QUOTA PURCHASE AGREEMENT

THIS QUOTA PURCHASE AGREEMENT (this "**Agreement**") is dated as of February 11, 2019 and made between:

1) **TERRACE INC.**, a corporation incorporated under the laws of the Province of Ontario with its registered office at 365 Bay Street, Suite 800, Toronto, Ontario (the "**Purchaser**"); and

2) **MR. FRANCISCO JAVIER GUTIERREZ RIVAS**, of legal age, single, of Spanish nationality, domiciled for these purposes [redacted] and bearer of valid Spanish National Identity Card number [redacted] (the "**Vendor**").

WHEREAS, the Vendor is the sole legal owner of **3,008 quotas**, numbered from 1 to 3,008, both inclusive, each with a nominal value of €1 (the "**Quotas**") of **PHARMA BINOIDE, S.L., Unipersonal,** a limited liability company incorporated under the laws of Spain, with its registered office at calle Mercado, 12, Edificio Don Angel, 4°-C, 29601 Marbella, Malaga, Spain, with Tax Identification Number [redacted] and registered with the Commercial Registry of Málaga at Volume 5714, Page 43 and Sheet number [redacted] (the "**Company**"), and the Quotas constitute all of the issued quotas in the capital of the Company;

WHEREAS, the Company is engaged in the business of cultivating hemp for industrial use and is in the process of obtaining a license to cultivate cannabis for medicinal use; and

WHEREAS, the Vendor wishes to sell to the Purchaser, and the Purchaser wishes to purchase from the Vendor, the Quotas, subject to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Purchase and Sale.** Subject to the terms and conditions set forth herein, at the Closing (as hereafter defined), the Vendor shall sell, assign, transfer and deliver to the Purchaser, and the Purchaser covenants and agrees to purchase from the Vendor, all of the Vendor's respective right, title and interest in and to the Quotas.

2. **Purchase Price.** The purchase price (the "**Purchase Price**") for the Quotas payable by the Purchaser to the Vendor on Closing, shall be as follows: four hundred thousand Euros (€400,000). The Purchaser shall pay the Purchase Price to the Vendor on the Closing Date, by way of a bank transfer to account number [redacted].

3. **Representations and Warranties of Vendor.** The Vendor represents and warrants as follows to the Purchaser and acknowledges and confirms that the Purchaser is relying upon the representations and warranties in entering into this Agreement and purchasing the Quotas;

   (a) **Incorporation and Corporate Power.** The Company is a limited liability company duly incorporated and existing under the laws of Spain, has been duly registered with the Commercial Registry of Malaga, has full legal status, exists in accordance with Spanish law, fulfils all the legal requirements applicable to it and has the full capacity, authority and necessary clearances and permits for the full performance of the business activity constituting its corporate purpose and business, as well as for the ownership and operation of its assets, and has no relationships in force unrelated to its ordinary course of business or that may be relevant for the Purchaser in order to take a decision regarding the execution of this Agreement.

(b) **Statutory and corporate matters and documents.**

The Company is subject to no actual or imminent situation of insolvency and has not been declared insolvent (*en concurso*) or subject to or bound by any analogous procedure. No action or request is pending to declare the Company insolvent (or subject to or bound by any analogous procedure) or to make it subject to any proceeding contemplated by any insolvency (or analogous) law and there is no reason why any such proceeding might be initiated.

The Company has approved no corporate resolution regarding its dissolution or winding-up nor such dissolution or winding-up has been requested by any person and there is no reason why any such dissolution or winding-up might be initiated or requested. The Company is no under a compulsory dissolution or capital reduction event under applicable corporate law.

The Company has not approved, nor it is in the process of approving, its merger or spin-off, total or partial alteration of legal form, global transfer of assets or liabilities, or any other kind of structural modification.

All statutory books and registers of the Company, including the register of quotaholders of the Company (*Libro Registro de Socios*) and the book of minutes of the Company, have been properly kept and timely legalized, are written up to date and contain a true, complete and accurate record of all matters which should be contained in them. No notice or allegation has been received that any such books or registers are incorrect or should be rectified.

All returns, particulars, corporate resolutions and other notarial deeds or documents that the Company is required by law to file with, deliver to, or register with any authority in any jurisdiction (including, in particular, the Commercial Registry) have been correctly made up and duly and timely filed, delivered or registered, and there is not any of such returns, particulars, corporate resolutions, notarial deeds or documents pending to be or in the process of being filed with, delivered to or registered with any relevant authority.

The by-laws of the Company are fully registered with the Commercial Registry and there are no agreements to which the Vendor and/or the Company are a party that govern, supplement, qualify or provide regulation in respect of the matters foreseen in the Company's by-laws or any matters within the scope of the Company's by-laws.

All dividends or distributions declared, made or paid by the Company have been declared, made or paid in accordance with its by-laws and with all applicable laws and regulations and there are not any agreements or arrangements made with any person regulating the payment of dividends and distributions.

No corporate resolutions adopted by the Company have been challenged (*impugnadas*), are threatened of being challenged, nor have been suspended by any court and there are no corporate resolutions which have not been transcribed in such books.

The remuneration of the Company's directors, if any, complies with the law, the Company's by-laws and, when applicable, the agreements entered into by such directors with the Company. There is no amount owing and outstanding by the Company to any of its directors, nor any amount owing and outstanding by the Company's directors to the Company. None of the directors of the Company is entitled to any severance payment, indemnification payment or any other kind of payment or benefit by the Company upon resignation or removal of such directors.

The corporate bodies of the Company comply and have complied with the applicable corporate law. None of the corporate resolutions approved by the Company breach the law or the Company's by-laws.

