty, by reason of any such delay in or reduction of its ability to sell the Securities, an amount in cash equal to two percent (2.0%) of the aggregate Subscription Amount of the Purchaser's Securities on the day of a Public Information Failure and on every thirtieth (30^{th}) day (pro rated for periods totaling less than thirty days) thereafter until the earlier of (a) the date such Public Information Failure is cured and (b) such time that such public information is no longer required for the Purchaser to transfer the Underlying Shares pursuant to Rule 144. The payments to which a Purchaser shall be entitled pursuant to this

Section 4.3(b) are referred to herein as "Public Information Failure Payments." Public Information Failure Payments shall be paid on the earlier of (i) the last day of the calendar month during which such Public Information Failure Payments are incurred and (ii) the third (3rd) Business Day after the event or failure giving rise to the Public Information Failure Payments is cured. In the event the Companies fails to make Public Information Failure Payments in a timely manner, such Public Information Failure Payments shall bear interest at the rate of 1.5% per month (prorated for partial months) until paid in full. Nothing herein shall limit the Purchaser's right to pursue actual damages for the Public Information Failure, and the Purchaser shall have the, right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief.

4.4 Integration. The Companies shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Securities in a manner that would require the registration under the Securities Act of the sale of the Securities or that would be integrated with the offer or sale of the Securities for purposes of the rules and regulations of any Trading Market such that it would require shareholder approval prior to the closing of such other transaction unless shareholder approval is obtained before the closing of such subsequent transaction.

4.5 Conversion and Exercise Procedures. Each of the form of Notice of Exercise included in the Warrant and the form of Notice of Conversion included in the Note set forth the totality of the procedures required of the Purchaser in order to exercise the Warrants or convert the Note. Without limiting the preceding sentences, no ink-original Notice of Exercise or Notice of Conversion shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise or Notice of Conversion form be required in order to exercise the Warrant or convert the Note. No additional legal opinion, other information or instructions shall be required of the Purchaser to exercise the Warrants or convert the Note. The Companies shall honour exercises of the Warrants and conversions of the Note and shall deliver Underlying Shares in accordance with the terms, conditions and time periods set forth in the Transaction Documents.

4.6 Securities Laws Disclosure; Publicity. The Companies shall by the Disclosure Time, issue a press release disclosing the material terms of the transactions contemplated hereby. From and after the issuance of such press release, the Companies represent to the Purchaser that they shall have publicly disclosed all material, non-public information delivered to the Purchaser by the Companies or any of their Subsidiaries, or any of their respective officers, directors, employees or agents in connection with the transactions contemplated by the Transaction Documents. In addition, effective upon the issuance of such press release, the Companies acknowledge and agree that any and all confidentiality or similar obligations under any agreement, whether written or oral, between the Companies, any of their Subsidiaries or any of their respective officers, directors, agents, employees or Affiliates on the one hand, and the Purchaser or any of their Affiliates on the other hand, shall terminate. The Companies and the Purchaser shall consult with each other in issuing any other press releases with respect to the transactions contemplated hereby, and neither the Companies nor the Purchaser shall issue any such press release nor otherwise make any such public statement without the prior consent of the Companies, with respect to any press release of the Purchaser, or without the prior consent of the Purchaser, with respect to any press release of the Companies, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. Notwithstanding the foregoing, the Companies shall not publicly disclose the name of the Purchaser, or include the name of the Purchaser in any filing with the Commission or any regulatory agency or Trading Market, without the prior written consent of the Purchaser, except (a) as required by federal securities law in connection with (i) any registration statement contemplated by the Registration Rights Agreement and (ii) the filing of final Transaction Documents with the Commission and (b) to the extent such disclosure is required by law or Trading Market regulations, in which case the Companies shall provide the Purchaser with prior notice of such disclosure permitted under this clause (b).

4.7 Shareholder Rights Plan. No claim will be made or enforced by the Companies or, with the consent of the Companies, any other Person, that the Purchaser is an "Acquiring Person" under any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-takeover plan or arrangement in effect or hereafter adopted by the Companies, or that the Purchaser could be deemed to trigger the provisions of any such plan or arrangement, by virtue of receiving Securities under the Transaction Documents or under any other agreement between the Companies and the Purchaser.

4.8 Non-Public Information. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, which shall be disclosed pursuant to Section 4.6, the Companies covenant and agree that neither they, nor any other Person acting on their behalf will provide the Purchaser or its agents or counsel with any information that constitutes, or the Companies reasonably believe constitutes, material non-public information, unless prior thereto the Purchaser shall have consented to the receipt of such information and agreed with the Companies to keep such information confidential. The Companies understand and confirm that the Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Companies. To the extent that the Companies deliver any material, non-public information to the Purchaser without the Purchaser's consent, the Companies hereby covenant and agree that the Purchaser shall not have any duty of confidentiality to the Companies, any of their Subsidiaries, or any of their respective officers, directors, agents, employees or Affiliates, or a duty to the Companies, any of their Subsidiaries or any of their respective officers, directors, agents, employees or Affiliates not to trade on the basis of, such material, non-public information, provided that the Purchaser shall remain subject to applicable law. The Companies understand and confirm that the Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Companies.

4.9 Use of Proceeds. Except as set forth on Schedule 4.9 attached hereto, Livewell shall use the net proceeds from the sale of the Notes hereunder for growth capital for its existing business and the business it intends to acquire from Vitality.

4.10 Indemnification of Purchaser. Subject to the provisions of this Section 4.10, the Companies will indemnify and hold each Purchaser and each Purchaser's directors, officers, shareholders, members, partners, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls a Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, agents, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a "Purchaser Party") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any the Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Companies in this Agreement or in the other Transaction Documents or (b) any action instituted against the Purchaser Parties in any capacity, or any of them or their respective Affiliates, by any stockholder of the Companies who is not an Affiliate of the Purchaser Party, with respect to any of the transactions contemplated by the Transaction Documents (unless such action is solely based upon a material breach of the Purchaser Party's representations, warranties or covenants under the Transaction Documents or any agreements or understandings the Purchaser Party may have with any such stockholder or any violations by the Purchaser Party of state or federal securities laws or any conduct by the Purchaser Party which is finally judicially determined to constitute fraud, gross negligence or willful misconduct). If any action shall be brought against the Purchaser Party in respect of which indemnity may be sought pursuant to this Agreement, the Purchaser Party shall promptly notify the Companies in writing, and the Companies shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Companies in writing, (ii) the Companies have failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of counsel, a material conflict on any material issue between the position of the Companies and the position of the Purchaser Party, in which case the Companies shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The Companies will not be liable to the Purchaser under this Agreement (y) for any settlement by a Purchaser Party effected without the Companies' prior written consent, which shall not be unreasonably withheld or delayed; or (z) to the extent, but only to the extent that a loss, claim, damage or liability is attributable to the Purchaser Party's breach of any of the representations, warranties, covenants or agreements made by the Purchaser Party in this Agreement or in the other Transaction Documents. The indemnification required by this Section 4.10 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or are incurred. The indemnity agreements contained herein shall be in addition to any cause of action or similar right of the Purchaser Party against the Companies or others and any liabilities the Companies may be subject to pursuant to law.

4.11 Reservation and Listing of Securities.

(a) The Companies shall maintain a reserve of the Required Minimum from its duly authorized shares of Common Stock for issuance pursuant to the Transaction Documents in such amount as may then be required to fulfill its obligations in full under the Transaction Documents.

(b) If, on any date, the number of authorized but unissued (and otherwise unreserved) shares of Common Stock is less than the Required Minimum on such date, then the Board of Directors shall use commercially reasonable efforts to amend the Companies' certificate or articles of incorporation to increase the number of authorized but unissued shares of Common Stock to at least the Required Minimum at such time, as soon as possible and in any event not later than the 75th day after such date.

(c) The Companies shall, if applicable: (i) in the time and manner required by the principal Trading Market, prepare and file with such Trading Market an additional shares listing application (or include such shares in its initial listing application) covering a number of shares of Common Stock at least equal to the Required Minimum on the date of such application, (ii) take all steps necessary to cause such shares of Common Stock to be approved for listing or quotation on such Trading Market as soon as possible thereafter, (iii) provide to the Purchaser evidence of such listing or quotation and (iv) maintain the listing or quotation of such Common Stock on any date at least equal to the Required Minimum on such date on such Trading Market or another Trading Market. The Companies agrees to maintain the eligibility of the Common Stock for electronic transfer through the Depository Trust Companies or another established clearing corporation, including, without limitation, by timely payment of fees to the Depository Trust Companies or such other established clearing corporation in connection with such electronic transfer.

4.12 [RESERVED].

4.13 [RESERVED].

4.14 [RESERVED].

4.15 Certain Transactions and Confidentiality. The Purchaser covenants that neither it, nor any Affiliate acting on its behalf or pursuant to any understanding with it will execute any purchases or sales, including Short Sales, of any of the Companies' securities during the period commencing with the execution of this Agreement and ending at such time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.6. The Purchaser covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Companies pursuant to the initial press release as described in Section 4.6, the Purchaser will maintain the confidentiality of the existence and terms of this transaction and the information included in the Disclosure Schedules. Notwithstanding the foregoing, and notwithstanding anything contained in this Agreement to the contrary, the Companies expressly acknowledge and agree that (i) no Purchaser makes any representation, warranty or covenant hereby that it will not engage in effecting transactions in any securities of the Companies after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.6, (ii) no Purchaser shall be restricted or prohibited from effecting any transactions in any securities of the Companies in accordance with applicable securities laws from and after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.6 and (iii) no Purchaser shall have any duty of confidentiality or duty not to trade in the securities of the Companies to the Companies or their Subsidiaries after the issuance of the initial press release as described in Section 4.6.

4.16 Participation Right in Future Financings. From and after the date hereof until the twelve month anniversary of the Effective Date, upon any issuance by the Companies or any of its Subsidiaries of any debt or equity securities for cash consideration (a "Subsequent Financing"), the Purchasers shall in the aggregate have the right to participate in up to an amount of the Subsequent Financing equal to fifty percent (50%) of the amount of the Subsequent Financing on the same terms, conditions and price provided for in the Subsequent Financing.

4.17 Variable Rate Transactions; Other. So long as the Notes remains outstanding or the Holder holds any Securities, the Companies and each of their Subsidiaries shall be prohibited from effecting or entering into (or publicly announcing or recommending to its stockholders the approval or adoption thereof by such stockholders) any agreement, plan, arrangement or transaction to effect, directly or indirectly, any issuance by the Companies or any of their Subsidiaries of Common Stock or Common Stock Equivalents (or a combination of units thereof) involving a Variable

Rate Transaction, without the prior written consent of the Holder (which consent may be withheld, delayed or conditioned in the sole discretion of such Holder). "Variable Rate Transaction" means a transaction in which the Companies (i) issues or sells any debt or equity securities that are convertible into, exchangeable or exercisable for, or include the right to receive, additional shares of Common Stock either (A) at a conversion price, exercise price or exchange rate or other price that is based upon, and/or varies with, the trading prices of or quotations for the shares of Common Stock at any time after the initial issuance of such debt or equity securities or (B) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such debt or equity security or upon the occurrence of specified or contingent events directly or indirectly related to the business of the Companies or the market for the Common Stock or (ii) enters into, or effects a transaction under, any agreement, including, but not limited to, an equity line of credit, an at-the-market offering (as defined in SEC Rule 415) or a similarly structured transaction, whereby the Companies may issue securities at a future determined price. Notwithstanding the foregoing, the restrictions contained in this Section 4.17 shall not apply to (i) an Exempt Issuance.

4.18 Minimum Cash Reserve. Until such time as the Companies earn USD $30,000,000 in unaudited (but verified by the Collateral Agent) revenue and positive EBIDTA over a consecutive three month period, the Companies shall maintain a minimum aggregate cash balance of USD $6,000,000, which $6,000,000 shall be reduced to $3,600,000 after consummation of the Vitality Combination and commencement of trading on the Canadian Securities Exchange, free and clear of all Liens other than Liens granted hereunder in favor if the Collateral Agent and other Permitted Liens.. The Companies shall provide the Collateral Agent with evidence of its cash balance and the Companies' banks shall be directed to directly provide such information to the Collateral Agent upon request.

4.19 Nasdaq Listing. The Companies shall promptly take all action required to have its Common Stock listed for trading on the Nasdaq Capital Market or other Nasdaq Trading Market and the Underlying Shares will be included in any initial listing application.

ARTICLE V.
MISCELLANEOUS

5.1 Termination. This Agreement may be terminated by the Purchaser by written notice to the other parties, if the Closing has not been consummated on or before the fifth (5^{th}) Trading Day following the date hereof, provided, however, that no such termination will affect the right of any party to sue for any breach by any other party (or parties).

5.2 Fees and Expenses. Except as expressly set forth in the Transaction Documents to the contrary, each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Companies shall pay all Transfer Agent fees (including, without limitation, any fees required for same-day processing of any instruction letter delivered by the Companies and any conversion or exercise notice delivered by a Purchaser), stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to the Purchaser.

5.3 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.4 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment at the email address as set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment as set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2^{nd}) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

5.5 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Companies and each Purchaser, and the Collateral Agent with respect to the provisions affecting the Collateral Agent, or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right. Any amendment effected in accordance with this Section 5.5 shall be binding upon the Purchaser and holder of Securities and the Companies. No Purchaser shall be provided terms more favorable than any other Purchaser.

5.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

5.7 Successors and Assigns. This Agreement shall be binding upon and enure to the benefit of the parties and their successors and permitted assigns. The Companies may not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Purchaser (other than by merger). The Purchaser may assign any or all of its rights under this Agreement to any Person to whom the Purchaser assigns or transfers any Securities, provided that such transferee agrees in writing to be bound, with respect to the transferred Securities, by the provisions of the Transaction Documents that apply to the "Purchaser."

5.8 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Section 4.10.

5.9 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal Proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any Action or Proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such Action or Proceeding is improper or is an inconvenient venue for such Proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such Action or Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If any party shall commence an Action or Proceeding to enforce any provisions of the Transaction Documents, then, in addition to the obligations of the Companies under Section 4.10, the prevailing party in such Action or Proceeding shall be reimbursed by the non-prevailing party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Action or Proceeding.

5.10 Survival. The representations and warranties contained herein shall survive the Closing and the delivery of the Securities.

5.11 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

5.12 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

5.13 Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) any of the other Transaction Documents, whenever the Purchaser exercises a right, election, demand or option under a Transaction Document and the Companies do not timely perform its related obligations within the periods therein provided, then the Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Companies, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights; provided, however, that, in the case of a rescission of a conversion of a Note or exercise of a Warrant, the Purchaser shall be required to return any shares of Common Stock subject to any such rescinded conversion or exercise notice concurrently with the return to the Purchaser of the aggregate exercise price paid to the Companies for such shares and the restoration of the Purchaser's right to acquire such shares pursuant to the Purchaser's Warrant (including, issuance of a replacement warrant certificate evidencing such restored right).

5.14 Replacement of Securities. If any certificate or instrument evidencing any Securities is mutilated, lost, stolen or destroyed, the Companies shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Companies of such loss, theft or destruction. The applicant for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs (including customary indemnity) associated with the issuance of such replacement Securities.

5.15 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchaser and the Companies will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any Action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.16 Payment Set Aside. To the extent that the Companies make a payment or payments to the Purchaser pursuant to any Transaction Document or the Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Companies, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

5.17 [RESERVED].

5.18 [RESERVED].

5.19 Liquidated Damages. The Companies' obligations to pay any partial liquidated damages or other amounts owing under the Transaction Documents is a continuing obligation of the Companies and shall not terminate until all unpaid partial liquidated damages and other amounts have been paid notwithstanding the fact that the instrument or security pursuant to which such partial liquidated damages or other amounts are due and payable shall have been canceled.

5.20 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

5.21 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto. In addition, each and every reference to share prices and shares of Common Stock in any Transaction Document shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of this Agreement.

For purposes of any assets, liabilities or entities located in any Canadian province or territory, including the Province of Québec, and for all other purposes pursuant to which the interpretation or construction of this Agreement may be subject to the laws of any Canadian province or territory, including the Province of Quebec, or a court or tribunal exercising jurisdiction in any Canadian province or territory, including the Province of Quebec, (i) "personal property" shall include "movable property", (ii) "real property" or "real estate" shall include "immovable property", (iii) "security interest", "mortgage" and "lien" shall include a "hypothec", "right of retention", "prior claim" and a resolutory clause, (iv) all references to filing, perfection, priority, remedies, registering or recording under the UCC shall include publication under the applicable *Personal Property Security Act* or, for the Province of Quebec, the *Civil Code of Quebec*, (v) all references to "perfection" of or "perfected" liens or security interest shall include a reference to an "opposable" or "set up" lien or security interest as against third parties, (vi) an "agent" shall include a "mandatary", (viii) "gross negligence or willful misconduct" shall be deemed to be "intentional or gross fault", (ix) "priority" shall include "prior claim", (x) "state" shall include "province", (xi) "accounts" shall include "claims", and (xii) "guarantee" or "guarantor" shall include "suretyship" or "surety". For Quebec law purposes, the parties hereto confirm that it is their wish that this Agreement and any other document executed in connection with the transactions contemplated herein be drawn up in the English language only and that all other documents contemplated thereunder or relating thereto, including notices, may also be drawn up in the English language only. *Les parties aux présentes confirment que c'est leur volonté que cette convention et les autres documents de crédit soient rédigés en langue anglaise seulement et que tous les documents, y compris tous avis, envisagés par cette convention et les autres documents peuvent être rédigés en langue anglaise seulement.*

5.22 WAIVER OF JURY TRIAL. **IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.**

ARTICLE VI

COLLATERAL AGENT.

6.1 Appointment. Purchasers hereby irrevocably appoint Dominion, to act on their behalf as the Collateral Agent hereunder and under the other Transaction Documents and authorizes the Collateral Agent to take such actions on its behalf and to exercise such powers as are delegated to the Collateral Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article VI are solely for the benefit of the Collateral Agent and the Purchasers, and the Companies will have no rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Transaction Documents (or any other similar term) with reference to the Collateral Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead, such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

6.2 Rights as a Lender. The Person serving as the Collateral Agent hereunder will have the same rights and powers in its capacity as a Purchaser as any other Purchaser and may exercise the same as though it were not the Collateral Agent, and the term "Purchaser" or "Purchasers" will, unless otherwise expressly indicated or unless the context otherwise requires, include the person serving as the Collateral Agent hereunder in its individual capacity to the extent such Person is a Purchaser. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, the Companies or any other Subsidiaries or Affiliates of the Companies as if such Person were not the Collateral Agent hereunder and without any duty to account therefor to the Purchasers.

6.3 Exculpatory Provisions.

(a) The Collateral Agent will not have any duties or obligations except those expressly set forth herein and in the other Transaction Documents, and its duties hereunder are administrative in nature. Without limiting the generality of the foregoing, the Collateral Agent:

(i) will not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default under the Notes has occurred and is continuing;

(ii) will not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Transaction Documents that the Collateral Agent is required to exercise as directed in writing by the holders of a majority in outstanding principal amount under the Notes (the "Majority Purchasers") (or such other number or percentage of the Purchasers as will be expressly provided for herein or in the other Transaction Documents); *provided* that the Collateral Agent will not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Collateral Agent to liability or that is contrary to any Transaction Document or any applicable statutes, rules, ordinances, regulations guidance documents, contract terms, and other requirements of all applicable governmental authorities, including any action that may be in violation of the automatic stay under any bankruptcy or insolvency; and

(iii) will not, except as expressly set forth herein and in the other Transaction Documents, have any duty to disclose, and will not be liable for the failure to disclose, any information relating to the Companies or any of its Subsidiaries or Affiliates that is communicated to or obtained by the Person serving as the Collateral Agent or any of its Affiliates in any capacity.

(b) The Collateral Agent will not be liable for any action taken or not taken by it (i) with the consent or at the request of the Majority Purchasers (or such other number or percentage of the Purchasers as will be necessary, or as the Collateral Agent believes in good faith will be necessary, under the circumstances), or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Collateral Agent will be deemed not to have knowledge of any Event of Default unless and until notice describing such Event of Default is given to the Collateral Agent in writing by the Companies or a Purchaser.

(c) The Collateral Agent will not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Transaction Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Transaction Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth herein, other than to confirm receipt of items expressly required to be delivered to the Collateral Agent.

6.4 Reliance by Collateral Agent. The Collateral Agent will be entitled to rely upon, and will not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Collateral Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and will not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of the loan evidenced by the Notes that by its terms must be fulfilled to the satisfaction of a Purchaser, the Collateral Agent may presume that such condition is satisfactory to such Purchaser unless the Collateral Agent has received notice to the contrary from such Lender prior to the making of such loan. The Collateral Agent may consult with legal counsel (who may be counsel for the Companies), independent accountants and other experts selected by it, and will not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

6.5 Delegation of Duties. The Collateral Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Transaction Document by or through any one or more sub-agents appointed by the Collateral Agent. The Collateral Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory provisions of this Section will apply to any such sub-agent and to the Affiliates of the Collateral Agent and any such sub-agent, and will apply to their respective activities in connection with the syndication of the facility as well as activities as Collateral Agent. The Collateral Agent will not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Collateral Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

6.6 Resignation of Agent

(a) The Collateral Agent may at any time give notice of its resignation to the Purchasers and the Companies, which notice shall set forth the effective date of such resignation (the "*Resignation Effective Date*"), such date not to be earlier than the thirtieth (30th) day following the date of such notice. The Majority Purchasers and the Companies shall mutually agree upon a successor to the Collateral Agent. If the Majority Purchasers and the Companies are unable to so mutually agree and no successor shall have been appointed within twenty-five (25) days after the retiring Collateral Agent gives notice of its resignation, then the retiring Collateral Agent may (but will not be obligated to), on behalf of the Purchasers, appoint a successor Collateral Agent it shall designate (in its reasonable discretion after consultation with the Companies and the Majority Purchasers). Whether or not a successor has been appointed, such resignation will become effective in accordance with such notice on the Resignation Effective Date.

(b) With effect from the Resignation Effective Date (i) the retiring Collateral Agent will be discharged from its duties and obligations hereunder and under the other Transaction Purchasers under any of the Transaction Documents, the retiring Collateral Agent will continue to hold such Collateral until such time as a successor Collateral Agent is appointed) and (ii) except for any indemnity payments owed to the retiring Collateral Agent, all payments, communications and determinations provided to be made by, to or through the Collateral Agent will instead be made by or to each Lender directly, until such time, if any, as the Majority Purchasers appoint a successor Collateral Agent as provided for above. Upon the acceptance of a successor's appointment as Collateral Agent hereunder, such successor will succeed to and

become vested with all of the rights, powers, privileges and duties of the retiring Collateral Agent (other than any rights to indemnity payments owed to the retiring Collateral Agent), and the retiring Collateral Agent will be discharged from all of its duties and obligations hereunder or under the other Transaction Documents. The fees payable by the Companies to a successor Collateral Agent will be the same as those payable to its predecessor unless otherwise agreed between the Companies and such successor. After the retiring Collateral Agent's resignation hereunder and under the other Transaction Documents, the provisions of this Article VI will continue in effect for the benefit of such retiring Collateral Agent, its sub-agents and their respective Affiliates in respect of any actions taken or omitted to be taken by any of them while the retiring Collateral Agent was acting as Collateral Agent.

6.7. Non-Reliance on Collateral Agent and Other Purchasers. Each Purchaser acknowledges that it has, independently and without reliance upon the Collateral Agent or any other Purchaser or any of their Affiliates and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Purchaser also acknowledges that it will, independently and without reliance upon the Collateral Agent or any other Purchaser or any of their Affiliates and based on such documents and information as it will from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Transaction Document or any related agreement or any document furnished hereunder or thereunder.

6.8. Collateral Agent May File Proofs of Claim. In case of the pendency of any bankruptcy or insolvency proceeding or any other judicial proceeding relative to the Companies, the Collateral Agent (irrespective of whether the principal of the Notes will then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Collateral Agent has made any demand on the Companies) will be entitled and empowered (but not obligated), by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Notes and all other obligations that are owing and unpaid hereunder or under any other Transaction Document and to file such other documents as may be necessary or advisable in order to have the claims of the Purchasers and the Collateral Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Purchasers and the Collateral Agent and their respective agents and counsel and all other amounts due the Purchasers and the Collateral Agent under this Agreement or any other Transaction Document) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same.

Any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Purchaser to make any payments of the type described above in this Section 6.8 to the Collateral Agent and, in the event that the Collateral Agent consents to the making of such payments directly to the Purchasers, to pay to the Collateral Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Collateral Agent and its agents and counsel, and any other amounts due the Collateral Agent under this Agreement or any other Transaction Document.

6.9 Collateral and Guaranty Matters; Appointment of Collateral Agent.

(a) Without limiting the provisions of Section 6.8, the Purchasers irrevocably agree as follows:

(i) the Collateral Agent is authorized, at its option and in its discretion, to release any Lien on any property granted to or held by the Collateral Agent under any Transaction Document (A) on the date when all obligations have been satisfied in full in cash (other than obligations under the Warrant and contingent obligations as to which no claims have been asserted), (B) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted under the Transaction Documents, and

(ii) Upon request by the Collateral Agent at any time, each Purchaser will confirm in writing the Collateral Agent's authority to release or subordinate its interest in particular types or items of Collateral.

(b) The Collateral Agent will not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

LIVEWELL CANADA INC.

By: _____
Name:
Title:
Facsimile:
Email:
Address:

VITALITY CBD NATURAL HEALTH PRODUCTS INC.

By: _____
Name:
Title:
Facsimile:
Email:
Address:

DOMINION CAPITAL LLC, as Collateral Agent

By: _____
Name:
Title:
Facsimile:
Email:
Address:

_____, **as Purchaser**

By: _____
Name:
Title:
Facsimile:
Email:
Address:

Collateral Agent's lien thereon, or any certificate prepared by any Obligor in connection therewith, nor will the Collateral Agent be responsible or liable to the Purchasers for any failure to monitor or maintain any portion of the Collateral.

(c) Each Purchaser hereby appoints the Collateral Agent as its collateral agent under each of the Transaction Documents and agrees that, in so acting, the Collateral Agent will have all of the rights, protections, exculpations, indemnities and other benefits provided to the Collateral Agent under this Agreement, and hereby authorizes and directs the Collateral Agent, on behalf of such Purchaser and all Purchasers, without the necessity of any notice to or further consent from any of the Purchaser, from time to time to (i) take any action with respect to any collateral or any Transaction Document which may be necessary to perfect and maintain perfected the liens on the collateral granted pursuant to any such Transaction Document or protect and preserve the Collateral Agent's ability to enforce the liens or realize upon the collateral, (ii) act as collateral agent for each Purchaser that is a secured party for purposes of acquiring, holding, enforcing and perfecting all Liens created by the Loan Documents and all other purposes stated therein, (iii) enter into non-disturbance or similar agreements in connection with licensing agreements and arrangements permitted by this Agreement and the other Transaction Documents and (iv) otherwise to take or refrain from taking any and all action that the Collateral Agent shall deem necessary or advisable in fulfilling its role as collateral agent under any of the Transaction Documents.

[SIGNATURE PAGE TO FOLLOW]

Schedule 2.2(b)

PERLEY-ROBERTSON, HILL & McDOUGALL LLP/s.r.l.

DO NOT CHANGE THIS FORM IN ANY WAY

PLEASE SEND A COPY OF THE TRANSFER RECEIPT TO

PERLEY-ROBERTSON, HILL & McDOUGALL LLP/s.r.l.

EITHER

BY FAX TO 613.238.8775

OR

BY E-MAIL TO TRUST@PERLAW.CA

AS SOON AS POSSIBLE AFTER A TRANSFER HAS BEEN INITIATED.
THIS WILL HELP TO EXPEDITE THE PROPER ALLOCATION OF ALL INCOMING TRANSFERS.

NOTE:
PLEASE ENSURE THAT WHEN FUNDS ARE WIRED THE NAME OF THE REMITTER AND YOUR FILE NUMBER (i.e. ABCD001) IS SPECIFICALLY IDENTIFIED IN THE TELEX MESSAGE FROM THE SENDING BANK.

Wire transfers are only accepted if the Beneficiary Name, Address, and Account Information are specified.

U.S. $ WIRING INSTRUCTIONS

Bank Name: Royal Bank of Canada
Bank Address: 90 Sparks Street, Ottawa, ON K1P 5B4

Bank#: 003
Transit#: 00006
Swift #: ROYCCAT2 (from outside Canada only)
Account Number: 00006-4006748

Beneficiary Name: Perley-Robertson, Hill & McDougall LLP/s.r.l. In Trust
Beneficiary Address: 1400 – 340 Albert Street, Ottawa, ON K1R 0A5

SCHEDULE 3.1(a)
Subsidiaries of Livewell and Vitality

LiveWell Canada Inc.	Vitality CBD Natural Health Products Inc.
LiveWell Foods Canada Inc.	Vitality Natural Health LLC
LiveWell Foods Quebec Inc.	USA Biofuels LLC
Artiva Inc.	
O-Hemp Inc.	

SCHEDULE 3.1(g)
Capitalization of Livewell and Vitality

LiveWell Canada Inc.
Capitalization Table
At December 31, 2018
(in Canadian currency and in thousands)

Cash		**$**	**1,196**
Debt:			
7.99 % interest-only mortgage (Artiva property)		$	6,000
8% interest-only mortgage (Quebec property)		$	3,920
Total debt		**$**	**9,920**
	Fully Diluted Shares		
Equity:			
Common shares	131,687	$	38,686
Preferred shares			
Series 1 - convertible @ $0.23	4,273	$	1,000
Series 2 - convertible @ $0.43	2,323	$	1,000
Series 3 - non-convertible		$	3,605
Warrants		$	1,603
@$1.22	5,030		
@$1.50	3,902		
@$1.00	1,938		
Broker units:			
@$0.936 for common shares	486		
@$1.22 for warrants	243		
Stock options:		$	2,358
@$0.43	16,023		
@$0.30	317		
Total equity	166,312	**$**	**48,252**

Vitality CBD Natural Health Products Inc.
Capitalization Table
At December 31, 2018
(in USD currency and in thousands)

Cash		$	**300**
Debt:			
Loan settlement payable		$	18,900
Short-term loan @ 28% per annum			352
Short-term loans (daily interest 0.87% to 2.84%)			186
10% interest-only mortgage (Montana facility)			339
Total debt		$	**19,777**
	Fully Diluted Shares		
Equity:			
Common shares	148,612	$	20,998
Warrants		$	1,218
@C$0.90	17,691		
Stock options:		$	629
@$0.01	7,850		
@$0.63	2,100		
Convertible debt	534		
Total equity	**176,787**	$	**22,845**

SCHEDULE 3.1(h)
Financial Statements

See attached for unaudited interim consolidated financial statements of LiveWell for the three months ended September 30, 2018.

See attached for draft unaudited consolidated financial statements of Vitality for the year ended December 31, 2018 and the period from August 4, 2017 to December 31, 2017. These financial statements are currently being audited by MNP LLP.

LIVEWELL CANADA, INC.

Condensed Interim Consolidated Financial Statements (Unaudited)

Three Months Ended September 30, 2018 and 2017
(In Canadian Dollars)

LiveWell Canada Inc.
Condensed Interim Consolidated Financial Statements
Three months ended September 30, 2018

LIVEWELL CANADA INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)
(Expressed in CDN $000s)

	Notes	September 30, 2018	June 30, 2018
ASSETS			
Current Assets			
Cash		$ 1,229	$ 4,576
Restricted short-term investment	5	125	125
Amounts receivable	6	2,567	1,881
Other	7	3,619	770
Total Current Assets		7,540	7,352
Non-Current Assets			
Property, plant and equipment	8	27,973	23,717
Other		2,524	2,524
Goodwill		3,542	3,542
Total Non-Current Assets		34,039	29,783
TOTAL ASSETS		$ 41,579	$ 37,135
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities		$ 6,085	$ 4,840
Borrowings - current portion	9	3,933	3,934
Total Current Liabilities		10,018	8,774
Non-Current Liabilities			
Borrowings	9	6,076	6,082
Deferred tax liabilities		548	610
Total Non-Current Liabilities		6,624	6,692
TOTAL LIABILITIES		16,642	15,466
Commitments and contingencies	15		
SHAREHOLDERS' EQUITY			
Preferred shares	10(a)	5,605	5,605
Common shares	10(b)	48,332	44,022
Equity reserves:	10(c)		
Share-based payments		2,358	2,146
Warrants		1,603	1,003
Other		(11,186)	(11,186)
Deficit		(21,775)	(19,921)
TOTAL SHAREHOLDERS' EQUITY		24,937	21,669
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 41,579	$ 37,135

See Notes 2(A) "Going Concern" and 19 "Subsequent events"

The accompanying notes are an integral part of these condensed interim consolidated financial statements

LIVEWELL CANADA INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS
(UNAUDITED)
(Expressed in CDN $000s)

	Notes	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017
Revenue		$ 351	$ -
Cost of sales			
Cost of product sales		258	-
Cost of sales		258	-
Gross profit (loss)		93	-
Operating expenses	18		
General and administrative ("G&A")		1,274	276
Sales & Marketing ("S&M")		160	37
Research and development ("R&D")		70	-
Stock-based compensation		256	-
Depreciation and amortization		119	2
Total operating expenses		1,879	315
Loss from operations		(1,786)	(315)
Other income/ (expenses)			
Finance income		9	1
Finance expense		(139)	(3)
Loss before income taxes		(1,916)	(317)
Income tax recovery (expense)		62	-
NET LOSS AND COMPREHENSIVE LOSS		$ (1,854)	$ (317)
LOSS PER SHARE, BASIC AND DILUTED	11		
Net loss per share		$ (0.01)	$ (0.01)
Weighted average number of outstanding common shares		126,769	46,909

The accompanying notes are an integral part of these condensed interim consolidated financial statements

LIVEWELL CANADA INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

THREE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

(Expressed in CDN $000s)

	Number of Shares				Reserves				
(Refer to Note 10)	Preferred	Common	Preferred Shares	Common shares	Share-based Payment	Warrants	Other	Deficit	Total Equity
Balance at July 1, 2017	-	45,490	$ -	$ 5,711	$ 1	$ -	$ (2,022)	$ (1,357)	$ 2,333
Issuance of common shares from share offerings	-	2,597	-	1,114	-	-	-	-	1,114
Share issuance costs	-	-	-	(165)	-	-	-	-	(165)
Net loss	-	-	-	-	-	-	-	(317)	(317)
Balance at September 30, 2017	-	48,088	$ -	$ 6,660	$ 1	$ -	$ (2,022)	$ (1,674)	$ 2,966
Balance at July 1, 2018	5,741	125,641	$ 5,605	$ 44,022	$ 2,146	$ 1,003	$ (11,186)	$ (19,921)	$ 21,669
Issuance of units	-	3,992		4,990	-		-	-	4,990
Issuance of warrants	-	-	-	(603)	-	603	-	-	-
Exercise of warrants	-	11		15		(3)	-	-	12
Share issuance costs	-	-	-	(175)	-	-	-	-	(175)
Share-based compensation	-	-	-	-	256	-	-	-	256
Exercise of stock options	-	106	-	83	(44)	-	-	-	39
Net loss	-	-	-	-	-	-	-	(1,854)	(1,854)
Balance at September 30, 2018	5,741	129,750	$ 5,605	$ 48,332	$ 2,358	$ 1,603	$ (11,186)	$ (21,775)	$ 24,937

The accompanying notes are an integral part of these consolidated financial statements

LIVEWELL CANADA INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Expressed in CDN $000s)

	Notes	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017
Cash flows from operating activities			
Net loss		$ (1,854)	$ (317)
Adjustments for non-cash items:			
Income tax recovery		(62)	
Depreciation and amortization		119	2
Bad debt provision	6	20	-
Stock-based compensation	10(c)	256	-
Adjustments for net changes in non-cash working capital	17	(2,318)	(157)
Net cash used in operating activities		(3,839)	(472)
Cash flows from investing activities			
Advances to related party		9	-
Investment in greenhouse improvements	8	(4,383)	-
Purchase of furniture and equipment		-	(36)
Net cash used in investing activities		(4,374)	(36)
Cash flows from financing activities			
Proceeds from issuance of common shares	10(b)	4,387	1,114
Proceeds from issuance of warrants	10(c)	603	-
Exercise of options		39	-
Exercise of warrants		12	-
Payment of share and warrant issuance costs	10(b)	(175)	(165)
Net cash from financing activities		4,866	949
Net change in cash		(3,347)	441
Cash, beginning of period		4,576	317
Cash, end of period		$ 1,229	$ 758

The accompanying notes are an integral part of these condensed interim consolidated financial statements

1. CORPORATE INFORMATION

Livewell Canada Inc. ("LiveWell"), formerly Percy Street Capital Corporation ("Percy Street"), is an innovative Canadian hemp and cannabis company focused on advanced research in cannabidiol ("CBD") and other cannabinoids, as well as in the development and distribution of prescription and consumer health products supported by data, discovery, science and technology. LiveWell is a late stage applicant under The Cannabis Act and is awaiting final approval for its cultivation license from Health Canada.

The former Percy Street was incorporated by articles pursuant to the Canada Business Corporations Act on June 18, 2014 and after completing its initial public offering of common shares on the TSX Venture Exchange ("TSXV") on January 12, 2016, it was classified as a Capital Pool Corporation as defined in policy 2.4 of the TSXV.

On June 19, 2018, Percy Street completed its Qualifying Transaction ("QT") with LiveWell Foods Canada Inc., which was effective pursuant to an amalgamation agreement. After the closing of the QT, Percy Street was renamed as LiveWell Canada Inc. and its trading symbol was changed to "LVWL" on the TSXV (see Note 19(d)).

LiveWell's registered address is 1400-340 Albert Street, Ottawa, Ontario, Canada and its principal address is 179 Promenade du Portage, Suite 300, Gatineau, J8X 2K5, Quebec.

In these consolidated financial statements, "LiveWell", "Company", "we", "us", or "ours" refers to LiveWell Canada Inc. and its wholly-owned subsidiaries.

2. BASIS OF PRESENTATION

A) Going Concern

LiveWell is in the development stage and is currently seeking additional capital, acquisitions, joint ventures, strategic partnerships and other business arrangements to generate and grow its revenues and expand its product offerings in the hemp and cannabis industry.

We have incurred significant operating losses from inception and as of September 30, 2018, we have not generated significant revenues. Our ability to generate and grow future revenue to cover our working capital requirements is contingent on securing our cultivation, processing, and sales licenses for medicinal cannabis from Health Canada. In October 2018, we have submitted our final application to Health Canada for the cultivation license. Management expects to submit LiveWell's processing license application before the end of 2018.

At September 30, 2018, LiveWell has an accumulated deficit of $21,775 (June 30, 2018 - $19,921). The Company incurred a net loss of $1,854 for the three months ended September 30, 2018, $13,624 for the six months ended June 30, 2018 and $5,728 for the twelve months ended December 31, 2017. At September 30, 2018, LiveWell has cash of $1,229 and negative working capital of $2,478. These events or conditions indicate that a material uncertainty exists that casts substantial doubts on LiveWell's ability to continue as a going concern.

LiveWell's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and to obtain the necessary financing to meet its near-term obligations such that it can repay its liabilities when they become due.

For the three months ended September 30, 2018, we have successfully raised equity of approximately $5,041 before commissions and other share issuance costs, $4,990 of which was

raised in a non-brokered private placement in September 2018, before commissions and other share issuance costs (see Note 9(b)).

Management has the following plans to maintain liquidity in the event that revenues do not increase as quickly as anticipated and to finance acquisitions over the next 12 months:

- Seek an increase to its mortgage on the Artiva Cannabis Facility located in Ottawa in light of the significant year-to-date capital investment in the property (see Note 8).
- In addition to the private placement closed in November 2018 (see Note 19(c)), raise funds via capital markets from time to time.
- Secure financing from the Government of Québec by the end of 2018.

While management is confident to execute on the above plans, there can be no certainty that such financing will be available on a timely basis and at terms acceptable to LiveWell.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that LiveWell will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, no adjustments to the carrying value of the assets and liabilities have been made in these condensed interim consolidated financial statements, should LiveWell no longer be able to continue as a going concern.

B) Basis of accounting

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards 34, "Interim Financial Reporting" ("IAS 34"), using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

The condensed interim consolidated financial statements do not include all of the information required for a complete set of IFRS financial statements. The accounting policies and critical estimates used in preparing these condensed interim consolidated financial statements are the same as those applied in the Company's annual consolidated financial statements as at and for the six months ended June 30, 2018. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

In the opinion of the management, these condensed interim consolidated financial statements reflect all adjustments considered necessary for a fair presentation of LiveWell's financial position and results of operations for the periods presented. Further, the results of operations for any interim period are not necessarily indicative of the results for a full year.

On November 27, 2018, our Board of Directors approved these condensed interim consolidated financial statements and authorized them for issue.

C) Basis of measurement

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for biological assets and certain financial instruments which are measured at fair value. Historical cost is the original cost of an asset as recorded in our accounting records and is generally based upon the fair value of the consideration given in exchange for such assets. The expenses within the Statements of Operations and Comprehensive Loss are presented by function. See Note 18 for details of expenses by nature.

D) Functional and presentation currency

These condensed interim consolidated financial statements are presented in Canadian dollars, which is also LiveWell's functional currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Our significant accounting policies are consistent with those disclosed in Note 3 of the audited consolidated financial statements for the year ended June 30, 2018.

Relevant to LiveWell, the following new accounting standards as issued by IASB, have been adopted starting from July 1, 2018.

IFRS 2 Share-based Payment ("IFRS 2")

Amendments to IFRS 2, issued in June 2016, provide clarification on how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for:

- The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- Share-based payment transactions with a net settlement feature for withholding tax obligations; and
- A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The amendments are effective for reporting periods beginning on or after January 1, 2018. There is no impact to our condensed interim consolidated financial statements for the period July 1, 2018 to September 30, 2018.

IFRS 15 Revenue from Contracts with Customers ("IFRS 15")

IFRS 15 supersedes previous accounting standards for revenue, including IAS 11, *Construction Contracts*, and IAS 18, *Revenue*, and all existing IFRS revenue interpretations. IFRS 15 introduced a single model for recognizing revenue from contracts with customers. This standard applies to all contracts with customers (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services.

To determine the amount and timing of revenue to be recognized, the below mentioned 5-step process is followed:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue from the direct sale of vegetable produce (and in the future, cannabis and hemp products) for a fixed price is recognized when LiveWell transfers control of the good to the customer.

Given LiveWell has insignificant revenue since its inception in 2015, the adoption of IFRS 15 on July 1, 2018, has not had a material impact on LiveWell's condensed interim consolidated financial statements, except for additional required disclosures.

IFRS 9 Financial Instruments ("IFRS 9")

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or at fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value and are subsequently measured at either (i) amortized cost; (ii) fair value through other comprehensive income ("FVTOCI"), or (iii) at fair value through profit or loss ("FVTPL").

- **Amortized Cost**

  Financial assets classified and measured at amortized cost are those assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are measured using the effective interest method.

- **Fair value through other comprehensive income**

  Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI.

  This classification includes certain equity instruments where IFRS 9 allows an entity to make an irrevocable election to designate the equity instruments as FVOCI, on an instrument-by-instrument basis, unless the asset is:
  - Held for trading, or

- Contingent consideration in a business combination.

Under this option, only qualifying dividends are recognized in profit and loss. Changes in fair value are recognized in OCI and never reclassified to profit or loss, even if the asset is impaired, sold or otherwise derecognized.

- **Fair value through profit or loss**

Financial assets classified and measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. This category includes debt instruments whose cash flow characteristics are not SPPI or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell the financial asset.

Consistent with IAS 39, financial liabilities under IFRS 9 are generally classified and measured at fair value at initial recognition and subsequently measured at amortized cost.

The following table summarizes the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of LiveWell's financial assets and financial liabilities.

	IAS 39 Classification	IFRS 9 Classification
Cash	FVTPL	FVTPL
Restricted short investment	Loans and receivables	Amortized cost
Amounts receivable	Loans and receivables	Amortized cost
Accounts payable & accrued liabilities	Other liabilities	Amortized cost
Borrowings	Other liabilities	Amortized cost
Subscription deposits	Other liabilities	Amortized cost

Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' ("ECL") model where credit losses that are expected to transpire in futures years are provided for, irrespective of whether a loss event has occurred or not as at the balance sheet date. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: These are ECLs that result from possible default events within the 12 months after the reporting date; and

- Lifetime ECLs: These are ECLs that result from all possible default events over the expected life of a financial instrument.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

For trade receivables, the Company has applied the simplified approach under IFRS 9 and has calculated ECLs based on lifetime expected credit losses taking into considerations historical credit loss experience and financial factors specific to the debtors and general economic conditions.

There is no material impact to LiveWell's condensed interim consolidated financial statements based on adoption of IFRS 9.

IFRS 16 Leases ("IFRS 16")

In January 2016, the IASB issued IFRS 16, which replaces the existing leases guidance including IAS 17 Leases.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The new standard will be effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial adoption of IFRS 16.

The Company is currently assessing the impact of this new standard on its consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions about future events that can have a material impact on the amounts reported in LiveWell's condensed interim consolidated financial statements and accompanying notes. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Significant judgements, estimates and assumptions within these condensed interim consolidated financial statements remain the same as those applied to the consolidated financial statements for the year ended June 30, 2018, except for new significant judgements and key sources of estimation

(Expressed in thousands, except per share and acres data)

uncertainty related to the application of IFRS 15 and IFRS 9, which are described in Note 3.

5. RESTRICTED SHORT-TERM INVESTMENT

Short-term investment consists of a $125 redeemable term deposit that will mature on March 28, 2019, with an annual interest rate of 1.30%. This is used as collateral to secure the office lease (see Note 15).

6. AMOUNTS RECEIVABLE

The breakdown of the amounts receivable was as follows:

	September 30, 2018	June 30, 2018
Amounts receivable:		
Commodity tax receivable	$ 2,414	$ 1,775
Trade receivable	145	86
Due from employees	28	20
Promissory note due from related party	2,000	2,000
	4,587	3,881
Provision for doubtful accounts	(2,020)	(2,000)
Total amounts receivable	$ 2,567	$ 1,881

The promissory note due from related party relates to an advance of a cumulative $2,000 interest free to Delisse Fine Cuisine Inc. ("Delisse"), a family business related to one of the Founders, made in 2017 and early 2018 (see Note 14). While it was our intention to make a significant equity investment in Delisse, in early 2018, to complement our functional food strategy; we modified our strategy to be a dedicated hemp and cannabis company (see Note 1). As a result, we ceased funding Delisse's capital expenditure needs. Our promissory note was secured by a general security agreement ("GSA") over Delisse's assets.

During Q1 2019, Delisse sold the majority of its assets and business to a third party ("Private Co") in exchange for 22% equity ownership in Private Co, an organic and natural food manufacturing company based in Ottawa. We agreed to release the GSA on Delisse's assets to facilitate this transaction in return for a security pledge over Delisse's equity ownership in Private Co. Management has concluded that a provision should remain in place for the full amount of the promissory note.

(Expressed in thousands, except per share and acres data)

7. OTHER

The breakdown of other assets was as follows:

	September 30, 2018	June 30, 2018
Deposits with Vitality (see Note 14)	$ 3,164	$ 500
Other Prepaids	455	270
Total	$ 3,619	$ 770

8. PROPERTY, PLANT AND EQUIPMENT ("PP&E")

The following table provides a summary of our PP&E for the three months ended September 30, 2018.

COST

	June 30, 2018	Additions	Disposals	September 30, 2018
Computer equipment	$ 12	$ -	$ -	$ 12
Furniture and fixtures	40	-	-	40
Production equipment	250	-	-	250
Greenhouse and improvements	7,750	-	-	7,750
Vehicles and trailers	138	-	-	138
Land	6,358	-	-	6,358
Construction in progress	9,419	4,383	-	13,802
Total	$ 23,970	$ 4,383	$ -	$ 28,353

(Expressed in thousands, except per share and acres data)

ACCUMULATED DEPRECIATION

	June 30, 2018	Additions	Disposals	September 30, 2018
Computer equipment	$ 1	$ 1	$ -	$ 2
Furniture and fixtures	9	2	-	11
Production equipment	25	13	-	38
Greenhouse and improvements	207	103	-	310
Vehicles and trailers	11	8	-	19
Leasehold Improvements	-	-	-	-
Land	-	-	-	-
Construction in progress	-	-	-	-
Total	$ 253	$ 127	$ -	$ 380
Net Carrying Values	$ 23,717	$ 4,256	$ -	$ 27,973

Most of the additions relates to our retrofitting effort for a section of the existing Dutch-engineered greenhouses acquired in 2017 for the Artiva Cannabis Facility as well as the setting up of a Research and Innovation Center at the Litchfield facility in the Pontiac region of Quebec. For the three months ended September 30, 2018(June 30, 2018- $162), we capitalized $55 of borrowing costs associated with the construction of the Artiva Cannabis Facility (Note 9).

9. BORROWINGS

The following is breakdown of LiveWell's borrowings:

	Maturity Date	September 30, 2018	June 30, 2018
Mortgage payable with a two year term, interest only monthly payment at an annual interest rate of 7.99%; bullet principal payment due at maturity	November 1, 2019	$ 6,000	$ 6,000
Mortgage payable with a one year term, interest only monthly payment at an annual interest rate of 8%; bullet principal payment due at maturity	April 23, 2019	3,920	3,920
Vehicle loan payable with a seven year term bearing an annual interest rate of 5.49%	October 20, 2024	89	96
Total borrowings		10,009	10,016
Less: current portion		(3,933)	(3,934)
		$ 6,076	$ 6,082

As part of the acquisition of Sole Produce in 2017, we assumed a $6,000 mortgage which is secured by a first charge on Sole Produce land and a general security agreement on all of Sole Produce's assets. At the maturity of the mortgage, we may renew it for an additional two years at an annual interest rate of prime + 5%. Additionally, as part of this acquisition, we assumed a $100 vehicle loan which is secured by a first lien on the vehicle.

(Expressed in thousands, except per share and acres data)

In May 2018 we entered a binding term sheet with the Bank of Montreal for the following credit facilities ("BMO Credit Facilities"):

- $400 letter of credit facility;
- $100 foreign exchange contract facility; and
- $50 corporate Mastercard facility.

The credit facilities are secured by LiveWell's cash for the amount outstanding. At September 30, 2018(June 30, 2018- nil), we had no outstanding amount under the BMO Credit Facilities. During the three months ended September 30, 2018, we issued a $175 letter of credit to Hydro Québec for a substation project at Litchfield, Québec in connection with the construction of our Global Innovation Center.

10. SHARE CAPITAL

a) Preferred Shares

The preferred shares consist of an unlimited number of preferred shares Series 1, 2, and 3, without par value.

	September 30, 2018		June 30, 2018	
	# of shares	Value	# of shares	Value
Preferred Shares - Series 1	1,068	$ 1,000	1,068	$ 1,000
Preferred Shares - Series 2	1,068	1,000	1,068	1,000
Preferred Shares - Series 3	3,605	3,605	3,605	3,605
Total preferred shares	5,741	$ 5,605	5,741	$ 5,605

Convertible Preferred shares

The significant terms of the convertible preferred shares are as follows:

- At the holder's sole discretion, Series 1 Preferred Shares may be converted to Livewell common shares at a rate of $0.23399 per share on or before January 1, 2023. Accordingly, if fully converted, a total of 4,273 common shares would be issued.
- At the holder's sole discretion, Series 2 Preferred Shares may be converted to Livewell common shares at a rate of $0.43055 per share on or before January 1, 2023. Accordingly, if fully converted, a total of 2,323 common shares would be issued.
- Not entitled to dividends and no voting rights.

Redeemable Preferred shares

The significant terms of the redeemable Series 3 preferred shares are as follows:

- Not entitled to dividends and no voting rights.
- At LiveWell's sole discretion, it may redeem the Series 3 preferred shares at $1.00 per share.

In the event of liquidation, dissolution, or wind-up of LiveWell, the holders of convertible and redeemable preferred shares shall be paid in preference to the common shareholders.

b) **Common Shares**

The share capital of LiveWell consists of an unlimited number of common shares, without par value.

The following table provides a summary of the common share activities for the three months ended September 30, 2018.

	# of Common Shares ('000s)	Value
Balance at July 1, 2018	**125,641**	**$ 44,022**
Share issuance:		
Exercised warrants	11	15
Exercised stock options	106	83
Issuance of units	3,992	4,387
Total share issuances	4,109	4,485
Share issue costs	-	(175)
Balance at September 30, 2018	**129,750**	**$ 48,332**

The following table provides a summary of the common share activities for the three months ended September 30, 2017.

	# of Common Shares ('000s)	Value
Balance at July 1, 2017	**45,490**	**$ 5,711**
Share issuance:		
Equity raises during the period	2,597	1,114
Total share issuances	2,597	1,114
Share issue costs	-	(165)
Balance at September 30, 2017	**48,088**	**$ 6,660**

Share Issuances

Non-brokered private placements

On September 5, 2018, we closed a non-brokered private placement of 3,992 Units at $1.25 each for total gross proceeds of $4,990, before $175 commissions and other share issuance costs.

Each Unit consists of one common share of LiveWell Canada and one common share purchase warrant of LiveWell Canada (a "Warrant"). Each Warrant will be exercisable into one common share at a price of $1.50 per Warrant for a period of two years (see below – part (c) Equity Reserves - Warrants). Accordingly, we have issued 3,992 common shares on September 5, 2018.

(Expressed in thousands, except per share and acres data)

For the three months ended September 30, 2017, we held several non-brokered private placements resulting in the issuance of 2,431 (adjusted to 2,597 after QT) common shares for total proceeds of $1,114, before $165 commissions and other share issuance costs.

c) Equity Reserves

The following table provides a summary of the changes to LiveWell's stock option plan for the three months ended September 30, 2018.

	Three Months Ended September 30, 2018	
	Number of Options	Weighted Average Exercise Price
Outstanding, end of period	16,446	$ 0.43
Granted	-	$ -
Exercised	(106)	$ 0.36
Forfeited	-	$ -
Expired	-	$ -
Outstanding, end of period	**16,340**	**$ 0.46**
Exercisable options	**8,170**	**$ 0.42**

The following is a summary of the outstanding stock options at September 30, 2018:

Options Outstanding			Options Exercisable	
Number Outstanding at September 30, 2018	Weighted Average Remaining Contractual Life	Range of Exercise Prices	Number Exercisable at September 30, 2018	Range of Exercise Prices
16,023	4.27	0.43	7,853	0.43
317	2.23	0.30	317	0.30
16,340	4.23		8,170	

Warrants

As previously noted under part (b) – *Share Issuances: Non-brokered private placements*, we issued one warrant for each Unit, or 3,992 warrants on September 5, 2018. Each warrant is exercisable into one common share at $1.50 each for a period of two years.

The fair value of one warrant at the date of the closing was estimated at $0.15 each, based on the following key assumptions used in the Black Scholes valuation model:

Exercise price	**$1.50**
Expected life	1 year
Dividends	Nil
Volatility	60%
Risk free interest rate	2%

(Expressed in thousands, except per share and acres data)

11. NET LOSS PER SHARE

The following securities could potentially dilute basic net loss per share in the future but have not been included in diluted per share because their effect was anti-dilutive.

	September 30, 2018	June 30, 2018
Convertible preferred shares - Series 1	4,273	4,273
Convertible preferred shares - Series 2	2,323	2,323
Stock options per Option Plan	16,340	16,446
Warrants	9,751	5,770
Potential additional common shares	32,686	28,811

Refer to Note 10 for further details on the above securities.

12. FINANCIAL RISK AND CAPITAL MANAGEMENT

Financial Risk Management Objectives and Policies

In the normal course of business, we are exposed to a variety of financial risks: credit risk, liquidity risk, and interest rate risk. These financial risks are subject to normal credit standards, financial controls, risk management as well as monitoring. LiveWell's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Credit risk

Credit risk arises from cash and term deposit held with banks and amounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. We minimize the credit risk of cash and term deposit by depositing with only reputable financial institutions. We also assess the credit quality of counterparties, taking into account their financial position, past experience and other factors.

Cash consists of bank balances. Credit risk associated with cash is minimized substantially by ensuring that these financial assets are held with reputable financial institutions.

Credit risk on trade receivable of $145 is also managed actively by monitoring regularly, its aging and concentration by customer. Amounts due from related parties are viewed as having low credit risk based on the relationship we have with the related parties and management's understanding of the counterparty's business.

Liquidity risk

Liquidity risk is the risk that we will not be able to meet LiveWell's financial obligations as they fall due. We manage liquidity risk by continuously monitoring forecasts and actual cash flows and taking the necessary actions to maintain enough liquidity for operations and for growth objectives.

(Expressed in thousands, except per share and acres data)

The following table reflects the maturities of our financial liabilities at September 30, 2018.

Payment due:	Total	Within 1 Year	1 to 3 years	3 to 5 years	> 5 years
Borrowings	$ 10,009	$ 3,933	$ 6,027	$ 30	$ 19
Accounts payable & accrued liabilities	6,085	6,085	-	-	-
Total financial liabilities	$ 16,094	$ 10,018	$ 6,027	$ 30	$ 19

Refer to Note 2(a) for management current plan to raise additional liquidity in the near term.

Interest rate risk

Our exposure to interest rate risk is limited to any investments of surplus cash and borrowings. We may invest surplus cash in highly liquid investments with short term maturities.

Interest rate risk on borrowings is limited due to fixed interest rate financing.

Capital Management

Our key objectives when managing capital are to maintain a strong capital base in order to:

- Maintain investor, creditor, and market confidence;
- Advance LiveWell's corporate strategies to generate attractive risk-adjusted return over the long-term for our shareholders; and
- Sustain LiveWell's operations and growth though all cycles.

The Board and senior management monitor LiveWell's capital and capital structure on a regular basis to ensure it is sufficient to achieve LiveWell's short-term and long-term objectives. The capital structure may vary from time to time based on changes in economic conditions.

Our capital resources consisted of the following:

	September 30, 2018	June 30, 2018
Borrowings (drawn)	$ 10,009	$ 10,016
Preferred shares	5,605	5,605
Common shares	48,332	44,022
Share-based payments	2,358	2,146
Warrants	1,603	1,003
Reserve- other	(11,186)	(11,186)
Less: deficit	(21,775)	(19,921)
Total capital resources	$ 34,946	$ 31,685

Given the lack of earnings, LiveWell has no intention of declaring dividends in the next 12 months.

(Expressed in thousands, except per share and acres data)

13. FINANCIAL INSTRUMENTS

The table below summarizes the carrying values of LiveWell's financial assets and financial liabilities:

	September 30, 2018	June 30, 2018
Financial assets:		
Fair value through profit or loss		
Cash	$ 1,229	$ 4,576
At amortized cost		
Loans and receivables		
Restricted short-term investment	125	125
Amounts receivable	2,567	1,881
Total financial assets	$ 3,921	$ 6,582
Financial liabilities:		
At amortized cost		
Accounts payable	$ 6,085	$ 4,840
Borrowings	10,009	10,016
Total financial liabilities	$ 16,094	$ 14,856

Fair Values

The carrying values of cash, amounts receivable, accounts payable, subscription deposits, and short-term borrowings approximate their fair values due to their relatively short periods to maturity. The carrying value of the long-term borrowings also approximate fair value as the prime rate has not changed significantly since entering into these borrowings.

14. RELATED PARTIES

a) Key management personnel compensation

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities of LiveWell. The key management personnel of LiveWell are the executive management team and Board of Directors, who collectively control approximately 30% of the outstanding and issued common shares of LiveWell at September 30, 2018.

Compensation (including benefits) provided to the key management personnel is as follows:

	September 30, 2018	September 30, 2017
Management cash compensation	$ 250	$ 90
Share-based compensation	240	-
Directors cash compensation	54	15
	$ 544	$ 105

(Expressed in thousands, except per share and acres data)

b) Transactions with other related parties [6]:

	September 30, 2018	September 30, 2017
Financing		
Advances to Delisse [1]	-	434
Purchase of goods and services		
Rent[2]	-	3
Legal fees[3]	39	7
Prepaid royalty payments to Relief Effects[4]	22	-
Purchase of equipment for cannabis facility[5]	8	-

(1) Delisse Fine Cuisine ("Delisse") is a related party as it is owned by Mr. Peter Abboud, Co-Founder, Special Advisor and Director of LiveWell. Additionally, Mr. Abboud's brother owns certain preferred shares of LiveWell as a result of the sale of Sole Produce to LiveWell on December 31, 2017.
(2) We had rented accommodation for visiting executives from a party related to Mr. Peter Abboud, Co-Founder and Director.
(3) LiveWell's Chairman is a partner with the law firm, Perley-Robertson, Hill & McDougall LLP in which we have received corporate, M&A and listing legal services.
(4) See Note 15.
(5) We have purchased equipment from a party related to Mr. Michel Lemieux, Chief Administrative Officer of LiveWell.
(6) Unless otherwise stated, none of the above transactions incorporate special terms and conditions. Outstanding balances are settled in cash.

c) Breakdown of amounts due from (to) related parties:

	September 30, 2018	June 30, 2018
Included in Amounts receivable:		
Due from officers	$ 28	$ 19
Delisse Fine Cuisine Inc. ("Delisse")		
Amount due from Delisse	$ 2,000	$ 2,000
Provision for doubtful account	(2,000)	(2,000)
	$ -	$ -
Included in Other assets:		
Prepaid royalties to Relief Effects Inc.	$ 185	$ 156
Deposits with Vitality (see Note 15)	3,164	500
	$ 3,349	$ 656
Included in Accounts payable and accrued liabilities:		
Perley-Robertson, Hill & McDougall LLP (law firm)	$ 115	$ 273
Due to directors	29	28

All amounts due from (to) related parties bear no interest, were unsecured and had no fixed terms of repayment.

(Expressed in thousands, except per share and acres data)

d) Incorporation of LiveWell Québec

LiveWell Québec was incorporated on September 5, 2017, in which LiveWell was initially a 55% shareholder and then later on acquired the remaining 45% minority interest on December 31, 2017. The majority of the 45% selling shareholders were also executives of LiveWell.

e) Licensing Agreement with Relief Effects Inc. ("Relief Effects")

As disclosed in Note 15, we have entered into a licensing agreement with Relief Effects, which is a related party because certain directors and officers of LiveWell collectively own over 90% of the voting common shares of Relief Effects Inc. For the three months ended September 30, 2018, we prepaid royalties to Relief Effects.

f) Personal Use of Company Vehicle

As part of the acquisition of Sole Produce on December 31, 2017, we assumed a high-end vehicle and related loan financing (see Note 9). During the three months ended September 30, 2018, Mr. Peter Abboud used the company vehicle for personal use and assumed all associated costs including the loan payments.

15. COMMITMENTS AND CONTINGENCIES

Commitments

For the three months ended September 30, 2018, we entered into the following commitments:

Office Lease Commitment
On March 14, 2018, we entered an office lease agreement in Gatineau, Québec, for two years with the right of renewal. The future minimum lease payments due in each of the next five years are as follows:

2019	$ 215
2020	215
2021	-
2022	-
2023 and thereafter	-
Total	**$ 430**

The office lease agreement is collateralized by a $125 letter of credit. The letter of credit is secured by a one-year redeemable term deposit (Note 5).

Purchase Commitments

a) Cannabis Facilities

We have entered purchase commitments amounting to $286 for the cannabis facility project in Ottawa, Ontario and $827 for the global innovation center project in Litchfield, Québec. We expect the equipment to be delivered in 2018 and payable shortly after delivery.

b) Purchase of Industrial Hemp Biomass

On August 2, 2018, and further amended on September 10, 2018, we entered into an agreement with Vitality CBD Natural Health Products Inc. ("Vitality") to purchase 1,000 acres of industrial hemp biomass to be harvested from farmland located in Alberta for total cash consideration of USD$10,000, payable over a payment schedule as defined in the agreement. To date, total payment of USD$2,500 have been made and we intend to make the remaining payments upon closing our financing in the last quarter of 2018.

With the extraction and isolation technology licensed from Relief Effects Inc. (Note 15), we will process the industrial hemp biomass to produce cannabidiol (CBD) products for sale in 2019.

Vitality is a related party as its CEO is also LiveWell's Chief Science and Innovation Officer. Further, certain LiveWell directors and officers collectively own, personally, 35% of the total outstanding common shares of Vitality. Additionally, LiveWell's Chairman and Chief Science and Innovation Officer are board members of Vitality. The above transaction was negotiated at arm's length.

Contingencies

a) Trademark Infringement

On April 20, 2018, we received a letter on behalf of a Colorado-based cannabis company, asking us to cease all use of LIVEWELL in the marijuana business. We note that both parties have pending trademark applications before the Trademarks Office. The Colorado-based company is not licensed to sell cannabis in Canada and to our knowledge has not used their LIVWELL trademark in Canada. We have replied asking the Colorado-based company to confirm if they have used their trademark in Canada, and if so, to provide us with evidence of use and their date of first use. Based on the evidence that we have been provided with to date, we do not believe that the Colorado-based company has any significant goodwill or reputation in Canada in association with the LIVWELL mark, or any use of the LIVWELL mark in Canada.

In September 2018, we met with LIVWELL management to resolve this dispute out of court. While no settlement was reached, both parties agreed to continue discussions and potentially consider a strategic partnership.

b) *Cannabis Purchase and Sale Transaction with Canopy Growth and Canopy Rivers ("Canopy Transaction")*

On November 22, 2017, LiveWell entered into an arrangement with Canopy Growth Corporation ("Canopy") and Canopy Rivers ("Rivers") consisting of three agreements: an Investment Agreement, a Royalty Agreement and an Offtake Agreement, (which agreements were amended on April 2, 2018) which provide as follows:

(i) Canopy shall provide strategic and logistical support to LiveWell including regulatory support to further ACMPR license at both the Artiva location and LiveWell Québec location;

(ii) In return, LiveWell shall issue 15% of LiveWell's fully diluted total common shares at March 31, 2018 and effective April 15, 2018 with 5% to be held in escrow pending licensing at each location (Artiva and Litchfield sites);

(iii) Rivers has offered a $20 million convertible financing facility to LiveWell. LiveWell declined this financing offer as the conversion term was no longer in the best interest of LiveWell as result of LiveWell's stock price being much higher than the conversion rate;

(Expressed in thousands, except per share and acres data)

(iv) Canopy has the option to purchase up to a maximum fixed percentage of the annual cannabis production at the Artiva facility for a period of 20 years at certain set prices (based on agreed formulas); and

(v) Rivers shall also receive a nominal royalty on cannabis purchased by Canopy.

c) Licensing Agreement with Relief Effects Inc.

On September 1, 2017, we entered into an exclusive licensing agreement with Relief Effects Inc. for the intellectual property surrounding extraction, isolation, and infusion technologies in Canada only. These technologies will enable us to process cannabis and hemp extracts and isolates that will be used in the formulation of numerous functional food products, edibles, and infusions. In return for accessing these technologies, we agreed to pay a 10% royalty based on LiveWell's future gross processed products revenue.

16. SUPPLEMENTAL CASH FLOW INFORMATION

The changes in non-cash working capital items are as follows:

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017
Amounts receivable	$ (714)	$ (31)
Inventory	-	(96)
Other assets	(2,849)	(17)
Accounts payable & accrued liabilities	1,245	(13)
Changes in non-cash working capital	$ (2,318)	$ (157)

17. SEGMENTED INFORMATION

For the three months ended September 30, 2018, we operated only in one segment, that is the production and sale of agricultural products. All revenues were generated in Canada for these periods.

All the property, plant and equipment and intangible assets are located in Canada.

(Expressed in thousands, except per share and acres data)

18. EXPENSES BY NATURE

We have presented operating expenses on the face of the Consolidated Statements of Net Loss and Comprehensive Loss using a classification based on the following functions: "Cost of sales", "G&A", "S&M", and "R&D". We also presented other material other operating expenses separately as they were deemed to be items of dissimilar function.

The following table provides a breakdown of LiveWell's operating expenses for the three months ended September 30, 2018 and September 30, 2017.

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017
G&A:		
Professional fees	$ 453	$ 131
Employee compensation and benefits	387	110
Office expenses	241	13
Insurance expense	92	2
Travel and other employee expenses	76	18
Bad debt	20	-
Other	6	1
Total G&A	1,274	276
R&D		
Employee compensation and benefits	$ 69	-
Other	1	-
Total R&D	70	(0)
Sales & Marketing:		
Professional fees	$ 75	$ 7
Employee compensation and benefits	62	30
Travel and other employee expenses	19	-
Advertising promotions	3	-
Office expenses	1	-
Total S&M	160	37
Share-based compensation	256	-
Depreciation	119	2
Total operating expenses	$ 1,879	$ 315

(Expressed in thousands, except per share and acres data)

19. SUBSEQUENT EVENTS

a) Acquisition of Acenzia Inc. ("Acenzia")

On October 4, 2018, we signed a binding letter of intent to acquire 100% of Acenzia, a leading developer and manufacturer of next-generation natural health products (the "Transaction"). The total purchase consideration is $20,000, $2,000 cash paid at closing and $18,000 in common shares of LiveWell based on the 20-day weighted average immediately prior to the date of the definitive agreement. Further, $8,000 of the $18,000 in common shares will be held in escrow and will be released subject to achieving profitability milestone for calendar 2019.

The following is a summary of the unaudited financial position of Acenzia at October 31, 2018 as prepared by its management:

Assets	As At Oct 31, 2018
Current	$ 3,337
Non-current	3,060
Total Assets	6,397
Liabilities	
Current	4,656
Non-current	2,137
Total Liabilities	6,793
Shareholders' equity	(396)

Based on unaudited figures, for the period May 1, 2018 to October 31, 2018, Acenzia had revenues of $3,879 (Year ended April 30, 2018 - $5,616) and incurred a net loss of $218 (Year ended April 30, 2018 – Net Loss $2,205). The lower net loss during the period May 1, 2018 to October 31, 2018 is primarily due to restructuring of operations by Acenzia to streamline its operations and costs.

Upon completion of the acquisition, management will allocate the $20,000 purchase consideration to the net assets acquired based on fair value and the residual balance will be allocated to goodwill.

LiveWell's Board has unanimously approved this arm's length Transaction subject to due diligence, standard closing conditions, and TSXV approval. No approval of shareholders from either Acenzia or LiveWell is required in connection with this Transaction. This Transaction is expected to close on or before December 31, 2018.

b) Unsecured borrowings

In October 2018, we entered unsecured borrowings of $125 with one employee. The borrowing bears interest at 12% per annum and matures in one year. LiveWell may prepay at any time, subject to payment of accrued interest for a minimum three months.

c) Non-Brokered Private Placement

On November 21, 2018, LiveWell announced the closing of a non-brokered private placement of 1,937,500 Units at $0.80 each for total gross proceeds of $1,550 before commissions and other share issuance costs. A total of $11 in finder fees is payable under this Offering.

Each Unit consists of one common share of LiveWell and one common share purchase warrant of LiveWell (a "Warrant"). Each Warrant will be exercisable into one common share at a price of $1.00 per Warrant for a period of 24 months from the date of closing. After March 20, 2019, if the volume weighted average price of the Common Shares on the TSX Venture Exchange is equal to or greater than $1.50 for 10 consecutive trading days, LiveWell may accelerate the expiry date of the Warrants to the date that is 30 days following the date of such written notice. All securities issued will be subject to a four-month hold period.

LiveWell intends to use the net proceeds of the Offering for working capital purposes.

d) Canadian Securities Exchange ("CSE") Listing

On November 23, 2018, we received approval to list LiveWell common shares on the CSE, with the first trading date on November 26, 2018. We expect to voluntarily delist LiveWell common shares from the TSX-V in the near term.

Vitality CBD Natural Health Products Inc.

DRAFT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in USD $000s)

	December 31, 2018	December 31, 2017
ASSETS		
Current Assets		
Cash	$ 300	$ -
Restricted short-term investment	-	-
Amounts receivable	2	-
Inventory	44,025	-
Biological assets	-	-
Other	2,577	-
Total Current Assets	46,904	-
Non-Current Assets		
Property, plant and equipment	2,961	561
Deferred tax assets	-	564
Total Non-Current Assets	2,961	1,125
TOTAL ASSETS	$ 49,865	$ 1,125
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	$ 11,111	$ 207
Borrowings - current portion	19,894	2,627
Customer deposits	3,425	16
Derivative liability	123	-
Subscription deposits	-	-
Total Current Liabilities	34,553	2,850
Non-Current Liabilities		
Borrowings	60	-
Deferred tax liabilities	1,537	-
Total Non-Current Liabilities	1,597	-
TOTAL LIABILITIES	36,150	2,850
Commitments and contingencies		
SHAREHOLDERS' EQUITY		
Common shares	20,998	1
Contributed surplus	-	-
Equity reserves:		
Share-based payments	629	-
Warrants	1,218	-
Accumulated other comprehensive income	125	-
Retained earnings (deficit)	(9,255)	(1,726)
TOTAL SHAREHOLDERS' EQUITY	13,715	(1,725)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 49,865	$ 1,125

The accompanying notes are an integral part of these consolidated financial statements

Vitality CBD Natural Health Products Inc.

DRAFT

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

YEAR ENDED DECEMBER 31, 2018 AND PERIOD FROM AUGUST 4, 2017 (INCORPORATION DATE) TO DECEMBER 31, 2017
(Expressed in USD $000s)

		Number of Shares		Reserves						
(Refer to Note 11)	Other Notes	Preferred	Common	Common shares	Share-based Payment	Warrants	Other	Accumulated Other Comprehensive Earnings (Deficit)	Retained Earnings (Deficit)	Total Equity
Balance at August 23, 2017				$	$	$	$	$	$	$
Seeding equity from the Founders		-	-	1	-	-	-	-	-	1
Net loss									(1,726)	(1,726)
Balance at December 31, 2017				$	$	$	$	$	$ (1,726)	$ (1,725)
Balance at January 1, 2018				$	$	$	$	$	$ (1,726)	$ (1,725)
Issuance of common shares from non-brokered private placements		-	1,338	620	-	-	-	-	-	620
Issuance of common shares for fixed asset deposit		-	4,000	1,846	-	-	-	-	-	1,846
Issuance of fully vested common shares for services		-	22,206	10,595	(10,595)	-	-	-	-	-
Issuance of common shares for settlement of debts and payables		-	3,377	1,569	-	-	-	-	-	1,569
Issuance of units from conversion of promissory notes		-	9,212	3,438	-	465	-	-	-	3,903
Issuance of common shares for RTO		-	100,000	-	-	-	-	-	-	-
Issuance of units from brokered private placements		-	8,479	3,114	-	801	-	-	-	3,915
Share issuance costs				(185)		(48)				(233)
Share-based compensation		-	-	-	11,224	-	-	-	-	11,224
Exercise of stock options										
Change in foreign currency translation		-	-	-	-	-	-	125	-	125
Net loss									(7,529)	(7,529)
Balance at December 31, 2018		148,612	40,994	$ 629	$ 1,216	$	$	$ 125	$ (9,255)	$ 3,715

The accompanying notes are an integral part of these consolidated financial statements

Vitality CBD Natural Health Products Inc.

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

YEAR ENDED DECEMBER 31, 2018 AND PERIOD FROM AUGUST 4, 2017 (INCORPORATION DATE) TO DECEMBER 31, 2017
(Expressed in USD $000s)

	December 31, 2018 (12 months)	August 8, 2017 to December 31, 2017
Revenue	$ 839	$ 61
Cost of sales, including impairment	(668)	(578)
Gross profit, excluding fair value items	171	(517)
Realized fair value amounts included in inventory sold	-	-
Unrealized fair value gain on growth of biological assets	31,110	-
Gross Profit	31,281	(517)
Operating expenses		
General and administrative ("G&A")	2,680	95
Sales and Marketing	177	-
Stock-based compensation	11,236	-
Depreciation and amortization	208	45
Total operating expenses	14,301	140
Gain/ (Loss) from operations	16,980	(657)
Other expenses (income)		
Loss on debt settlement	5,556	-
Finance expense	15,227	1,631
Foreign exchange gain	(301)	-
Charge for embedded derivative re convertible debt	1,759	2
Loss on RTO	143	-
Other	24	-
Loss before income taxes	(5,428)	(2,290)
Income tax recovery (expense)		
Current	-	-
Deferred, net	(2,101)	564
Income tax recovery (expense)	(2,101)	564
NET INCOME (LOSS)	$ (7,529)	$ (1,726)
Other comprehensive income (loss)		
Foreign currency translation	125	-
COMPREHENSIVE INCOME (LOSS)	$ (7,404)	$ (1,726)

Vitality CBD Natural Health Products Inc.

DRAFT

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2018 AND PERIOD FROM AUGUST 4, 2017 (INCORPORATION DATE) TO DECEMBER 31, 2017
(Expressed in USD $000s)

	Twelve Months Ended December 31, 2018	August 8, 2017 to December 31, 2017
Cash flows from operating activities		
Net loss	$ (7,529)	$ (1,726)
Adjustments for non-cash items:		
Change in fair value of biological assets	(31,110)	-
Depreciation and amortization	208	45
Loss on debt settlement	5,556	-
Loss on RTO	143	-
Charge for embedded derivative re convertible debt	1,759	-
Change in CTA	125	
Stock-based compensation	11,224	-
Non-cash finance costs	16	1,618
Non-cash deposit for facility	(1,903)	-
Adjustments for net changes in non-cash working capital	16,662	(341)
Net cash used in operating activities	(4,849)	(404)
Cash flows from investing activities		
Advances to related party		-
Purchases of property, plant and equipment	(2,608)	(606)
Net cash used in investing activities	(2,318)	(606)
Cash flows from financing activities		
Proceeds from issuance of common shares	6,560	-
Proceeds from issuance of warrants	1,221	-
Exercise of options	83	-
Exercise of warrants	12	-
Payment of share and warrant issuance costs	(175)	-
Proceeds from borrowings	3,533	1,264
Payment on borrowings	(3,751)	(254)
Net cash from financing activities	7,483	1,010
Effect of foreign exchange on cash	(16)	-
Net change in cash	300	-
Cash, beginning of period	-	-
Cash, end of period	300	$ -

The accompanying notes are an integral part of these condensed interim consolidated financial statements

SCHEDULE 3.1(i)
Material Changes and Undisclosed Liabilities

None other than as reported in the draft unaudited financial statements for LiveWell and Vitality for the year ended December 31, 2018.

SCHEDULE 3.1(j)
Litigation

LiveWell Canada Inc.

None other than the trademark infringement as disclosed in LiveWell's unaudited interim consolidated financial statements for the three months ended September 30, 2018. There's been no significant development since then.

Vitality CBD Natural Health Products Inc ("Vitality").

There are no litigation matters against Vitality CBD Natural Health Products Inc.

There are three litigation matters against its wholly-owned subsidiaries:

1. USA Biofuels LLC - USA Biofuels LLC is defendant in lawsuits filed in Montana in July and August of 2018 by 21 farmers alleging that they have not been fully paid pursuant to hemp fixed acreage production agreements signed by USA Biofuels LLC and each of the farmers in May 2018. Counsel for Vitality is in regular (i.e. weekly) contact with counsel for the farmers group. The lawsuits are currently in the examination for discovery stage. Counsel for Vitality has advised counsel for the farmers group that the farmers will receive some payment (amount not yet known) from this current financing. There is a low probability that these claims will proceed to trial as all parties have expressed a desire for timely settlement.

2. Vitality Natural Health LLC - Vitality Natural Health LLC has received correspondence from Terpene Bio Tech Ltd. (see attached internal draft memorandum). No litigation has been commenced and the Company and its counsel believe these allegations have no merit.

3. Vitality Natural Health LLC – Vitality Natural Health LLC has received correspondence from Health Source Supply LLC (Eugene Elfrank), a former CBD broker for Vitality, claiming over $12m of overdue commissions. The claim is absurd based on actual units sold by Vitality. See attached for response by Vitality's legal counsel.

DRAFT

PERLEY-ROBERTSON, HILL & McDOUGALL LLP/s.r.l.

Lawyers / Patent & Trade-Mark Agents
Avocats / Agents de brevets et de marques de commerce

MEMORANDUM

TO: LiveWell Canada Inc

FROM: Perley-Robertson, Hill & McDougall LLP

RE: LOI executed by Vitality Natural Health LLC and Terpene Bio Tech Ltd

DATE: December 17, 2018

The memorandum outlines Terpene Bio Tech Ltd's ("**TBT**") allegation that it has a Binding Letter of Intent ("**LOI**") with Vitality Natural Health LLC ("**VNH**"), which would serve to block a reverse merger between VNH's parent company, Vitality CBD Natural Health Products Inc. ("**Vitality Canada**"), and LiveWell Canada Inc ("**LVWL**").

As outlined below, the LOI seems to be unenforceable as it was cancelled shortly after it was concluded. Furthermore, the LOI was drafted in contemplation of the parties entering into a definitive agreement. Such agreement was never concluded, which is a further indication that the LOI is no longer enforceable.

Allegation Raised by TBT

On December 14, 2018, David Lloyd, President of TBT, emailed LVWL at Invest@livewellfoods.ca with the following note:

> "I'm not sure how you intend on going public with Vitality in Montana when I have a legally binding LOI signed by Owen Kenney that makes this impossible.
>
> Perhaps we should discuss how you intend on dealing with the attached..."

Attached to Mr Lloyd's email was a photograph of the first page of the LOI and an extract from page two of the four page LOI. A full copy of the LOI is enclosed with this memorandum.

In the LOI, TBT is described as "in the business of branding/development and wholesale/retail/online distribution of cannabinoid (CBD) enriched natural health products, both proprietary and licensed, globally within the Cannabis / Hemp Industries" and is based out of Vancouver, British Columbia.

Preliminary searches indicate the following:

- TBT was incorporated on September 23, 2016 as a British Columbia corporation;
- Its directors are David Lloyd and Mladen Marinkovic;
- Its sole officer is David Lloyd (President, Secretary); and,

---

- Its registered office appears to be an address of a law firm in Vancouver, BC, named Stunden Law, which presumably is the law firm that incorporated TBT.

Terms of LOI

Following are the key provisions of the LOI:

- The LOI was executed on December 18, 2017 ("**Execution Date**" and "**Closing Date**");
- The LOI provides that the Parties would enter into a joint venture immediately upon signing;
- The preamble states, among other things, that:
    - "This Letter will establish the basic terms to be used in a future Definitive Agreement between the parties. The terms contained in this Letter are not comprehensive and it is expected that additional terms may be added, and existing terms may be changed or deleted.
    - The terms and conditions of any future agreement will supersede any terms and conditions contained in this Letter.
    - The Parties are not prevented from entering into negotiations with other third parties with regard to the subject matter contained within this binding Letter.

- According to the Transaction Description, among other things:
    - The Parties would jointly create/develop various CBD enriched/based products;
    - TBT would exclusively market the products in Canada and the US through wholesale and retail avenues under the brands Blends and Vitality Health CBD;
    - TBT would create the retail brand "Blends CBD" for its exclusive use in Canada;
    - TBT would create the retail brand "Vitality Health CBD" for its exclusive use in the US;
    - The Parties would jointly own all intellectual property related to products marketed under the brands "Blends CBD" and www.blendscbd.com; and "Vitality Health CBD" and www.vitalityhealthcbd.com;
    - TBT would be granted exclusive rights for wholesale and retail distribution for CBDs produced by VNH and marketed jointly by TBT and VNH throughout Canada and the US, including all jointly owned brands and licenses
        - VNH would sell raw CBD to TBT at a wholesale value not to exceed VNH's lowest recorded transaction value;
    - Within seven days after executing the LOI, VNH would provide TBT two PSP Precision extractors and accessory equipment to be used by TBT to manufacture extracts in Canada
        - TBT shall pay to VNH on a quarterly basis 25% of the net profit granted through the use of the equipment;

- TBT has registered www.blendscbd.com and www.vitalityhealthcbd.com.

- The Representations section of the LOI states, among other things:
  - "If the representations of one or more of the Parties are found to be untrue upon the Closing Date, then any remaining Parties may terminate any future agreement without penalty

Implementation of the LOI

We are not aware if VNH ever provided TBT with the two PSP Precision extractors and accessory equipment and whether TBT ever paid VNH on a quarterly basis 25% of the net profit granted through the use of the equipment. In addition to the termination of the LOI outlined below, if the parties never followed through on this obligation, then it would amount to another indication that the parties intended to terminate the LOI.

We note that TBT did register the www.vitalityhealthcbd.com website, which is still accessible online. Details of the website note that it was created on September 23, 2017 and updated on August 31, 2018. A number of Vitality Health CBD products are offered for sale on the website, including "SeaCream" and "Vitality Health CBD Life Elixirs".

It should be noted that VNH is spelled three different ways in the LOI: (1) "Vitality Natural Health LLC" as first referenced at top of page one, (2) "Vitality Natural health Products LLC" in the Background section on page one, and (3) "Vitality Health LLC" at the signature block of Owen Kenney on page four.

VNH Terminates the LOI

By letter dated January 20, 2018, Owen Kenney (VNH) wrote a letter to Dave Lloyd (TBT) stating:

> "As per our phone conversation the other day, at this time Vitality is withdrawing from our binding LOI as the representations you made as to capacity, industry contacts and financial capacity have been shown to be false. Any JV agreements or any exclusive supply contracts are null and void."

It is not clear whether this letter was ever sent to TBT. However, the letter notes that the parties had previously discussed terminating the LOI. In addition, and importantly, the grounds Mr. Kenney relies on for terminating any future agreement is expressly provided for in the LOI itself, i.e., TBT's representations were found to be untrue.

TBT LOI Not Disclosed to Vitality Canada

It is important to note that VNH did not disclose this LOI at the time Vitality Canada acquired VNH and USA Biofuels. In the event that the LOI is found to be enforceable, the failure to disclose the LOI amounts to a breach of VNH's disclosure obligations under the Share Exchange

Agreement that was concluded on March 23, 2018 (e.g., see section 3.1(q) regarding representation of no existing joint ventures).

LOI Not Enforceable as an Agreement to Agree

It has long been held under Canadian law that a preliminary agreement, such as a letter of intent, will not be enforceable if the preliminary agreement lacks certainty or is subject to negotiation or subsequent agreement.[1] In such circumstances, the preliminary agreement will be considered an "agreement to agree", which is not enforceable at law. Indications that a preliminary agreement should not be held enforceable include the use of conditional language and the anticipation of an eventual formal agreement.[2]

As noted above, the LOI states that it would "establish the basic terms to be used in a future Definitive Agreement", and that its terms "are not comprehensive and it is expected that additional terms may be added, and existing terms may be changed or deleted." This suggests that any "definitive agreement" was conditional on further negotiation and the LOI's terms were subject to change.

In addition, the LOI states that "any terms and conditions" of the LOI would be superseded by "[t]he terms and conditions of any future agreement." This further suggests that none of the terms or conditions of the LOI were final, and were all subject to further agreement – a hallmark of an agreement to agree.

Lastly, the LOI provides that the parties were not precluded from negotiating with third parties regarding the subject matter of the LOI. This indicates that the parties were free to enter into other agreements with other parties regarding the subject matter of the LOI – another indication that the LOI was subject to change.

Nonetheless, it should be noted that an argument *can* be raised that the LOI should be considered an enforceable agreement given that the LOI is entitled, and referred to, as a "*Binding* Letter of Intent" [emphasis added]. This could indicate that the parties intended to create a binding agreement, though the fact that the document is entitled as such is not determinative. The LOI also states that it "creates a binding agreement between the Parties and will be enforceable in its entirely." However, the reference to a "binding" LOI and this statement are at odds with the provisions quoted immediately above.

In order to further strengthen the argument that the LOI is merely an agreement to agree, it would be helpful to inquire with VNH to determine what terms, conditions and details are not included in the LOI with respect to the definitive agreement the parties where considering, and as noted above (Implementation of LOI), if any terms of the LOI were carried out.

[1] John D. McCamus, *The Law of Contracts*, 2nd ed. Irwin Law at pages 126-127 & 102-105

[2] *Ibid.*, at pages 128-129.

Recommended Next Steps

In light of the circumstances outlined above, it seems that the LOI is not enforceable. In addition to the fact that the LOI was terminated, the LOI should be characterized as an agreement to agree with respect to an agreement that never materialized, and is thus unenforceable.

Accordingly, LVWL can either (1) disregard Mr Lloyd's December 14, 2018 email and let it lie, or (2) we can formalize a reply and reach out to the law firm that incorporated TBT, Stunden Law.

Please let us know if you would like to discuss any of the issues raised above.

LAW OFFICE OF
DAVID W. STEFFENSEN, P.C.
A PROFESSIONAL CORPORATION

4873 South State Street
Salt Lake City, Utah 84107
Telephone (801) 263-1122
Facsimile (801) 207-1755

David W. Steffensen* *Also admitted in Wyoming

October 22, 2018

Via Email and Regular Mail

Peter L. Loh
Foley Gardere
2021 McKinney Avenue, Suite 1600
Dallas, Texas 75201-3340

Re: Eugene Elfrank/Health Source Supply, LLC

Dear Mr. Loh:

I represent Vitality Natural Health, LLC ("Vitality"). I have reviewed your October 18, 2018 letter with my client and provide this response.

With respect, we dispute your recitation of facts, and your legal analysis and conclusions. This is true for several reasons, some of which I will outline below.

First, Vitality acknowledges the Sales and Services Commission Agreement executed March 23, 2018 (the "Agreement") with Eugene Elfrank/Health Source Supply, LLC ("Health Source"). Vitality further acknowledges that Mr. Elfrank, through his Health Source, referred numerous potential customers to Vitality, several of which signed contracts to purchase product from Vitality. Having said that, however, The Agreement calls for a commission payment "within 5 business days of the shipment date" for "each unit sold." Vitality has not sold and shipped 12,420 units to Health Source's referred customers[1]. Per our records, Vitality to date has only sold and shipped 87.5 units to Health Source's referred customers. See Exhibit A for a complete list of product shipped and sold to clients sourced by Elfrank/Health Source.

For such product sold and shipped, the commission due under the Agreement is $8,750.00. However, because Elfrank/Health Source demanded an upfront advance commission payment of the assumed first monthly shipment out of client advance manufacturing deposits

[1] The math in your letter appears off. $100/unit * 12,420 units is $1,242,000, not $12,420,000.

(the deposits were made to begin the production process for custom manufactured orders with expected delivery often out two or three months), Vitality has actually paid Elfrank/Health Source to date $139,500.00 out of customer deposits for which the product has not yet been produced, sold or shipped. Attached as Exhibit B is a commission payments schedule. In other words, Vitality is more than $130,000.00 ahead of schedule in paying commissions to Elfrank/Health Source.

I can also tell you that several customers who made advance deposits for which Elfrank/Health Source received an advance commission payment have cancelled their contracts and received a refund of their deposits, which gives rise to a potential charge back issue with Elfrank/Health Source. Vitality's plan is to simply offset the advance commissions paid amount against future commissions payable until the overpayment problem has worked itself out and the parties are even, and then move forward on commission payments when product is sold and shipped.

For these reasons, we strenuously dispute that Vitality has breached the Agreement by not paying commissions due.

Second, as Mr. Elfrank/Health Source may have shared with you, Vitality made and communicated to Mr. Elfrank in September, 2018, that it would no longer accept new client referrals or customer business from Mr. Elfrank/Health Source. This does not mean that Vitality is not honoring the Agreement. Vitality is honoring the Agreement, and will continue to do so, as to any and all prior and existing customers that were brought to Vitality by Mr. Elfrank/Health Source and who signed contracts with Vitality prior to this decision date. The reason for this decision was that Vitality has had other material issues and problems with Mr. Elfrank/Health Source that made it ill-advised to accept any new customers from Mr. Elfrank/Health Source. Those issues include:

1. Mr. Elfrank made numerous promises of product and delivery time schedules to potential customers without the authorization of Vitality which were false when made and not within Vitality's ability to perform, thus causing a customer relations problem with those customers. This has caused some customers to cancel their purchase contracts and to demand repayment of their deposits, which means that Elfrank/Health Source has been overpaid by Elfrank/Health Source's demanding and receiving an advance commission payment when the deposit was made instead of when the product was shipped and sold to a client as set forth in the Agreement.

2. Mr. Elfrank made material false representations as to his position and authority to represent Vitality and one of its owners, O and D Investments, LLC to Mr. Brian Burgess, of Iron Side Farms Inc., in an August 27, 2018 letter Mr. Elfrank sent to them claiming that he was the "Vice President of International Sales" for O and D Investments, LLC. A copy of this letter is attached as Exhibit C. Mr. Elfrank is not, and never has been, the Vice President of International Sales for O and D Investments, LLC, Vitality or any of its other affiliates. The letter is highly problematic because Mr. Elfrank, misrepresenting himself as an officer of O and D Investments, LLC put language in that letter that could be interpreted as creating or acknowledging an enforceable contract between O and D Investments LLC and the buyer. Moreover, in that letter, Mr. Elfrank falsely represented that "the typical CBD content of the

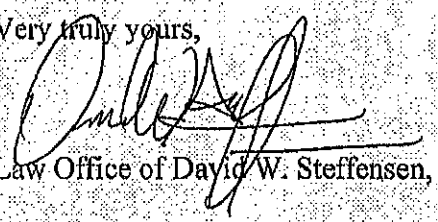
subject biomass ranges between 5% and 6% by weight." That simply is false, given that a raw crop, with all of the stocks, contains a materially lower CBD content by weight of the crop. This whole situation is an example of the types of problems Vitality has had with Mr. Elfrank that soured Vitality on accepting any new business from Mr. Elfrank/Health Source after August 2018.

3. Mr. Elfrank was asked by Vitality to find a buyer of raw hemp biomass at a sales price of $5 per pound. The purpose of that pricing was to obtain a quick sale at a very attractive price. On this transaction, Mr. Elfrank wasn't interested in just earning his commission under the Agreement. Without Vitality's authorization or prior approval Mr. Elfrank approached a buyer and offered the raw hemp biomass at $9.75 per pound, with the additional $4.75 to be paid to himself. That is a violation of the Agreement.

In light of all of this, we definitely need to have a conversation about Mr. Elfrank/Health Source. They have been overpaid commissions in the amount of $130,000. They have transacted their business in a manner that has caused and continues to cause significant damage to Vitality.

I am open to discussing these issues with you.

Very truly yours,



Law Office of David W. Steffensen, P.C.

DWS/ds

Exhibit A

DATE	TRANSACTION TYPE	NUM	PRODUCT/SERVICE	MEMO/DESCRIPTION	QTY	SALES PRICE	AMOUNT	BALANCE
B. Smith								
04/13/2018	Invoice	1029	Product Sales	CBD ISOALTE	1		5500	5500
Total for B. Smith				$5,500.00				
Bill Arnold								
05/02/2018	Invoice	1037	Product Sales	2k isolate sample for testing	0	0	0	0
Total for Bill Arnold				$0.00				
Blue Sky Imports								
02/13/2018	Invoice	1015	Product Sales	CBD ISOLATE	1		5800	5800
Total for Blue Sky Imports				$5,800.00				
Canadera								
12/16/2017	Invoice	1005	Product Sales	CDB OIL	2		9290	9290
12/18/2017	Invoice	1006	Product Sales	CBD OIL	3		17200	26490
12/21/2017	Invoice	1007	Product Sales	CBD OIL	5		27500	53990
12/29/2017	Invoice	1008	Product Sales	CBD OIL			871	54861
01/03/2018	Invoice	1009	Product Sales	CBD OIL	3		15230	70091
Total for Canadera				$70,091.00				
Canadian Imperial								
03/09/2018	Invoice	1020	Product Sales	CBD ISOLATE			10000	10000
Total for Canadian Imperial				$10,000.00	2			
CBDistillery								
01/05/2018	Invoice	1010	Product Sales	CBD OIL	6		32500	32500
Total for CBDistillery				$32,500.00				
Cosco Warehouse								
05/02/2018	Invoice	1036	Product Sales	ISOLATE	10	5000	50000	50000
Total for Cosco Warehouse				$50,000.00				
Eagles Consultancy LLC								
03/27/2018	Invoice	1021	Product Sales	CBD ISOLATE	1		5500	5500
03/28/2018	Invoice	1022	Product Sales	CBD ISOLATE	1		5500	11000
04/18/2018	Invoice	1030	Product Sales	ISOLATE	10	6445	64450	75450
04/26/2018	Invoice	1034	Product Sales	ISOLATE $31,500 minus DWS fee	5	6197	30985	106435
	$500, bank fee $15 for total of $30,985							
04/30/2018	Invoice	1035	Product Sales	ISOLATE	10	6300	63000	169435
Total for Eagles Consultancy LLC				$169,435.00				
Green Brothers								
05/18/2018	Invoice	1041	Product Sales	1 kilo isolate	1	5962	5962	5962
Total for Green Brothers				$5,962.00				
GXimpex								
05/10/2018	Invoice	1040	Product Sales	5k isolate, 2k/wk for 3 weeks.	6	6332.5	37995	37995
08/21/2018	Credit Memo	1047	Product Sales	refund of deposit - wt on 8/21/18	-4	-25,300.00		12695
Total for GXimpex				$12,695.00				
Health CBD								
05/07/2018	Invoice	1039	Product Sales	25% DEPOSIT ON ORDER OF			75000	75000
	50K PER MONTH (TOTAL OF $315,000/MO) @$6000/K							
05/07/2018	Invoice	1039	Product Sales	ISOLATE	20	6000	120000	195000
05/07/2018	Invoice	1039	Product Sales	FEE FOR WIRE SERVICE AND	-12	-990.00		194010
	BANK FEE							
Total for Health CBD				$194,010.00				
Hemp Naturals								
12/14/2017	Invoice	1001	Product Sales	Oil			6000	6000
01/10/2018	Invoice	1011	Product Sales	CBD OIL			9980	15980
	Accrual Basis Monday, October 22, 2018 09:19 AM GMT-7				0.5			

DATE	TRANSACTION TYPE	NUM	PRODUCT/SERVICE	MEMO/DESCRIPTION	QTY	SALES PRICE	AMOUNT	BALANCE
02/26/2018	Invoice	1019	Product Sales	CBD ISOLATE	4		16390.8	32370.8
Total for Hemp Naturals					$32,370.80			
J&J International								
05/25/2018	Invoice	1043	Product Sales	25% deposit on 50 kilo isolate	4		66250	66250
Total for J&J International					$66,250.00			
J-4000 Investments								
01/29/2018	Invoice	1013	Product Sales	CBD ISOLATE			55000	55000
Total for J-4000 Investments					$55,000.00			
KRG Holding								
07/30/2018	Invoice	1050	Product Sales Isolate	Customer deposit	1	120000	120000	120000
09/28/2018	Credit Memo	1051	Product Sales Isolate	customer refund	-1	120000	-120,000.00	0
Total for KRG Holding					$0.00			
LabCanna								
04/19/2018	Invoice	1031	Product Sales	ISOLATE	1	5500	5500	5500
Total for LabCanna					$5,500.00			
Par-Med Distributors								
05/04/2018	Invoice	1038	Product Sales	30mg soft gel caps			800	800
Total for Par-Med Distributors					$800.00			
Providence								
04/10/2018	Invoice	1026	Product Sales	CBD ISOLATE	0.5		2750	2750
04/13/2018	Invoice	1028	Product Sales	CBD ISOLATE	0.5		2750	5500
Total for Providence					$5,500.00			
Source 1 CBD								
04/24/2018	Invoice	1032	Product Sales	ISOLATE 3kg to 3 separate customers	3	16500	16500	16500
Total for Source 1 CBD					$16,500.00			
Symbiotic								
02/12/2018	Invoice	1014	Product Sales	CBD ISOLATE			25200	25200
02/14/2018	Invoice	1016	Product Sales	CBD ISOLATE			12600	37800
02/26/2018	Invoice	1018	Product Sales	CBD ISOLATE			12600	50400
Total for Symbiotic					$50,400.00			
VCN Packaging and Logistics								
08/24/2018	Invoice	1049	Product Sales Isolate	1 Kilo	1	5500	5500	5500
09/28/2018	Credit Memo	1048	Product Sales	refund of deposit			-5,500.00	0
Total for VCN Packaging and Logistics					$0.00			
Vital Pure LLC								
08/05/2018	Invoice	1046	Off spec product	Off spec product returned and used by Vital Pure	0		0	0
Total for Vital Pure LLC					$0.00			
Weston Romani								
05/24/2018	Invoice	1042	Product Sales	1 kilo isolate	1	6500	6500	6500
Total for Weston Romani					$6,500.00			
ZS								
01/25/2018	Invoice	1012	Product Sales	CBD ISOLATE			4725	4725
02/15/2018	Invoice	1017	Product Sales	CBD ISOLATE			44000	48725
04/04/2018	Invoice	1023	Product Sales	CBD ISOLATE			25000	73725
04/05/2018	Invoice	1024	Product Sales	CBD ISOLATE			25000	98725
04/12/2018	Invoice	1025	Product Sales	CBD ISOLATE			25000	123725
04/13/2018	Invoice	1027	Product Sales	CBD ISOLATE			25000	148725
04/25/2018	Invoice	1033	Product Sales	CBD Oil Sales	1	0	0	148725
Total for ZS							$148,725.00	
TOTAL							$943,538.80	

87.5 units

Exhibit B

Health Source Supply LLC Payments 2018

DATE	AMOUNT
05/10/2018	7,000
05/29/2018	20,000
06/15/2018	5,000
06/29/2018	10,000
06/29/2018	10,000
06/29/2018	5,000
07/06/2018	7,500
07/13/2018	3,750
07/17/2018	3,750
07/30/2018	17,500
08/09/2018	10,000
08/21/2018	10,000
08/28/2018	8,500
08/31/2018	2,000
09/14/2018	5,000
09/19/2018	6,500
09/28/2018	8,000
$	**139,500**

Exhibit C

August 27, 2018

Mr. Brian Burgess
President
Iron side Farms Inc.
PO Box 2221
Terrebonne, OR 97760 USA

Re: Exclusive Right to Purchase

Dear Mr. Burgess,

This letter is to confirm a sales agreement, which exists between our respective firms.

As of this moment, O and D Investments LLC owns and controls approximately four million pound: (4,000,000 lbs.) of whole-plant Help, mature, standing in the field, in locations under our ownersh or control within the state of Montana. The typical CBD content of the subject biomass ranges be 5% and 6% by weight.

Your firm, Iron side Farms Inc., having our full faith and confidence, has entered into a contract wi for the purchase of this crop. This Purchase Right, in your possession, is an Exclusive Right to Purc 4mm lbs, which we hereby acknowledge and which we will honor.

The price and contract terms for the product have been agreed between our two firms.

Sincerely,

8/27/2018 9:03:11 PM PDT

Mr. Eugene EL Frank
Vice President of International Sales

SCHEDULE 3.1(r)
Transactions with Affiliates and Employees

LiveWell Canada Inc.

Refer to Note 14, *Related Parties*, LiveWell's unaudited interim consolidated financial statements for the three months ended September 30, 2018. There have been no new related party transactions since September 30, 2018.

Vitality CBD Natural Health Products Inc.

The following is an excerpt of the draft disclosure on related parties and transactions for Vitality's December 31, 2018 financial statements in accordance with IFRS. These are subject to review by MNP LLP.

a) Related parties

The following table lists all known related parties that have transacted with Vitality

Related Party	Relationship	Nature of transactions
Relief Effects Inc.	Certain executive officers and directors collectively own a majority shareholding of Relief Effects Inc.'s voting shares. Timothy McCunn, Robert Leaker and David Rendimonti are directors of Relief Effects Inc.	Non-exclusive license for CBD extraction
Wasatch Panel Solutions LLC	One of the shareholders, Owen Kenney owns Wasatch Panel Solutions LLC	Purchase of goods and services
Frostwood 6 LLC	Owned by Kent Hoggan	Financing (Note 14)
Fairway 20 LLC	Owned by Kent Hoggan	Financing (Note 14)
Kevin Kenney	Related to Owen Kenney, one of the majority shareholders	Purchase of goods and services
Stephen Cummings	Former Chief Financial Officer	Board and Officers
Rizolve Partners Inc.	Stephen Cummings is the CEO of Rizolve Partners Inc.	Purchase of goods and services
Brian Baker	Former Chief Financial Officer	Board and Officers
Surety Land Development LLC	Key Financing Provider, able to influence company strategy	Financing - Convertible Notes
O and D Investments LLC	100% owned by Owen Kenney	Board and Officers
USA Land Investement LLC	100% owned by Kent Hoggan	Board and Officers
Owen Kenney	One of the majority shareholders	Financing
Kent Hoggan	One of the majority shareholders	Financing
Norkota Builders	Controlled by Owen Kenney	Purchase of goods and services
Timothy McCunn	Chief Administrative Officer and Director	Board and Officers
Steven Archambault	Chief Financial Officer	Board and Officers
Michael Mueller	Director	Board and Officers
Kenneth Knox	Director	Board and Officers
Calvin Stiller	Director	Board and Officers
William MacKinnon	Director	Board and Officers
Perley-Robertson, Hill & McDougall LLP	Timothy McCunn is a senior partner at the law firm	Purchase of goods and services

b) Key management personnel compensation

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities of Vitality. The key management personnel of Vitality are the executive management team and Board of Directors, who collectively control approximately 66.4% of the outstanding and issued common shares of Vitality at December 31, 2018.

Compensation (including benefits) provided to the key management personnel is as follows:

	2018	2017
Wages and consulting fees [1]	$ 452	$ -
Share-based compensation	11,189	-
	$ 11,641	$ -

1. *The full amount is accrued but has not been paid as at the year ended December 31, 2018. Also, this includes $95 for termination costs.*

c) Transactions with other related parties:

	2018	2017
Financing:		
Issuance of Convertible Notes to Directors and Officers	$ 1,104	$ -
Interest - Surety Land Development LLC	13,001	1,374
Interest - Fairway 20 LLC	236	36
Interest - Frostwood 6 LLC	984	138
Interest - Convertible Notes Directors and Officers	76	-
Purchase of goods and services:		
Legal services - Perley-Robertson, Hill & McDougall LLP	$ 237	-
Labor contract for Owen Kenney's brother	152	3
Professional services - Rizolve Partners Inc.	190	-
Purchase of goods from Norkota Builders	1	2
Wall panels from Kent Hoggan	-	15
Boards and panels from Wasatch Panel Solutions LLC	-	19

d) Breakdown of amounts due from (to) related parties:

	Dec 31, 2018	Dec 31, 2017
Included in Borrowings:		
Notes Payable to Surety Land Development LLC	$ 17,398	$ 1,703
Notes Payable/(Receivable) to/(from) Kent Hoggan	(6)	14
Notes Payable to Owen Kenney	183	93
Notes Payable to Fairway 20 LLC	314	69
Notes Payable to Frostwood 6 LLC	1,188	298
Included in Accrued Liabilities		
Legal services - Perley-Robertson, Hill & McDougall LLP	108	
Professional services - former CFO	22	-
	$ 19,208	$ 2,168

SCHEDULE 3.1(bb)

Indebtedness

LiveWell Canada Inc.

Refer to Note 9, *Borrowings*, LiveWell's unaudited interim consolidated financial statements for the three months ended September 30, 2018. LiveWell has not entered into additional borrowings since September 30, 2018.

Vitality CBD Natural Health Products Inc.

The following is an excerpt of the draft disclosure on borrowings for Vitality's December 31, 2018 financial statements in accordance with IFRS. These are subject to review by MNP LLP.

BORROWINGS

The following is breakdown of Vitality's borrowings:

	December 31, 2018	December 31, 2017
Notes Payable- Related Parties	$ 19,077	$ 2,168
Notes Payable- Other	352	459
Short-Term Credit Facilities	186	-
Mortgage	339	-
	$ 19,954	$ 2,627
Less: non-current	(60)	-
Current	$ 19,894	$ 2,627

	December 31, 2018	December 31, 2017
Short-Term	$ 279	$ -
Long-Term	60	-
	$ 339	$ -

The following tables show the movement for the borrowings for 2018 and 2017:

	Balance at December 31, 2017	Additional Borrowings	Addition from RTO	Interest Fees	Conversion Option Liability	Restructuring	Conversion to Equity	Repayments	Balance at December 31, 2018
Notes Payable-Related Parties	2,168	12,409	-	1,427	-	4,687	-	(3,186)	19,077
Notes Payable- Other	459	100	-	395	17	-	(519)	(100)	352
Short-Term Credit Facilities	-	420	-	146	-	-	-	(380)	186
Mortgage	-	447	-	17	-	-	-	(125)	339
Convertible Promissory Notes	-	1,260	1,087	401	(506)	-	(1,942)	-	-
	2,627	3,473	1,087	14,981	17	(506)	4,687	(2,481)	(3,751)	19,954

	Balance at August 8, 2017	Additional Borrowings	Addition from RTO	Interest Fees	Conversion Option Liability	Restructuring	Conversion to Equity	Repayments	Balance at December 31, 2017
Notes Payable- Related Parties	-	874		1,546	-	-	-	(264)	2,156
Notes Payable- Other	-	389		29 41	-	-	-	-	459
Short Term Credit Facilities									
	-	1,263		1,577 41	-	-		(264)	2,627

Notes Payable- Related Parties (see Note 20)

On August 28, 2017, Vitality entered into an agreement with Surety Land Development LLC ("Surety"), a real estate related company, where $330 of financing was provided at a rate of 100% a month for a period of one month. If Vitality was found to be in default of this facility, Surety would have the option to receive 50% ownership of Vitality as final settlement.

On September 5, 2017, Vitality entered into an agreement with the group of Surety, Frostwood 6 LLC, and Fairway 20 LLC. Frostwood 6 and Fairway 20 are entities wholly owned by Kent Hoggan (a major shareholder and director of Vitality). The agreement was such that Frostwood 6 and Fairway 20 would provide financing on an as-need basis (often day-to-day) at a rate of 50% per month. Collection of the principal and interest was assigned to Surety. The payable from Frostwood 6/Fairway 20 is due on the 5th of the month. If Vitality was found to be in default of this facility, Surety would have the option to receive 10% ownership of Vitality as final settlement.

On January 16, 2018, Vitality entered into an agreement with Surety where $100 of financing was provided at a rate of 100% a month for a period of one month. If Vitality was in default of this facility, the principal would continue to accrue interest at the same rate until fully repaid.

On March 7, 2018, Vitality and Surety entered into an agreement where it was agreed that a total of $4,519 was owed to Surety as of that date. Vitality agreed to repay $1,500 of this amount in instalment of $300 per month for five months, with the remainder to be repaid by the principal shareholders. In return, Surety agreed to reduce the interest charge to 18% per month.

On June 11, 2018, Vitality entered into an agreement with Surety where $500 of financing was provided at an interest rate of 100% per month repayable in one month. To secure this financing, 100% of Vitality USA and Frostwood 6 LLC were pledged as collateral.

On September 11, 2018, Vitality and Surety entered into a settlement whereby Vitality agreed to pay $600 to Surety on September 12, 2018. Additionally, Vitality agreed to pay Surety $9,000 between September 24, 2018 and October 15, 2018 and pay a royalty rate of 25% on all hemp sales after October 1, 2018, up to a total of $20,000. Vitality also agreed to assign 2000 acres of hemp biomass to Surety.

On November 29, 2018, Vitality and Surety entered into a final settlement whereby the total debt was agreed to be set at $18,900. This amount will be repaid from 25% of Vitality production sales and/or customer deposits. In addition, Surety was granted 2,000 common shares of Vitality. In return, Surety has released all security.

Notes Payable- EAG Investments LLC and HR CPA, LLC

On September 1, 2017, Vitality entered into an agreement with EAG Investments LLC, an investment company, whereby $212 of financing was provided at a rate of 14% per annum for a period of one month. Origination fees and imputed interest were also included. Vitality would

also have the option of extending this loan at the same rate of interest for two months at a rate of 1% a month. If the payable was not settled by this time, a 10% default fee would be charged, and the loan would continue at a rate of 28% per annum.

On September 6, 2017, Vitality entered into an agreement with EAG Investments LLC whereby $12 of financing was provided at a rate of 14% per annum for a period of one month. Origination fees and imputed interest were also included. Vitality would also have the option of extending this loan at the same rate of interest for two months at a rate of 1% a month. If the payable was not settled by this time, a 10% default fee would be charged, and the loan would continue at a rate of 28% per annum.

On September 28, 2017, Vitality entered into an agreement with EAG Investments LLC whereby $50 of financing was provided at a rate of 14% per annum for a period of one month. Origination fees and imputed interest were also included. Vitality would also have the option of extending this loan at the same rate of interest for two months at a rate of 1% a month. If the payable was not settled by this time, a 10% default fee would be charged, and the loan would continue at a rate of 28% per annum.

On December 19, 2017, Vitality entered into an agreement with EAG Investments LLC whereby $115 of financing was provided at a rate of 15% to EAG and 135% to HR CPA (another investment company under common ownership) up to May 3, 2018. Origination fees and imputed interest were also included. Vitality would also have the option of extending this loan at 15% per annum (the EAG related portion only) for two months at a rate of 1% a month. If the payable was not settled by this time, a 10% default fee would be charged, and the loan would continue at a rate of 28% per annum.

In February 2018, Vitality entered into an agreement with EAG and HR CPA whereby both parties agreed to convert $356 of outstanding debt into common shares of Vitality. These shares were issued in November 2018 (see Note 15(a)). The remaining outstanding balance would continue to accrue interest.

Notes Payable- J-4000

On January 30, 2018, Vitality entered into an agreement with J-4000, an investment company, whereby $100 of financing was provided at a rate of 200% per annum.

On November 26, 2018, both parties agreed to convert $163 of debt into common shares of Vitality. These shares were issued in November 2018 (see Note 15(a)).

Short-Term Credit Facilities

On November 16, 2018, Vitality entered into an agreement with a direct lending company whereby $150 was provided at a daily interest rate of 0.87%, with daily repayments of $2 until the total principal and interest have been repaid.

On October 17, 2018, Vitality entered into an agreement with a direct lending company whereby $150 was provided at a daily interest rate of 1.30%, with daily repayments of $3.5 until the total principal and interest have been repaid.

On November 19, 2018, Vitality entered into an agreement with a direct lending company whereby $100 was provided at a daily interest rate of 2.84%, with daily repayments of $5 until the total principal and interest have been repaid.

Mortgage

In July 2018, Vitality agreed to acquire at arm's length from a third party a facility in Montana for a total purchase consideration of $447, comprising a two year 10% per annum mortgage of $447, with monthly repayments of $25. As of December 31, 2018, the balance outstanding was $339, of which $279 was classified as short-term.

Convertible Promissory Notes- Tranche 1

At the closing of the RTO, Vitality assumed $1,075 of convertible promissory notes ("Tranche 1") from Serenity. Subsequent to the RTO, Vitality issued additional $977 of same notes. These notes bear interest at a rate of 10% per annum.

The terms of the Tranche 1 allowed for automatic conversion to Units upon the completion of a qualified financing, which was defined as either an equity linked financing of at least CAD $8,000 or the completion of a Qualifying Transaction as defined under the TSX Venture Exchange (TSX-V). Each Unit consists of one common share and one warrant entitling the holder to purchase a common share at an exercise price of CAD $0.90 for two years. The conversion price is 50% of the issue price or conversion price into equity securities at which any securities are issues in a qualified financing. If neither are completed, then the conversion is at the option of all of the noteholders at a conversion price of 50% of the price determined by Vitality.

Given the conversion feature liability of Tranche 1, we recognized it as an embedded derivative. In accordance with IFRS, we recorded the fair value of the embedded derivative at the inception date of the notes as a liability in the Consolidated Financial Position. We remeasured the fair value of Tranche 1 at each subsequent reporting date, with the change in fair value recognized in the P&L.

We allocated the proceeds first to the conversion feature liability based on its fair value, and the residual proceeds represented the fair value of the promissory notes. We estimated a fair value of $354 for the embedded derivative in the promissory notes, using the Black-Scholes option pricing model and the following key inputs:

Stock price	CAD $0.63
Expected life	1-3 months
Dividends	Nil
Volatility	74%
Risk free interest rate	2.05%

The residual proceeds of $1,692 was assigned to carrying value the promissory notes.

On August 7, 2018 Vitality's Board of Directors approved an amendment to the promissory notes whereby the conversion would be based on a private placement issuance at CAD $0.63 per Unit. On September 25, 2018, all of the noteholders of Tranche 1 converted their notes for Units at a rate of CAD $0.315.

Convertible Promissory Notes- Tranche 2

Between June and July 2018, $153 of promissory notes ("Tranche 2") were issued. These notes bear interest at a rate of 10% per annum.

The terms of the Tranche 2 allowed for automatic conversion to Units upon the completion of a qualified financing, which is either an equity linked financing of at least CAD $8,000 or the completion of a Qualifying Transaction as defined under the TSX Venture Exchange (TSX-V). Each Unit consists of one common share and one warrant entitling the holder to purchase a common share at an exercise price of CAD $0.90 for two years. The conversion price is the issue price or conversion price into equity securities at which any securities are issues in a qualified financing. If neither are completed, then the conversion is at the option of all of the noteholders at a conversion price of the price determined by Vitality.

We allocated the proceeds first to the conversion feature liability based on its fair value, and the residual proceeds represented the fair value of the promissory notes. We estimated a fair value of $23 for the embedded derivative in the promissory notes, using the Black-Scholes option pricing model and the following key inputs:

Stock price	CAD $0.63
Expected life	1-3 months
Dividends	Nil
Volatility	74%
Risk free interest rate	2.05%

The residual proceeds of $130 represents the fair value of the promissory note.

On August 7, 2018 the Company's Board of Directors approved an amendment whereby the conversion would be based on a private placement issuance at CAD $0.63 per unit. On September 25, 2018, all of the noteholders of Tranche 2 converted their notes for Units at a rate of CAD $0.63.

Convertible Promissory Notes for Equipment

In August 2018, $129 of promissory notes ("Tranche 3") were issued to a vendor as consideration for an equipment purchase. These notes bear interest at a rate of 6.5% per annum.

Tranche 3 is convertible to shares at the option of the noteholder. The conversion price is 50% of the issue price or conversion price into equity securities at which any securities are issued in a qualified financing.

We allocated the proceeds first to the conversion feature liability based on its fair value, and the residual proceeds represented the fair value of the promissory notes. We estimated a fair value of $129 for the embedded derivative in the promissory notes, using the Black-Scholes option pricing model and the following key inputs:

Stock price	CAD $0.63
Expected life	1 year
Dividends	Nil
Volatility	76%
Risk free interest rate	2.35%

The residual proceeds of nil represents the fair value of the promissory note. At December 31, 2018, Tranche 3 is convertible into 534 shares.

SCHEDULE 3.1(ff)
Accountants of Livewell and Vitality

Both LiveWell and Vitality have engaged MNP LLP. The audit partner is Anand Beejan and his contact information is as follows:

Anand Beejan, MBA CPA, CA
ASSOCIÉ / PARTNER

LIGNE DIRECTE 514.906.4640
TÉL. 514.861.9724
TÉLÉC. 514.861.9446
NUMÉRO SANS FRAIS 888.861.9724
1155, boul. René-Lévesque O.
23e étage
Montréal, QC
H3B 2K2
mnp.ca

SCHEDULE 3.1(vv)
Payments of Cash

None

SCHEDULE 4.9
Use of Proceeds

Net Proceeds from Bridge (USD $000's)		
Gross proceeds	$	3,000
Less:		
10% broker commission		-300
Professional fees and expenses		-250
Net proceeds	$	2,450

Use of Net Proceeds		
Complete acquisition of New Mexico property	$	1,350
2019 1st crop season - farmer contracts		500
Montana - CAPEX		
- Spare parts (pumps, SPD glassware, etc.)		150
- Optimize plant capacity (condenser, wipe film encapsulator, etc.)		150
Working capital		300
Anticipated use of funds	$	2,450

This is Exhibit "D" *referred to in the*

affidavit of Philip Gross

sworn before me, this 28th

day of February 2020

A COMMISSIONER FOR OATHS/NOTARY PUBLIC IN AND FOR
THE STATE OF MARYLAND

ALISANN FROLOVA
NOTARY
PUBLIC
BALTIMORE COUNTY, MD

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this "Agreement") dated as of March 20, 2019, by and among LiveWell Canada Inc., a Canadian corporation (including its endorsees, transferees and assigns, the "Company"), Vitality CBD Natural Health Products Inc., a Canadian corporation (including its endorsees, transferees and assigns, "Vitality"), Livewell Foods Canada Inc. (including its endorsees, transferees and assigns), Livewell Foods Quebec Inc. (including its endorsees, transferees and assigns), O-Hemp Inc. (including its endorsees, transferees and assigns) and Artiva, Inc. (including its endorsees, transferees and assigns), collectively with the Company, the "Debtors" and each individually, a "Debtor"), and Dominion Capital LLC (collectively with its endorsees, transferees and assigns, the "Agent"), as collateral agent for the Secured Parties (as such term is defined below).

WITNESSETH:

WHEREAS, pursuant to the Securities Purchase Agreement dated March 20, 2019 (as amended, supplemented and/or restated from time to time, the "Purchase Agreement"), the Agent and certain other lenders (collectively with its endorsees, transferees and assigns, the "Other Lenders" and, together with the Agent, the "Secured Parties") has agreed to extend the loan to the Company evidenced by the 10% Senior Secured Convertible Note (as amended, supplemented and/or restated from time to time, the "Note");

WHEREAS, pursuant to the Note, the obligations of the Company towards the Agent are to be guaranteed by Vitality;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions. Capitalized terms used herein without definition and defined in the Purchase Agreement are used herein as defined therein. In addition, as used herein:

"Accounts" means any "account," as such term is defined in the UCC, and, in any event, shall include, without limitation, "supporting obligations" as defined in the UCC.

"Chattel Paper" means any "chattel paper," as such term is defined in the UCC.

"Collateral" shall have the meaning ascribed thereto in Section 3 hereof.

"Commercial Tort Claims" means "commercial tort claims", as such term is defined in the UCC.

"Contracts" means all contracts, undertakings, or other agreements (other than rights evidenced by Chattel Paper, Documents or Instruments) in or under which a Debtor may now or hereafter have any right, title or interest, including, without limitation, with respect to an Account, any agreement relating to the terms of payment or the terms of performance thereof.

"Copyrights" means any copyrights, rights and interests in copyrights, works protectable by copyrights, copyright registrations and copyright applications, including, without limitation, the copyright registrations and applications listed on Schedule III attached hereto (if any), and all renewals of any of the foregoing, all income, royalties, damages and payments now and hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing.

"Deposit Accounts" means all "deposit accounts" as such term is defined in the UCC, now or hereafter held in the name of a Debtor.

"Documents" means any "documents," as such term is defined in the UCC, and shall include, without limitation, all documents of title (as defined in the UCC), bills of lading or other receipts evidencing or representing Inventory or Equipment.

"Equipment" means any "equipment," as such term is defined in the UCC and, in any event, shall include, Motor Vehicles.

"Event of Default" shall have the meaning set forth in the Notes.

"Excluded Assets" means each of the following: (1) any lease, license or other agreement or any property subject to a capital lease, purchase money security interest or similar arrangement, to the extent that a grant of a Lien thereon in favor of Secured Parties would violate or invalidate such lease, license, agreement or capital lease, purchase money security interest or similar arrangement or create a right of termination in favor of any other party thereto (other than the Debtors), so long as such provision exists and so long as such lease, license or agreement was not entered into in contemplation of circumventing the obligation to provide Collateral hereunder or in violation of the Purchase Agreement, other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law including the bankruptcy code, or principles of equity, (2) any of the outstanding equity interests in a Foreign Subsidiary to the extent that the pledge thereof is prohibited by the laws of the jurisdiction of such Foreign Subsidiary's organization and (3) any application to register any trademark or service mark prior to the filing under applicable law of a verified statement of use (or the equivalent) for such trademark or service mark to the extent the creation of a security interest therein or the grant of a lien thereon would void or invalidate such trademark or service mark.

"General Intangibles" means any "general intangibles," as such term is defined in the UCC, and, in any event, shall include, without limitation, all right, title and interest in or under any Contract, models, drawings, materials and records, claims, literary rights, goodwill, rights of performance, Copyrights, Trademarks, Patents, warranties, rights under insurance policies and rights of indemnification.

"Goods" means any "goods", as such term is defined in the UCC, including, without limitation, fixtures and embedded Software to the extent included in "goods" as defined in the UCC.

"Governmental Authority" means the government of the United States of America or any other nation, or any political subdivision thereof, whether state or local, or any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administration powers or functions of or pertaining to government over any Debtor or any of its subsidiaries, or any of their respective properties, assets or undertakings.

"Instruments" means any "instrument," as such term is defined in the UCC, and shall include, without limitation, promissory notes, drafts, bills of exchange, trade acceptances, letters of credit, letter of credit rights (as defined in the UCC), and Chattel Paper.

"Inventory" means any "inventory," as such term is defined in the UCC.

"Investment Property" means any "investment property", as such term is defined in the UCC.

"Obligations" means all obligations, liabilities and indebtedness of every nature of Debtors from time to time owed or owing under or in respect of this Agreement, the Purchase Agreement, the Notes, any of the other Security Documents and any of the other Transaction Documents, and any other secured

obligations, liabilities and indebtedness of every nature of Debtors from time to time owed or owing to the Secured Parties, as the case may be, including, without limitation, the principal amount of all debts, claims and indebtedness, accrued and unpaid interest and all fees, costs and expenses, whether primary, secondary, direct, contingent, fixed or otherwise, heretofore, now and/or from time to time hereafter owing, due or payable whether before or after the filing of a bankruptcy, insolvency or similar proceeding under applicable federal, state, foreign or other law and whether or not an allowed claim in any such proceeding.

"Lien" has the meaning set forth in the Purchase Agreement.

"Motor Vehicles" shall mean motor vehicles, tractors, trailers and other like property, whether or not the title thereto is governed by a certificate of title or ownership.

"Mortgage" has the meaning set forth in Section 2(h).

"Patents" means any patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, all inventions subject to the patents and patent applications listed on Schedule IV attached hereto (if any), and the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing.

"Permitted Indebtedness" has the meaning set forth in the Notes.

"Proceeds" means "proceeds," as such term is defined in the UCC and, in any event, includes, without limitation, (a) any and all proceeds of any insurance, indemnity, warranty or guaranty payable with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any Governmental Authority (or any person acting under color of Governmental Authority), and (c) any and all other amounts from time to time paid or payable under, in respect of or in connection with any of the Collateral.

"Representative" means any Person acting as agent, representative or trustee on behalf of the Secured Parties from time to time.

"Security Documents" means this Agreement and any other documents securing the Liens of the Secured Parties hereunder.

"Software" means all "software" as such term is defined in the UCC, now owned or hereafter acquired by a Debtor, other than software embedded in any category of Goods, including, without limitation, all computer programs and all supporting information provided in connection with a transaction related to any program.

"Trademarks" means any trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, the trademarks and applications listed in Schedule V attached hereto (if any) and renewals thereof, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing.

"Transaction Documents" means the Purchase Agreement, the Notes, the Security Documents, the Warrants and any other related agreements delivered to and in favor of the Purchaser.

"UCC" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York; provided, that to the extent that the Uniform Commercial Code is used to define any term herein and such term is defined differently in different Articles or Divisions of the Uniform Commercial Code, the definition of such term contained in Article or Division 9 shall govern.

Section 2. Representations, Warranties and Covenants of Debtors. Each Debtor represents and warrants to, and covenants with, the Secured Parties as follows:

(a) Such Debtor has or will have rights in and the power to grant a security interest in the Collateral in which it purports to grant a security interest pursuant to Section 3 hereof (subject, with respect to after acquired Collateral, to such Debtor acquiring the same) and no Lien other than Permitted Liens exist or will exist upon such Collateral at any time.

(b) This Agreement is effective to create in favor of Secured Parties a valid security interest in and Lien upon all of such Debtor's right, title and interest in and to the Collateral, and upon (i) the filing of appropriate UCC financing statements in the jurisdictions listed on Schedule I attached hereto, (ii) the execution of a deposit account control agreement, (iii) filings in the United States Patent and Trademark Office, or United States Copyright Office with respect to Collateral that is applications for or registered Patents and Trademarks, or Copyrights, as the case may be, (iv) the filing of the Mortgages in the jurisdictions listed on Schedule I hereto, (v) the security interest created hereby being noted on each certificate of title evidencing the ownership of any Motor Vehicle in accordance with Section 4.1(d) hereof and (vi) delivery to the Secured Parties or their Representative of Instruments duly endorsed by such Debtor or accompanied by appropriate instruments of transfer duly executed by such Debtor with respect to Instruments not constituting Chattel Paper, such security interest will be a duly perfected first priority perfected security interest (subject to Permitted Liens) in all of the Collateral.

(c) All of the Equipment, Inventory and Goods owned by such Debtor is located at the places as specified on Schedule I attached hereto. Except as disclosed on Schedule I, none of the Collateral is in the possession of any bailee, warehousemen, processor or consignee, other than Collateral in transit, out for repair or with an employee in ordinary course of business. Schedule I discloses such Debtor's name as of the date hereof as it appears in official filings in the state or province, as applicable, of its incorporation, formation or organization, such Debtor's state or province, as applicable, of incorporation, formation or organization and the chief place of business, chief executive office and the office where such Debtor keeps its books and records and the states in which such Debtor conducts its business. Such Debtor has only one state or province, as applicable, of incorporation, formation or organization. Such Debtor does not do business and has not done business during the past five (5) years under any trade name or fictitious business name except as disclosed on Schedule II attached hereto.

(d) Schedules III, IV and V contain complete and accurate lists as of the date hereof of all (i) registered copyrights and applications therefor; (ii) patents and pending applications therefor; (iii) registered trademarks and service marks and applications therefor; and (iv) all unregistered trademarks and service marks that are material to the operations of the business of such Debtor; in each case owned by such Debtor. No Copyrights, Patents or Trademarks listed on Schedules III, IV and V, respectively, if any, have been adjudged invalid or unenforceable or have been canceled, in whole or in part, or are not presently subsisting. Each of such Copyrights, Patents and Trademarks (if any) is valid and enforceable. Such Debtor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of such Copyrights, Patents and Trademarks, identified on Schedules III, IV and V, as applicable, as being owned by such Debtor, free and clear of any liens, charges and encumbrances, including without limitation licenses, shop rights and covenants by such Debtor not to sue third persons. Such Debtor has adopted, used and is currently using, or has a current bona fide intention to use, all of such Trademarks. Such Debtor has no notice of any suits or actions commenced or threatened in writing with reference to the Copyrights, Patents or Trademarks owned by it.

(e) Each Debtor agrees to deliver to the Secured Parties an updated Schedule I, II, III, IV and/or V within five (5) Business Days of any change thereto.

(f) All depositary and other accounts including, without limitation, Deposit Accounts, securities accounts, brokerage accounts and other similar accounts, maintained by each Debtor are described on Schedule VI hereto, which description includes for each such account the name of the Debtor maintaining such account, the name, address and telephone and telecopy numbers of the financial institution at which such account is maintained, the account number and the account officer, if any, of such account. No Debtor shall open any new Deposit Accounts, securities accounts, brokerage accounts or other accounts unless such Debtor shall have given Secured Parties ten (10) Business Days' prior written notice of its intention to open any such new accounts. Each Debtor shall deliver to Secured Parties a revised version of Schedule VI showing any changes thereto within five (5) Business Days of any such change. Each Debtor hereby authorizes the financial institutions at which such Debtor maintains an account to provide Secured Parties with such information with respect to such account as Secured Parties from time to time may request, and each Debtor hereby consents to such information being provided to Secured Parties. In addition, all of such Debtor's depositary, security, brokerage and other accounts including, without limitation, Deposit Accounts shall be subject to the provisions of Section 4.5 hereof.

(g) Such Debtor does not own any Commercial Tort Claim except for those disclosed on Schedule VII hereto (if any).

(h) Such Debtor does not have any interest in real property with respect to real property except as disclosed on Schedule VIII (if any). Each Debtor shall deliver to Secured Parties a revised version of Schedule VIII showing any changes thereto within ten (10) Business Days of any such change. Except as otherwise agreed to by Secured Parties, all such interests in real property with respect to such real property are subject to a mortgage or deed of trust, as applicable in accordance with the custom in the relevant jurisdiction, in form and substance satisfactory to Secured Parties, in favor of Secured Parties (hereinafter, a "Mortgage").

(i) Each Debtor shall duly and properly record each interest in real property held by such Debtor except with respect to easements, rights of way, access agreements, surface damage agreements, surface use agreements or similar agreements that such Debtor, using prudent customs and practices in the industry in which it operates, does not believe are of material value or material to the operation of such Debtor's business or, with respect to state and federal rights of way, are not capable of being recorded as a matter of state and federal law.

(j) All Equipment (including, without limitation, Motor Vehicles) owned by a Debtor and subject to a certificate of title or ownership statute is described on Schedule IX hereto.

Section 3. Collateral. As collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Obligations, each Debtor hereby pledges and grants to the Secured Parties a Lien on and security interest in and to all of such Debtor's right, title and interest in the following properties and assets of such Debtor, whether now owned by such Debtor or hereafter acquired and whether now existing or hereafter coming into existence and wherever located (all being collectively referred to herein as "Collateral"):

(a) all Instruments, together with all payments thereon or thereunder:

(b) all Accounts;

(c) all Inventory;

(d) all General Intangibles (including payment intangibles (as defined in the UCC) and Software);

(e) all Equipment;

(f) all Documents;

(g) all Contracts;

(h) all Goods;

(i) all Investment Property, including without limitation all equity interests now owned or hereafter acquired by such Debtor;

(j) all Deposit Accounts, including, without limitation, the balance from time to time in all bank accounts maintained by such Debtor;

(k) all Commercial Tort Claims specified on Schedule VII;

(l) all Trademarks, Patents and Copyrights;

(m) all books and records pertaining to the other Collateral; and

(n) all other tangible and intangible property of such Debtor, including, without limitation, all interests in real property, Proceeds, tort claims, products, accessions, rents, profits, income, benefits, substitutions, additions and replacements of and to any of the property of such Debtor described in the preceding clauses of this Section 3 (including, without limitation, any proceeds of insurance thereon, insurance claims and all rights, claims and benefits against any Person relating thereto), other rights to payments not otherwise included in the foregoing, and all books, correspondence, files, records, invoices and other papers, including without limitation all tapes, cards, computer runs, computer programs, computer files and other papers, documents and records in the possession or under the control of such Debtor, any computer bureau or service company from time to time acting for such Debtor.

Notwithstanding anything to the contrary contained herein or in any Transaction Document, in no event shall the security interest granted herein or therein attach to any Excluded Assets.

Section 4. Covenants; Remedies. In furtherance of the grant of the pledge and security interest pursuant to Section 3 hereof, each Debtor hereby agrees with the Secured Parties as follows:

4.1 Delivery and Other Perfection; Maintenance, etc.

(a) Delivery of Instruments, Documents, Etc. Each Debtor shall deliver and pledge to the Secured Parties or their Representative any and all Instruments, negotiable Documents, Chattel Paper and certificated securities (accompanied by stock powers executed in blank, which stock powers may be filled in and completed at any time upon the occurrence of any Event of Default) duly endorsed and/or accompanied by such instruments of assignment and transfer executed by such Debtor in such form and substance as the Secured Parties or their Representative may request; provided, that so long as no Event of Default shall have occurred and be continuing, each Debtor may retain for collection in the ordinary course of business any Instruments, negotiable Documents and Chattel Paper received by such Debtor in the ordinary course of business, and the Secured Parties or their Representative shall, promptly upon request of a Debtor, make appropriate arrangements for making any other Instruments, negotiable Documents and Chattel Paper pledged by such Debtor available to such Debtor for purposes of presentation, collection or renewal (any such arrangement to be effected, to the extent deemed appropriate by the Secured Parties or their Representative, against a trust receipt or like document). If a Debtor retains possession of any Chattel Paper, negotiable Documents or Instruments pursuant to the terms hereof, such Chattel Paper, negotiable Documents and Instruments shall be marked with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the security interest of Dominion Capital LLC, in its capacity as Collateral Agent for the benefit of the Purchasers, as secured party."

(b) Other Documents and Actions. Subject to the rights of holders of Permitted Liens, each Debtor shall give, execute, deliver, file and/or record any financing statement, registration, notice, instrument, document, agreement, Mortgage or other papers that may be necessary or desirable (in the reasonable judgment of the Secured Parties or their Representative) to create, preserve, perfect or validate the security interest granted pursuant hereto (or any security interest or mortgage contemplated or required hereunder, including with respect to Section 2(h) of this Agreement) or to enable the Secured Parties or their Representative to exercise and enforce the rights of the Secured Parties hereunder with respect to such pledge and security interest, provided that notices to account debtors in respect of any Accounts or Instruments shall be subject to the provisions of clause (e) below. Notwithstanding the foregoing each Debtor hereby irrevocably authorizes the Secured Parties at any time and from time to time to file in any filing office in any jurisdiction any initial financing statements (and other similar filings or registrations under other applicable laws and regulations pertaining to the creation, attachment, or perfection of security interests) and amendments thereto that (a) indicate the Collateral (i) as all assets of such Debtor or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC, or (ii) as being of an equal or lesser scope or with greater detail, and (b) contain any other information required by part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether such Debtor is an organization, the type of organization and any organization identification number issued to such Debtor, and (ii) in the case of a financing statement filed as a fixture filing, a sufficient description of real property to which the Collateral relates. Each Debtor agrees to furnish any such information to the Secured Parties promptly upon request. Each Debtor also ratifies its authorization for the Secured Parties to have filed in any jurisdiction any like initial financing statements or amendments thereto if filed prior to the date hereof.

(c) Books and Records. Each Debtor (or a Company on behalf of a Debtor) shall maintain at its own cost and expense complete and accurate books and records of the Collateral, including, without limitation, a record of all payments received and all credits granted with respect to the Collateral and all other dealings with the Collateral. Upon the occurrence and during the continuation of any Event of Default, each Debtor shall deliver and turn over any such books and records (or true and correct copies thereof) to the Secured Parties or their Representative at any time on demand. Each Debtor shall permit any Representative of the Secured Parties, in accordance with Section 8.13 of the Purchase Agreement, to inspect such books and records at any time during reasonable business hours and will provide photocopies thereof at such Debtor's expense to the Secured Parties upon request of the Secured Parties.

(d) Motor Vehicles. Each Debtor shall, promptly upon acquiring same, cause the Secured Parties to be listed as the lienholder on each certificate of title or ownership covering any items of Equipment, including Motor Vehicles, having a value in excess of $100,000 individually or in the aggregate for all such items of Equipment of the Debtor, or otherwise comply with the certificate of title or ownership laws of the relevant jurisdiction issuing such certificate of title or ownership in order to properly evidence and perfect Secured Parties' security interest in the assets represented by such certificate of title or ownership.

(e) Notice to Account Debtors; Verification. (i) Subject to the rights of holders of Permitted Liens, upon the occurrence and during the continuance of any Event of Default or if any rights of set-off (other than set-offs against an Account arising under the Contract giving rise to the same Account) or contra accounts may be asserted, upon request of the Secured Parties or their Representative, each Debtor shall promptly notify (and each Debtor hereby authorizes the Secured Parties and their Representative so to notify) each account debtor in respect of any Accounts or Instruments or other Persons obligated on the Collateral that such Collateral has been assigned to the Secured Parties hereunder, and that any payments due or to become due in respect of such Collateral are to be made directly to the Secured Parties, and (ii) the Secured Parties and their Representative shall have the right at any time

or times to make direct verification with the account debtors or other Persons obligated on the Collateral of any and all of the Accounts or other such Collateral.

(f) Intellectual Property. If such Debtor shall (i) obtain rights to any new patentable inventions, any registered Copyrights or any Patents or Trademarks, or (ii) become entitled to the benefit of any registered Copyrights or any Patents or any registered Trademarks or unregistered Trademarks material to the operations of the business of such Debtor or any improvement on any Patent, the provisions of this Agreement above shall automatically apply thereto and such Debtor shall give to Secured Parties prompt written notice thereof. Each Debtor hereby authorizes Secured Parties to modify this Agreement by amending Schedules III, IV and V, as applicable, to include any such registered Copyrights or any such Patents and Trademarks. Each Debtor shall have the duty (i) to prosecute diligently any patent, trademark, or service mark applications pending as of the date hereof or hereafter, (ii) to preserve and maintain all rights in the Copyrights, Patents and Trademarks, to the extent material to the operations of the business of such Debtor and (iii) to ensure that the Copyrights, Patents and Trademarks are and remain enforceable, in each case to the extent material to the operations of the business of such Debtor. Any expenses incurred in connection with such Debtor's obligations under this Section 4.1(f) shall be borne by such Debtor. Except for any such items that a Debtor reasonably believes (using prudent industry customs and practices) are no longer necessary for the on-going operations of its business, no Debtor shall abandon any material right to file a patent, trademark or service mark application, or abandon any pending patent, trademark or service mark application or any other Copyright, Patent or Trademark without the prior written consent of Secured Parties, which consent shall not be unreasonably withheld.

(g) Further Identification of Collateral. Each Debtor will, when and as often as requested by the Secured Parties or their Representative, furnish to the Secured Parties or such Representative, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Parties or their Representative may reasonably request, all in reasonable detail.

(h) Investment Property. Each Debtor will take any and all actions required or reasonably requested by the Secured Parties, from time to time, to (i) cause the Secured Parties to obtain exclusive control of any Investment Property owned by such Debtor in a manner acceptable to the Secured Parties and (ii) obtain from any issuers of Investment Property and such other Persons, for the benefit of the Secured Parties, written confirmation of the Secured Parties' control over such Investment Property. For purposes of this Section 4.1(h), the Secured Parties shall have exclusive control of Investment Property if (i) such Investment Property consists of certificated securities and a Debtor delivers such certificated securities to the Secured Parties (with appropriate endorsements if such certificated securities are in registered form); (ii) such Investment Property consists of uncertificated securities and the issuer thereof agrees, pursuant to documentation in form and substance satisfactory to the Secured Parties, that it will comply with instructions originated by the Secured Parties without further consent by such Debtor, and (iii) such Investment Property consists of security entitlements and either (x) the Secured Parties becomes the entitlement holder thereof or (y) the appropriate securities intermediary agrees, pursuant to the documentation in form and substance satisfactory to the Secured Parties, that it will comply with entitlement orders originated by the Secured Parties without further consent by any Debtor; provided that in each case Secured Parties may only exercise the remedies set forth under this Agreement with respect to any Investment Property during the existence of an Event of Default.

(i) Commercial Tort Claims. Each Debtor shall promptly notify Secured Parties of any Commercial Tort Claim acquired by it that concerns a claim in excess of $50,000 and unless otherwise consented to by Secured Parties, such Debtor shall enter into a supplement to this Agreement granting to Secured Parties a Lien on and security interest in such Commercial Tort Claim.

4.2 Other Liens. Debtors will not create, permit or suffer to exist, and will defend the Collateral against and take such other action as is necessary to remove, any Lien on the Collateral except

Permitted Liens, and will defend the right, title and interest of the Secured Parties in and to the Collateral and in and to all Proceeds thereof against the claims and demands of all Persons whatsoever, except holders of Permitted Liens.

4.3 Preservation of Rights. Whether or not any Event of Default has occurred or is continuing, the Secured Parties and their Representative may, but shall not be required to, take any steps the Secured Parties or their Representative deems necessary or appropriate to preserve any Collateral or any rights against third parties to any of the Collateral, including obtaining insurance for the Collateral at any time when such Debtor has failed to do so, and Debtors shall promptly pay, or reimburse the Secured Parties for, all expenses incurred in connection therewith.

4.4 Formation of Subsidiaries; Name Change; Location; Bailees.

(a) No Debtor shall form or acquire any subsidiary unless (i) such Debtor pledges all of the stock or equity interests of such subsidiary to the Secured Parties pursuant to an agreement in a form agreed to by the Secured Parties, (ii) such subsidiary becomes a party to this Agreement and all other applicable Security Documents and (iii) the formation or acquisition of such Subsidiary is not prohibited by the terms of the Transaction Documents.

(b) No Debtor shall (i) reincorporate or reorganize itself under the laws of any jurisdiction other than the jurisdiction in which it is incorporated or organized as of the date hereof, or (ii) otherwise change its identity or corporate structure, in each case, without the prior written consent of Secured Parties, which consent shall not be unreasonably withheld, or (iii) change its name without delivering twenty (20) days prior notice of such change to Secured Parties. Each Debtor will notify Secured Parties promptly in writing prior to any such change in the proposed use by such Debtor of any tradename or fictitious business name other than any such name set forth on Schedule II attached hereto.

(c) Except for the sale of Inventory in the ordinary course of business and other sales of assets expressly permitted by the terms of the Purchase Agreement, Collateral in transit, our for repair or with an employee in the ordinary course of business, each Debtor will keep the Collateral at the locations specified in Schedule I. Each Debtor will give Secured Parties thirty (30) day's prior written notice of any change in such Debtor's chief place of business or of any new location for any of the Collateral.

(d) If any Collateral is at any time in the possession or control of any warehousemen, bailee, consignee or processor in an aggregate amount of at least $100,000, such Debtor shall, upon the request of Secured Parties or their Representative, notify such warehousemen, bailee, consignee or processor of the Lien and security interest created hereby and shall instruct such Person to hold all such Collateral for Secured Parties' account subject to Secured Parties' instructions.

(e) Each Debtor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement relating to Secured Parties' security interests hereunder without the prior written consent of Secured Parties and agrees that it will not do so without the prior written consent of Secured Parties, subject to such Debtor's rights under Section 9-509(d)(2) to the UCC.

(f) Subject to the rights of holders of Permitted Liens, no Debtor shall enter into any Contract that restricts or prohibits the grant to Secured Parties of a security interest in material Accounts, Chattel Paper, Instruments or payment intangibles or the proceeds of the foregoing.

4.5 Events of Default, Etc. During the period during which an Event of Default shall have occurred and be continuing, subject to the rights of holders of Permitted Liens:

(a) each Debtor shall, at the request of the Secured Parties or their Representative, assemble the Collateral and make it available to Secured Parties or their Representative at a place or places designated by the Secured Parties or their Representative which are reasonably convenient to Secured Parties or their Representative, as applicable, and such Debtor;

(b) the Secured Parties or their Representative may make any reasonable compromise or settlement deemed desirable with respect to any of the Collateral and may extend the time of payment, arrange for payment in installments, or otherwise modify the terms of, any of the Collateral;

(c) the Secured Parties shall have all of the rights and remedies with respect to the Collateral of a secured party under the UCC (whether or not said UCC is in effect in the jurisdiction where the rights and remedies are asserted) and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted, including, without limitation, the right, to the maximum extent permitted by law, to: (i) exercise all voting, consensual and other powers of ownership pertaining to the Collateral as if the Secured Parties were the sole and absolute owner thereof (and each Debtor agrees to take all such action as may be appropriate to give effect to such right) and (ii) to the appointment of a receiver or receivers for all or any part of the Collateral or business of a Debtor, whether such receivership be incident to a proposed sale or sales of such Collateral or otherwise and without regard to the value of the Collateral or the solvency of any person or persons liable for the payment of the Obligations secured by such Collateral. Each Debtor hereby consents to the appointment of such receiver or receivers, waives any and all defenses to such appointment and agrees that such appointment shall in no manner impair, prejudice or otherwise affect the rights of Secured Parties under this Agreement. Each Debtor hereby expressly waives notice of a hearing for appointment of a receiver and the necessity for bond or an accounting by the receiver;

(d) the Secured Parties or their Representative in its discretion may, in the name of the Secured Parties or in the name of a Debtor or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for any of the Collateral, but shall be under no obligation to do so;

(e) the Secured Parties or their Representative may take immediate possession and occupancy of any premises owned, used or leased by a Debtor and exercise all other rights and remedies which may be available to the Secured Parties;

(f) the Secured Parties may, upon reasonable notice (such reasonable notice to be determined by Secured Parties in its sole and absolute discretion, which shall not be less than ten (10) days), with respect to the Collateral or any part thereof which shall then be or shall thereafter come into the possession, custody or control of the Secured Parties or their Representative, sell, lease, license, assign or otherwise dispose of all or any part of such Collateral, at such place or places as the Secured Parties deem best, and for cash or for credit or for future delivery (without thereby assuming any credit risk), at public or private sale, without demand of performance or notice of intention to effect any such disposition or of the time or place thereof (except such notice as is required above or by applicable statute and cannot be waived), and the Secured Parties or anyone else may be the purchaser, lessee, licensee, assignee or recipient of any or all of the Collateral so disposed of at any public sale (or, to the extent permitted by law, at any private sale) and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any right or equity of redemption (statutory or otherwise), of Debtors, any such demand, notice and right or equity being hereby expressly waived and released. The Secured Parties may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the sale may be so adjourned;

(g) the rights, remedies and powers conferred by this Section 4.5 are in addition to, and not in substitution for, any other rights, remedies or powers that the Secured Parties may

have under any Transaction Document, at law, in equity or by or under the UCC or any other statute or agreement. The Secured Parties may proceed by way of any action, suit or other proceeding at law or in equity and no right, remedy or power of the Secured Parties will be exclusive of or dependent on any other. The Secured Parties may exercise any of their rights, remedies or powers separately or in combination and at any time; and

(h) unless otherwise agreed in the sole discretion of Secured Parties, each Debtor, Secured Parties and each Debtor's bank shall enter into a deposit account control agreement in form and substance satisfactory to Secured Parties that is sufficient to give Secured Parties "control" (for purposes of Articles 8 and 9 of the Uniform Commercial Code) over such account and which directs such bank to transfer such funds so deposited on a daily basis, or at other times acceptable to Secured Parties, to Secured Parties, either to any account maintained by Secured Parties at said bank or by wire transfer to appropriate account(s) at Secured Parties. All funds deposited in such Deposit Accounts shall immediately become subject to the security interest of Secured Parties for their own benefit, and Secured Parties shall obtain the agreement by such bank to waive any offset rights against the funds so deposited. Secured Parties shall apply all funds received by it from the Deposit Accounts to the satisfaction of the Obligations.

The proceeds of each collection, sale or other disposition under this Section 4.5 shall be applied in accordance with Section 4.8 hereof.

4.6 Deficiency. If the proceeds of sale, collection or other realization of or upon the Collateral are insufficient to cover the costs and expenses of such realization and the payment in full of the Obligations, Debtors shall remain jointly and severally liable for any deficiency.

4.7 Private Sale. Each Debtor recognizes that the Secured Parties may be unable to effect a public sale of any or all of the Collateral consisting of securities by reason of certain prohibitions contained in the Securities Act of 1933, as amended (the "**Act**"), and applicable state securities laws, but may be compelled to resort to one or more private sales thereof to a restricted group of purchasers who will be obliged to agree, among other things, to acquire such Collateral for their own account for investment and not with a view to the distribution or resale thereof. Each Debtor acknowledges and agrees that any such private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and each Debtor agrees that it is not commercially unreasonable for Secured Parties to engage in any such private sales or dispositions under such circumstances. The Secured Parties shall be under no obligation to delay a sale of any of the Collateral to permit a Debtor to register such Collateral for public sale under the Act, or under applicable state securities laws, even if Debtors would agree to do so. The Secured Parties shall not incur any liability as a result of the sale of any such Collateral, or any part thereof, at any private sale provided for in this Agreement conducted in a commercially reasonable manner, and so long as Secured Parties conduct such sale in a commercially reasonable manner each Debtor hereby waives any claims against the Secured Parties arising by reason of the fact that the price at which the Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale or was less than the aggregate amount of the Obligations, even if the Secured Parties accept the first offer received and does not offer the Collateral to more than one offeree.

Each Debtor further agrees to do or cause to be done all such other acts and things as may be necessary to make such sale or sales of any portion or all of any such Collateral valid and binding and in compliance with any and all applicable laws, regulations, orders, writs, injunctions, decrees or awards of any and all courts, arbitrators or governmental instrumentalities, domestic or foreign, having jurisdiction over any such sale or sales, all at such Debtor's expense. Each Debtor further agrees that a breach of any of the covenants contained in this Section 4.7 will cause irreparable injury to the Secured Parties, that the Secured Parties have no adequate remedy at law in respect of such breach and, as a consequence, agrees that each and every covenant contained in this Section 4.7 shall be specifically enforceable against Debtors, and each Debtor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred and is continuing.

4.8 Application of Proceeds. The proceeds of any collection, sale or other realization of all or any part of the Collateral, and any other cash at the time held by the Secured Parties under this Agreement, shall be applied to the Obligations in such order as Secured Parties shall elect.

4.9 Attorney-in-Fact. Each Debtor hereby irrevocably constitutes and appoints the Secured Parties, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Debtor and in the name of such Debtor or in its own name, from time to time in the discretion of the Secured Parties, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute and deliver any and all documents and instruments which may be necessary or desirable to perfect or protect any security interest granted hereunder, to maintain the perfection or priority of any security interest granted hereunder, or to otherwise accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, hereby gives the Secured Parties the power and right, on behalf of such Debtor, without notice to or assent by such Debtor (to the extent permitted by applicable law), subject to the rights of holders of Permitted Liens, to do the following:

(a) to take any and all appropriate action and to execute and deliver any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement;

(b) upon the occurrence and during the continuation of an Event of Default, to ask, demand, collect, receive and give acquittance and receipts for any and all moneys due and to become due under any Collateral and, in the name of such Debtor or its own name or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other Instruments for the payment of moneys due under any Collateral and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Secured Parties for the purpose of collecting any and all such moneys due under any Collateral whenever payable and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Secured Parties for the purpose of collecting any and all such moneys due under any Collateral whenever payable;

(c) to pay or discharge charges or liens levied or placed on or threatened against the Collateral, to effect any insurance called for by the terms of this Agreement and to pay all or any part of the premiums therefor;

(d) upon the occurrence and during the continuation of an Event of Default, to direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due, and to become due thereunder, directly to the Secured Parties or as the Secured Parties shall direct, and to receive payment of and receipt for any and all moneys, claims and other amounts due, and to become due at any time, in respect of or arising out of any Collateral;

(e) upon the occurrence and during the continuation of an Event of Default, to sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with accounts and other Documents constituting or relating to the Collateral;

(f) upon the occurrence and during the continuation of an Event of Default, to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral;

(g) upon the occurrence and during the continuation of an Event of Default, to defend any suit, action or proceeding brought against a Debtor with respect to any Collateral;

(h) upon the occurrence and during the continuation of an Event of Default, to settle, compromise or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as the Secured Parties may deem appropriate;

(i) to the extent that a Debtor's authorization given in Section 4.1(b) of this Agreement is not sufficient to file such financing statements with respect to this Agreement, with or without such Debtor's signature, or to file a photocopy of this Agreement in substitution for a financing statement, as the Secured Parties may deem appropriate and to execute in such Debtor's name such financing statements and amendments thereto and continuation statements which may require such Debtor's signature;

(j) upon the occurrence and during the continuation of an Event of Default, generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Secured Parties were the absolute owners thereof for all purposes; and

(k) to do, at the Secured Parties' option and at such Debtor's expense, at any time, or from time to time, all acts and things which the Secured Parties reasonably deem necessary to protect or preserve or, upon the occurrence and during the continuation of an Event of Default, realize upon the Collateral and the Secured Parties' lien therein, in order to effect the intent of this Agreement, all as fully and effectively as such Debtor might do.

Each Debtor hereby ratifies, to the extent permitted by law, all that such attorneys lawfully do or cause to be done by virtue hereof provided the same is performed in a commercially reasonable manner. The power of attorney granted hereunder is a power coupled with an interest and shall be irrevocable until the Obligations are indefeasibly paid in full in cash and this Agreement is terminated in accordance with Section 4.11 hereof.

Each Debtor also authorizes the Secured Parties, at any time from and after the occurrence and during the continuation of any Event of Default, (x) to communicate in its own name with any party to any Contract with regard to the assignment of the right, title and interest of such Debtor in and under the Contracts hereunder and other matters relating thereto and (y) to execute, in connection with any sale of Collateral provided for in Section 4.5 hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

4.10 Perfection. Prior to or concurrently with the execution and delivery of this Agreement, each Debtor shall:

(a) at Secured Parties' request, deliver to the Secured Parties or their Representative the originals of all Instruments together with, in the case of Instruments constituting promissory notes, allonges attached thereto showing such promissory notes to be payable to the order of a blank payee;

(b) deliver to the Secured Parties or their Representative the originals of all Motor Vehicle titles in the aggregate amount over $100,000, duly endorsed indicating the Secured Parties' interest therein as a lienholder, together with such other documents as may be required consistent with Section 4.1(d) hereof to perfect the security interest granted by Section 3 in all such Motor Vehicles (if any).

4.11 Termination; Partial Release of Collateral. This Agreement and the Liens and security interests granted hereunder shall not terminate until the termination of the Purchase Agreement and the Notes and the full and complete performance and indefeasible satisfaction of all the Obligations (i) in respect of the Transaction Documents (including, without limitation, the indefeasible payment in full in cash of all such Obligations) and (ii) with respect to which claims have been asserted by the Collateral

Agent/ and or Purchaser, whereupon the Secured Parties shall forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Collateral to or on the order of Debtors. The Secured Parties shall also execute and deliver to Debtors upon such termination or in connection with a Permitted Disposition and at Debtors' expense such UCC termination statements, certificates for terminating the liens on the Motor Vehicles (if any), possessory collateral and such other documentation as shall be reasonably requested by Debtors to effect the termination and release of the Liens and security interests in favor of the Secured Parties affecting the Collateral.

4.12 Further Assurances. At any time and from time to time, upon the written request of the Secured Parties or their Representative, and at the sole expense of Debtors, subject to the rights of holders of Permitted Liens, Debtors will promptly and duly execute and deliver any and all such further instruments, documents and agreements and take such further actions as the Secured Parties or their Representative may reasonably require in order for the Secured Parties to obtain the full benefits of this Agreement and of the rights and powers herein granted in favor of the Secured Parties, including, without limitation, using Debtors' best efforts to secure all consents and approvals necessary or appropriate for the assignment to the Secured Parties of any Collateral held by Debtors or in which a Debtor has any rights not heretofore assigned, the filing of any financing or continuation statements under the UCC with respect to the liens and security interests granted hereby, transferring Collateral to the Secured Parties' possession (if a security interest in such Collateral can be perfected by possession) in accordance with the terms hereof, placing the interest of the Secured Parties as lienholder on the certificate of title of any Motor Vehicle in accordance with the terms hereof, and obtaining waivers of liens from landlords in accordance with the terms hereof. Each Debtor also hereby authorizes the Secured Parties and its Representative to file any such financing or continuation statement without the signature of such Debtor to the extent permitted by applicable law.

4.13 Limitation on Duty of Secured Parties. The powers conferred on the Secured Parties under this Agreement are solely to protect the Secured Parties' interest in the Collateral and shall not impose any duty upon it to exercise any such powers. The Secured Parties shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither the Secured Parties nor their Representative nor any of their respective officers, directors, employees or agents shall be responsible to Debtors for any act or failure to act, except for gross negligence or willful misconduct. Without limiting the foregoing, the Secured Parties and any Representative shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in their possession if such Collateral is accorded treatment substantially equivalent to that which the relevant Secured Parties or any Representative, in its individual capacity, accords its own property consisting of the type of Collateral involved, it being understood and agreed that neither the Secured Parties nor any Representative shall have any responsibility for taking any necessary steps (other than steps taken in accordance with the standard of care set forth above) to preserve rights against any Person with respect to any Collateral.

Also without limiting the generality of the foregoing, neither the Secured Parties nor any Representative shall have any obligation or liability under any Contract or license by reason of or arising out of this Agreement or the granting to the Secured Parties of a security interest therein or assignment thereof or the receipt by the Secured Parties or any Representative of any payment relating to any Contract or license pursuant hereto, nor shall the Secured Parties or any Representative be required or obligated in any manner to perform or fulfill any of the obligations of Debtors under or pursuant to any Contract or license, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any Contract or license, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

Section 5. Miscellaneous.

5.1 No Waiver. No failure on the part of the Secured Parties or any of its Representatives to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the Secured Parties or any of its Representatives of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by law.

5.2 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

5.3 Notices. All notices, approvals, requests, demands and other communications hereunder shall be delivered or made in the manner set forth in, and shall be effective in accordance with the terms of, the Purchase Agreement; provided, that, to the extent any such communication is being made or sent to a Debtor that is not the Company, such communication shall be effective as to such Debtor if made or sent to the Company in accordance with the foregoing. Debtors and Secured Parties may change their respective notice addresses by written notice given to each other party five (5) days prior to the effectiveness of such change.

5.4 Amendments, Etc. The terms of this Agreement may be waived, altered or amended only by an instrument in writing duly executed by each Debtor and the Secured Parties. Any such amendment or waiver shall be binding upon the Secured Parties and the Debtor sought to be charged or benefited thereby and their respective successors and assigns.

5.5 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of each of the parties hereto, provided, that no Debtor shall assign or transfer its rights hereunder without the prior written consent of the Secured Parties. Secured Parties may assign its rights hereunder without the consent of Debtors, in which event such assignee shall be deemed to be Secured Parties hereunder with respect to such assigned rights; provided, so long as no Event of Default has occurred and is continuing, the Secured Parties shall not assign any of its rights hereunder to a competitor of the Company.

5.6 Counterparts; Headings. This Agreement may be authenticated in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may authenticate this Agreement by signing any such counterpart. This Agreement may be authenticated by manual signature or facsimile, .pdf or similar electronic signature, all of which shall be equally valid. The headings in this Agreement are for convenience of reference only and shall not alter or otherwise affect the meaning hereof.

5.7 Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (a) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Secured Parties and theirRepresentative in order to carry out the intentions of the parties hereto as nearly as may be possible and (b) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

5.8 **SUBMISSION TO JURISDICTION; WAIVER OF VENUE; SERVICE OF PROCESS. EACH DEBTOR HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR NEW YORK STATE COURT SITTING IN THE CITY OF NEW YORK, BOROUGH OF MANHATTAN IN ANY ACTION OR**

PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND EACH DEBTOR HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF SECURED PARTIES TO BRING PROCEEDINGS AGAINST ANY DEBTOR IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY A DEBTOR AGAINST SECURED PARTIES OR ANY AFFILIATE THEREOF INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTION WITH THIS AGREEMENT SHALL BE BROUGHT ONLY IN A COURT IN NEW YORK, NEW YORK (AND SECURED PARTIES HEREBY SUBMIT TO THE JURISDICTION OF SUCH COURT). NOTHING CONTAINED HEREIN SHALL BE DEEMED TO LIMIT IN ANY WAY ANY RIGHT OF SECURED PARTIES TO SERVE PROCESS IN ANY MANNER PERMITTED BY LAW.

5.9 WAIVER OF RIGHT TO TRIAL BY JURY. **EACH DEBTOR AND SECURED PARTY WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR PARTIES, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH DEBTOR AND SECURED PARTY AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION 5.9 AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISION HEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.**

5.10 Joint and Several. The obligations, covenants and agreements of Debtors hereunder shall be the joint and several obligations, covenants and agreements of each Debtor, whether or not specifically stated herein without preferences or distinction among them.

5.11 Concerning Collateral Agent. Collateral Agent shall act in accordance with the terms of the Purchase Agreement. The Collateral Agent may exercise or refrain from exercising any rights (including making demands and giving notices) and take or refrain from taking any action, in accordance with this Agreement and the Purchase Agreement. The Collateral Agent may employ agents and attorneys-in-fact in connection herewith and shall not be liable for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith. The Collateral Agent may resign with 10 days' written notice to Company and a successor Collateral Agent may be appointed by the Purchaser in consultation with Company. On the acceptance of appointment as the successor Collateral Agent, that successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent under this Agreement, and the retiring Collateral Agent shall thereupon be discharged from its duties and obligations under this Agreement. After any retiring Collateral Agent's resignation, the provisions hereof shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was the Collateral Agent.

5.12 No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

5.13 ENTIRE AGREEMENT; AMENDMENT. THIS AGREEMENT, TOGETHER WITH THE OTHER TRANSACTION DOCUMENTS, SUPERSEDES ALL OTHER PRIOR ORAL OR WRITTEN AGREEMENTS BETWEEN SECURED PARTIES, THE DEBTORS, THEIR AFFILIATES AND PERSONS ACTING ON THEIR BEHALF WITH RESPECT TO THE MATTERS DISCUSSED HEREIN, AND THIS AGREEMENT, TOGETHER WITH THE OTHER TRANSACTION DOCUMENTS AND THE OTHER INSTRUMENTS REFERENCED HEREIN AND THEREIN, CONTAIN THE ENTIRE UNDERSTANDING OF THE PARTIES WITH RESPECT TO THE MATTERS COVERED HEREIN AND THEREIN AND, EXCEPT AS SPECIFICALLY SET FORTH HEREIN OR THEREIN, NEITHER THE SECURED PARTIES NOR ANY DEBTOR MAKES ANY REPRESENTATION, WARRANTY, COVENANT OR UNDERTAKING WITH RESPECT TO SUCH MATTERS. AS OF THE DATE OF THIS AGREEMENT, THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES WITH RESPECT TO THE MATTERS DISCUSSED HEREIN. NO PROVISION OF THIS AGREEMENT MAY BE AMENDED, MODIFIED OR SUPPLEMENTED OTHER THAN BY AN INSTRUMENT IN WRITING SIGNED BY THE DEBTORS AND THE SECURED PARTIES.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed and delivered as of the day and year first above written.

DEBTORS:

LIVEWELL CANADA INC., as Debtor

Name: Steven Archambault
Title: CFO + CAO

VITALITY CBD NATURAL HEALTH PRODUCTS INC., as Debtor

Name: Steven Archambault
Title: CFO

LIVEWELL FOODS CANADA INC., as Debtor

By:
Name: Steven Archambault
Title: CFO

LIVEWELL FOODS QUEBEC INC., as Debtor

By:
Name: Steven Archambault
Title: CFO

O-HEMP INC., as Debtor

By:
Name: Steven Archambault
Title: CFO

ARTIVA, INC., as Debtor

By: _____
Name: Steven Richambault
Title: CFO

SECURED PARTIES:

DOMINION CAPITAL LLC, as Agent

_____
Name: Mikhail Gurevich
Title: Managing Member

Notice Address: 256 West 38th Street, 15th Floor
New York, NY 10018

EXHIBIT A

Form of Joinder

Joinder to Security Agreement

The undersigned, _____, hereby joins in the execution of that certain Security Agreement dated as of February , 2019 (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement") by LiveWell Canada Inc., a Canadian corporation, Vitality CBD Natural Health Products Inc., a Canadian corporation, Dominion Capital LLC and each other Person that becomes a Debtor or a Secured Party (as defined therein) thereunder after the date thereof and hereof and pursuant to the terms thereof, to and in favor of the Secured Parties. By executing this Joinder, the undersigned hereby agrees that it is a Debtor thereunder and agrees to be bound by all of the terms and provisions of the Security Agreement. The undersigned represents and warrants that the representations and warranties set forth in the Security Agreement are, with respect to the undersigned, true and correct in all material respects as of the date hereof.

The undersigned represents and warrants to Secured Parties that:

(a) all of the Equipment, Inventory and Goods owned by such Debtor is located at the places as specified on Schedule I and such Debtor conducts business in the jurisdiction set forth on Schedule I;

(b) except as disclosed on Schedule I, none of such Collateral is in the possession of any bailee, warehousemen, processor or consignee;

(c) the chief place of business, chief executive office and the office where such Debtor keeps its books and records are located at the place specified on Schedule I;

(d) such Debtor (including any Person acquired by such Debtor) does not do business or has not done business during the past five years under any tradename or fictitious business name, except as disclosed on Schedule II;

(e) all registered Copyrights, Patents and Trademarks owned or licensed by the undersigned are listed in Schedules III, IV and V, respectively;

(f) all Deposit Accounts, securities accounts, brokerage accounts and other similar accounts maintained by such Debtor, and the financial institutions at which such accounts are maintained, are listed on Schedule VI;

(g) all Commercial Tort Claims of such Debtor are listed on Schedule VII;

(h) all interests in real property and mining rights held by such Debtor are listed on Schedule VIII;

(i) all Equipment (including Motor Vehicles) owned by such debtor are listed on Schedule IX.

_____, a _____

By:_____

Title:

FEIN:

SCHEDULE I
Location of Collateral

COMPANY	LOCATION
LIVEWELL CANADA INC.	N/A - Holdco
LIVEWELL FOODS CANADA INC.	179 Promenade du Portage, Suite 300, Gatineau, Quebec, Canada
LIVEWELL FOODS QUEBEC INC.	Civic number 211, Route 301, Litchfield, Quebec, Canada
ARTIVA INC.	5130 & 5208 Ramsayville Road, Ottawa, Canada
O'HEMP INC.	N/A - dormant
VITALITY NATURAL HEALTH LLC	254 Truss Road, Eureka, MT 59917, United States 9085 Advancement Avenue, Las Cruces, Dona Ana County, New Mexico, United States

SCHEDULE II
Trade Names

None.

SCHEDULE III
Copyrights

None.

SCHEDULE IV
Patents

None as of today; however, upon closing the acquisition of Acenzia the Company will acquire those listed in the attachment following on the next page.

Acenzia - Internal IP Audit results - October 26, 2018

Importance to the company: 1: Good to have; 2: Important and is strategic; 3: Critical to the business

IP Assets	Notes	Importance for the company	Estimated Value based on WIPO (US$)
Patent: ACCELERATED PREDICTION OF CANCER PROGRESSION AND RESPONSE TO TREATMENT	10 years lifespan, and 7 jurisdictions. Approved in Singapore and Japan	3	$1,000,000
Trade Mark 1 (Suntrition as a manufacturing brand)	Continuous use since 2001, registered 2011	2	$50,000
Trade Mark 2 (Acenzia)	Continuous use since 2015, registered 2018 in Canada. Registration available in the USA but not pursued yet.	3	$100,000
Trade Mark 3 (Powered by Acenzia)	Not registered yet, but in use since 2017	3	$100,000
Publications	4 published+3 in preparation. Funding $525,000	3	$700,000
Trade secrets - Standardized protocols/Recipes - NHP identifications and standardizations	674 number of assays were developed	3	$300,000
Trade secrets - Standardized protocols/Recipes - NHP development and physiological potency detection	15 physiological assays, funding about $225,000, through NRC	3	$300,000
Formulations developed inhouse	900 master formulas and over 650 experimental trials for their development	3	$200,000

Proprietary assets through material transfers	16 unique cell lines, 4 standard cell lines and 12 proprietary	2	4x$1000 = $4,000 12x$5000 = $60,000
Site licences	Health Canada, FDA, NSF, OMAFRA, PHA, Halal, Kosher, Organic,	3	8X$100,000= $800,000
In-licencing of formulations	142 formulations from Pharmaline, Nutria Plus, Prodip,	2	$200,000
In-licencing of brands for out-licensing with partner clients such as Iran	MuscleTech, Pharmafreak, Prodip, Fusion brands	2	4x$100,000 = $400,000
Raw material supply networks	812 networks out of which about 100 is strategic	3	100x$5,000+700x $1,000=$1,200,000
Loyal and strategic clients - Goodwill	Lifestyles, GH, Jamieson, Senescence, Seaford, Hanan,	3	$50,000
Un-published research	UKE cell line work, Work with Ascites from Singapore, and AOx assay for human blood	3	3x$10,000 = $30,000
Strategic partners for the oncology patent - goodwill	UKE university; ASTAR, Singapore; and University of Windsor	3	$100,000
		Total (USD)	**$5,594,000**
		Total (CAD, 1.31)	**$7,328,140**

Patent agent:

Corrinne Lobe
Innovate LLP
340 King St. East, 2nd floor
Toronto ON
M5A 1K8
T: 416-712-3215 | E: corrinne.lobe@innovatellp.com | W: www.innovatellp.com

Trademark agent:

Alexander Stack | CARAVEL LAW
Lawyer, Registered Patent and Trademark Agent
p: 416-526-7022
f: 416-479-0244
e: astack@caravellaw.com | caravellaw.com

SCHEDULE V
Trademarks

None.

SCHEDULE VI
Depositary and Other Accounts

Bank	Account	Account Name	Address	Contact	Currency
BMO	00021768828	LiveWell Canada Inc.	100 King Street W, Floor 18, Toronto, ON, M5X 1A1, Canada	Clare Cotman (416-643-1703)	CAD Dollar
BMO	00024598536	LiveWell Canada Inc.	100 King Street W, Floor 18, Toronto, ON, M5X 1A1, Canada	Clare Cotman (416-643-1703)	US Dollar
BMO	00021771816	LiveWell Foods Quebec Inc.	100 King Street W, Floor 18, Toronto, ON, M5X 1A1, Canada	Clare Cotman (416-643-1703)	CAD Dollar
Alterna Savings	6135225	LiveWell Foods Quebec Inc.	112 Kent Street, Unit 106, Ottawa, ON K1P 5P2, Canada	Angela Dzinas (613-560-0147)	CAD Dollar
Trail West Bank	1036096	Vitality Natural Health LLC	2604 Hw2 East, Kalispell, MT, 59901, USA	Katie Peters	US Dollar

SCHEDULE VII
Commercial Tort Claim

None.

SCHEDULE VIII
Real Property

COMPANY	LOCATION
LIVEWELL FOODS QUEBEC INC.	Civic number 211, Route 301, Litchfield, Quebec, Canada
ARTIVA INC.	5130 & 5208 Ramsayville Road, Ottawa, Canada
VITALITY NATURAL HEALTH LLC	254 Truss Road, Eureka, MT 59917, United States
	9085 Advancement Avenue, Las Cruces, Dona Ana County, New Mexico, United States

SCHEDULE IX
Equipment Subject to Certificate of Title or Ownership

LiveWell Canada

LiveWell does not have any motor vehicles and its equipment is generally limited to computer and equipment – valued less than $50,000

Vitality Natural Health LLC

Vitality has the following two used vehicles:

DATE	Vendor	Vehicles	Amount
04/23/2018	Owen Kenney	1991 INTERNATIONAL Box Truck	11,200.00
04/30/2018	Owen Kenney	Pickup Truck	15,000.00

Additionally, the Company has invested various equipment to build its extraction facility in Montana, which amounts to over $1 million. See next page for table.

DATE	Vendor	Equipment	Amount
08/28/2017		Equipment Purchase	329,592.00
09/01/2017			200,937.00
09/27/2017	Swanson Refrigeration	Swansons Refrigera	8,836.21
09/28/2017		Equipment Purchase	48,976.00
12/18/2017		Wall panels for building	14,800.00
01/10/2018	Meeder Equipment	Bank of the West - Meeder Equip	35,831.76
01/10/2018	Phoenix Equipment	Phoenix Equipment	17,000.00
01/12/2018	USA Lab	USA Lab Equipment	6,814.00
01/12/2018	USA Lab	USA Lab Equipment	7,000.00
01/19/2018	Carson Byers, Reimbursement	Lowes - refrigerator	74.47
01/25/2018		Short Path (via Trade)	17,340.00
02/09/2018	Carson Byers	Ferguson - pump	299.99
02/09/2018	Phoenix Equipment	Phoenix Equipment	-17,000.00
02/23/2018	LabFirst Scientific Instruments	Invoice paid by Vitality Canada	97,579.00
02/28/2018	Summit Industrial Supply	Paid by Vitality Canada	76,530.00
03/01/2018	Wood Solutions	Wood Solutions	3,653.00
03/07/2018	Summit Industrial Supply	Paid by Vitality Canada	8,400.00
03/08/2018	Apollo Machine	APOLLO MACHINE AND PURCHASE INTL 03/07 SASKATOON CAN CARD 3133	3,676.40
03/26/2018	Carson Byers, Reimbursement	Walmart - TVs, Wall mounts	444.66
04/19/2018	TigerTec LLC	Paid by Vitality Canada	8,190.00
05/01/2018	Owen Kenney, Reimbursement	Refridgerator	125.00
05/01/2018	Britney M. Hostutler	Britney - pay for stove	60.00
05/17/2018	Advanced Refrigeration & Appliance	freezer systems	31,301.00
05/22/2018	Bill-KST Stainless Steel Ltd	SHANGHAI PUDONG DEV WT 180522-137851 /BNF=BILL KST STAINLESS STEEL LIMITED SRF# 0004318142697852 TRN#180522137851 RFB#	10,205.00
05/22/2018	Americooler	PAYPAL *AMERICOOLE PURCHASE 05/21 402-935-7733 FL CARD 4136	3,100.00
05/30/2018		WT PED#02643 BANK OF AMERICA N /FTR/BNF=LABORATORY SUPPLY NETWORK INC SRF# 0004318150827343 TRN#180530193107 RFB#	67,737.00
05/31/2018	Carson Byers, Reimbursement	Home Depot - AC unit	100.00
05/31/2018	Carson Byers, Reimbursement	Lab First - equipment	100.00
06/28/2018	Kevin Kenney, Reimbursement	Harbor Freight - sand blast cabinet	229.95
06/30/2018	JWC Environmental	Inv 92801 - grinder	29,817.00
07/02/2018	Webstaurant	POS purchase on 07/02/18 at THE POS purchase on 07/02/18 at THE WEBSTAURANT STOR - 717	8,034.00
07/30/2018	Bench Industries	Inv 15305	23,000.00
08/22/2018	Carson Byers, Reimbursement	Wenzhou Eagle Extractors - Reimburse for Carson using his paypal to buy supplies for lab	1,627.60
08/22/2018	Kevin Kenney, Reimbursement	Harbor Freight - pallet jack	279.99
08/28/2018	Dealers Industrial	POS purchase on 08/28/18 at DEAL POS purchase on 08/28/18 at DEALERS INDUSTRIAL E - 906	1,379.00
09/05/2018		Re-class of Freight Expenses incurred as part of Equipment Purchase from Expense to Fixed Assets.	599.80
09/06/2018	Dealers Industrial	TECO E610 NEMA 1/IP20 Variable Speed Drive With Detachable Keypad and speed pot x6 @$358.00	2,148.00
09/06/2018	Dealers Industrial	15 HP, 1800 RPM, 230/460 Volts, XPFC, 254T, Motor x1 @$1097.00	1,097.00
09/06/2018	Dealers Industrial	1 HP, 1800 RPM, 230/460 Volts, XPFC, 143T, Motor X4 @$176.00	704.00
09/07/2018	John C Ernst Co	POS purchase on 09/06/18 at JOHN POS purchase on 09/06/18 at JOHN C. ERNST CO. IN - SPA	874.48
09/11/2018	D&K Tanks	Inv09102818C	6,850.00
09/13/2018	KG Power Systems	POS purchase on 09/13/18 at KGPO POS purchase on 09/13/18 at KGPOWERSYSTEMSCOM - 800-22	4,708.00
09/14/2018	Carson Byers, Reimbursement	CMS - centrifuge	2,095.00
09/18/2018	Pipe Fittings Direct	POS purchase on 09/18/18 at PIPE POS purchase on 09/18/18 at PIPEFITTINGSDIRECT.C - 608 - flanges	276.84
09/21/2018	Torgerson's, LLC	Combine/pick up header	13,000.00
09/25/2018	Commercial Machine Services	stainless steel tank for extraction - Inv40560	2,824.77
09/26/2018	Murdoch's	200 gal rectangular water tank	359.99
09/28/2018	Equipment Connection, LLC	2018 PJ 30" low pro gooseneck trailer	15,900.00
10/04/2018	Shaw Stainless	Inv 87662 - equipment for extraction machine	7,370.25
10/04/2018		Re-class of Freight Expenses incurred as part of Equipment Purchase from Expense to Fixed Assets.	975.00
10/16/2018	Dealers Industrial	POS purchase on 10/16/18 at DEAL POS purchase on 10/16/18 at DEALERS INDUSTRIAL E - 906	1,737.00
10/16/2018		Re-class of Freight Expenses incurred as part of Equipment Purchase from Expense to Fixed Assets.	248.84
10/17/2018	Torgerson's, LLC	POS purchase on 10/16/18 at TORG POS purchase on 10/16/18 at TORGERSONS KALISPELL - KAL	2,345.00
10/19/2018	RainHarvest Systems	POS purchase on 10/19/18 at RAIN POS purchase on 10/19/18 at RAINHARVEST SYSTEMS - 770-	269.95
10/26/2018	HayAnchor.com	POS purchase on 10/26/18 at HAYA POS purchase on 10/26/18 at HAYANCHOR.COM - 0702183035	497.21
10/30/2018	Bench Industries	Auger - Inv15470	1,600.00
10/31/2018	Shaw Stainless	POS purchase on 10/31/18 at INT* POS purchase on 10/31/18 at INT*IN *SHAW STAINLE - 770	1,691.50
11/01/2018	WBParts.Inc	POS purchase on 10/31/18 at WBPA POS purchase on 10/31/18 at WBPARTS INC - 321-472-6075	400.00
11/07/2018	Advanced Refrigeration & Appliance	Ethylene Glycol Chiller System	10,957.00
11/14/2018	Carson Byers, Reimbursement	Pacific Steel - Extraction equipment - aluminum plate	315.00
11/14/2018	Kevin Kenney, Reimbursement	Piping new - couplings, bushings	53.43
11/14/2018	Kevin Kenney, Reimbursement	JMEllsworth - Sanitary gaskets	190.82
11/14/2018	Kevin Kenney, Reimbursement	Suzie Store - butterfly valve (sample valve)	106.98
11/14/2018	Kevin Kenney, Reimbursement	Chem Seal - butterfly valves	140.00
11/14/2018	Kevin Kenney, Reimbursement	Aquabond - butterfly valves	164.95
11/15/2018		Re-class of Freight Expenses incurred as part of Equipment Purchase from Expense to Fixed Assets.	168.34
11/19/2018	Die Cast Machinery	Outgoing Wire	12,650.00
11/16/2018	Plumbing Supply Group	POS purchase on 11/16/18 at PLUM POS purchase on 11/16/18 at PLUMBING SUPPLY GROU - CHI - Tankless water heater and cords - order #YB181114329	7,543.64
11/16/2018	Dealers Industrial	POS purchase on 11/16/18 at DEAL POS purchase on 11/16/18 at DEALERS INDUSTRIAL E - 906	1,470.00
11/19/2018	John C Ernst Co	POS purchase on 11/16/18 at JOHN POS purchase on 11/16/18 at JOHN C. ERNST CO. IN - SPA - glass tubes, valves	1,165.47
11/20/2018	Shaw Stainless	POS purchase on 11/20/18 at INT* POS purchase on 11/20/18 at INT*IN *SHAW STAINLE - 770	1,200.00
11/20/2018	Mainlandvf	POS purchase on 11/20/18 at PAYP POS purchase on 11/20/18 at PAYPAL *MAINLANDVA - 4029	169.60
11/20/2018	Chemseal	POS purchase on 11/20/18 at PAYP POS purchase on 11/20/18 at PAYPAL *CHEMSEALINC - 4029 - order 1924/1924-1 - butterfly valve tri clamp	460.00
11/21/2018	Mainlandvf	POS purchase on 11/21/18 at PAYP POS purchase on 11/21/18 at PAYPAL *MAINLANDVA - 4029	-21.50
11/21/2018	Glacier Tanks	POS purchase on 11/20/18 at GLAC POS purchase on 11/20/18 at GLACIER TANKS LLC - 360-95	154.76
11/26/2018	Carson Byers, Reimbursement	Torgerson's - combine	3,748.42
11/26/2018	Carson Byers, Reimbursement	Torgerson's - Belt for combine	318.00
11/27/2018	Amazon	POS purchase on 11/27/18 at AMZN POS purchase on 11/27/18 at AMZN MKTP US*M02ME6E - AMZ	251.88
11/27/2018	Wenzhou Sunthal Valve Co	POS purchase on 11/27/18 at WWW. POS purchase on 11/27/18 at WWW.ALIBABA.COM - DELAWARE	423.99
11/26/2018	Carson Byers, Reimbursement	LabFirst Scientific Instruments - InvLB201811018	2,610.00
11/29/2018	Amazon	POS purchase on 11/26/18 at AMZN POS purchase on 11/26/18 at AMZN MKTP US*M05T73A - AMZ - water filter	84.38
11/29/2018	Amazon	POS purchase on 11/26/18 at AMAZ POS purchase on 11/26/18 at AMAZON.COM*M08YC4E70 - AMZ - centrifugal pump	269.28
11/30/2018	John C Ernst Co	POS purchase on 11/29/18 at JOHN POS purchase on 11/29/18 at JOHN C. ERNST CO. IN - SPA	325.15
12/10/2018	John C Ernst Co	POS purchase on 12/10/18 at JOHN POS purchase on 12/10/18 at JOHN C. ERNST CO. IN - SPA - - goes on extraction tanks	273.87
12/10/2018	NWestco	POS purchase on 12/08/18 at NWES POS purchase on 12/08/18 at NWESTCO - 001 - 4067554343 - 2x 500gal wall tank	2,400.00
12/11/2018	LCI Corporation International	Asby, head, mating ring, o-ring	2,187.00
12/11/2018	NWestco	POS purchase on 12/11/18 at NWES POS purchase on 12/11/18 at NWESTCO - 001 - 4067554343 - pump and other supplies	726.91
12/17/2018	Torgerson's, LLC	POS purchase on 12/16/18 at TORG POS purchase on 12/16/18 at TORGERSONS KALISPELL - KAL - refund	-1,401.90
12/17/2018	Torgerson's, LLC	POS purchase on 12/14/18 at TORG POS purchase on 12/14/18 at TORGERSONS KALISPELL - KAL - equipment returned, purchase refunded	1,401.90
12/17/2018	Guangzhour Fan Bo Lun Import & Export C	POS purchase on 12/14/18 at WWW. POS purchase on 12/14/18 at - heating mantle	1,086.00
12/20/2018	Garratt-Callahan Company	Chemical pump 150psi	419.00
12/27/2018	Carson Byers, Reimbursement	Nwestco - diesel tank and fittings	1,369.62
12/31/2018		To transfer all FA purchases after Sept 1 to project	-121,052.19
			1,017,068.45

This is Exhibit "E" *referred to in the*

affidavit of Philip Gross

sworn before me, this 28th

day of February 2020

A COMMISSIONER FOR OATHS/NOTARY PUBLIC IN AND FOR
THE STATE OF MARYLAND

ALISANN FROLOVA
NOTARY
PUBLIC
BALTIMORE COUNTY MD

NOI Companies' DIP Financing

Effective Interest Rate

(unaudited; $)

Advance Date	4-Mar-20		
Maturity Date	30-Jun-20		
Number of days outstanding	118	365	3.093220339
Facility	2,300,000		
Interest Payments or Effective Interest Payments			
Commitment fee	320,000		
Interest (15%)	113,425		
	433,425		
Effective Interest Rate	58%		

Estate Number/Court File No.: 33-2618511

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF EUREKA 93 INC. OF THE CITY OF OTTAWA IN THE PROVINCE OF ONTARIO

Estate Number/Court File No.: 33-2618512

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF LIVEWELL FOODS CANADA INC. OF THE CITY OF OTTAWA IN THE PROVINCE OF ONTARIO

Estate Number/Court File No.: 33-2618510

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF ARTIVA INC. OF THE CITY OF OTTAWA IN THE PROVINCE OF ONTARIO

Estate Number/Court File No.: 33-2618513

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF VITALITY CBD NATURAL HEALTH PRODUCTS INC. OF THE CITY OF OTTAWA IN THE PROVINCE OF ONTARIO

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

Proceeding commenced at Ottawa

AFFIDAVIT OF PHILIP GROSS

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Lawyers for Dominion Capital LLC

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RESPONDING MOTION RECORD OF DOMINION CAPITAL LLC

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