(c) **Authorizations.** The Vendor has all requisite power and capacity to execute and deliver this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Vendor and (assuming due authorization, execution and delivery by the Purchaser) constitutes the Vendor's legal, valid and binding obligation, enforceable against the Vendor in accordance with its terms.

(d) **Capital.** The capital of the Company consists of 3,008 quotas, numbered from 1 to 3,008, both inclusive, each with a nominal value of €1, which have been duly issued and are fully paid and non-assessable and no quotas or other securities of the Company that are convertible into quotas of the Company have been issued in violation of any applicable law, by-laws or other constating documents of the Company, or the terms of any agreement to which the Company is a party or by which it is bound. All of the Quotas have been issued in compliance with all applicable laws and are registered in register of quotaholders of the Company (*Libro Registro de Socios*). The Quotas constitute all of the issued quotas in the capital of the Company.

(e) **Title to Purchased Quotas.** The Quotas are owned by the Vendor as the sole registered legal owner thereof with good and valid title thereto, free and clear of all liens, pledges, security interests, charges, adverse claims, encumbrances, agreements, options, voting trusts, proxies and other arrangements or restrictions of any kind (the "**Encumbrances**"). Upon completion of the transactions contemplated by this Agreement, the Purchaser will hold the sole legal ownership of, and good and valid title to, each of the Quotas, free and clear of all Encumbrances.

The legal instrument by virtue of which the Vendor acquired the Quotas is the notarial deed of incorporation of the Company granted on 9 February 2018 before the Notary of Marbella, Mr. Filiberto Carrillo de Albornoz Fisac, under number 360 of his public records. This notarial deed grants the Vendor valid and sufficient title of ownership over the Quotas, has been registered with the Commercial Registry of Malaga and has not been contested by any person and fully comply with any applicable law.

By means of the transfer of the Quotas, the Purchaser shall acquire the whole of the voting and economic rights inherent thereto.

No Encumbrance has been granted to any person or otherwise exists affecting the Quotas or debentures or other securities of the Company, nor has any person claimed any such rights.

(f) **Ownership of assets.**

Unless otherwise represented in this Agreement, all of the assets owned by the Company are of its absolute property and the Company has entered into no lease agreement, purchase agreement subject to deferred payment or payment in instalments, conditional sale agreement or leasing agreement in connection with the assets owned by it. The legal instruments by virtue of which the Company acquired such assets granted valid and sufficient title of ownership over the same, have not been contested by any person and fully comply with any applicable law.

All of the assets owned by the Company, or in respect of which the Company has a right of use, are free from any Encumbrance, are in the possession or under the control of the Company, are duly registered with any applicable registry when required by law and have all required licenses, permits and authorizations.

Where any assets are used but not owned by the Company or any facilities are provided to the Company by any third party, there has not occurred any event of default or any other event or circumstance which may entitle any third party to terminate any agreement or licence in respect of the provision of such assets or facilities (or any event or circumstance which with the giving of notice and/or the lapse of time and/or a relevant determination would constitute such an event or circumstance).

(g) **Real estate.**

The Company owns no real estate.

Schedule I provides a list of all property lease agreements currently in force and entered into by the Company as lessee (the "**Leased Real Estate**"), indicating (i) the surface area, (ii) the rent and service charges currently paid under the lease, (iii) the date of termination of the agreement, and (iv) the manner in which the rent is revised.

With regard to the aforementioned lease agreements:

such agreements have been entered into with the owner of the applicable premises, or the holder of the relevant permits for lease of the premises;

under the applicable lease agreement, the Company has good legal title to or possession of the properties to be occupied and used by it for its business activities;

the lessor has been provided with the deposit as agreed in the lease agreement or required by the applicable legislation;

there are no restrictions in the lease agreements which prevent the relevant premises being used now and in the future, for the present use;

there is no subsisting breach, nor any material non-observance of any covenant, condition or agreement contained in the lease agreements and no landlord has refused to accept rent or made any complaint or objection;

there is not any circumstance that could result in the early termination of any of such lease agreements, or that could entitle the lessor to raise the rent under the applicable legislation or in the lease agreement itself; and

the execution of this Agreement does not constitute a cause for the termination of any of the above lease agreements, nor does it entitle the lessor to raise the rent.

The Leased Real Estate complies with the applicable land development regulations, and there is not any re-classification of the land where the facilities used for their activities are located, nor of any possible future re-classification.

All of the Leased Real Estate have been correctly maintained, and there are not any serious damages or hidden defects therein that may affects their future use, nor is such Real Estate contaminated in any way.

The Leased Real Estate are the only premises occupied or used in connection with the business, are fit for the business of the Company and there are no facts which impede or hamper their occupation or use by the Company.

- (h) **Financial Statements**. The financial statements of the Company as of December 31, 2018 (the "**Financial Statements**"), which are is attached to this Agreement as **Schedule II**: (i) are true, exact and complete and present a true and fair view of the Company, of their net worth and financial position and of their results on the date and during the indicated periods; (ii) have been prepared in accordance with the applicable legislation and with generally accepted GAAP in Spain ("**GAAP**"), applied on a uniform and consistent basis by the Company; and (iii) duly reflect all activities and operations engaged in, as well any provisions that must be recorded in accordance with GAAP. The Company has not assumed any obligations or liability (actual or contingent) of any kind prior to the Closing Date that should have been reflected or provided for in accordance with GAAP, but have not been duly reflected or provided for in the Financial Statements. There are no hidden or contingent liabilities, whatever their nature (including guarantees, security or tax liabilities), that may give rise to a reduction in net worth or earnings, or any other liability with respect to litigation, that are not duly recorded in the Financial Statements.

- (i) **No Conflict and contractual matters**. The execution, delivery and performance by the Vendor of this Agreement do not conflict with, violate or result in the breach of, or create any Encumbrance on the Quotas, any agreement, instrument, order, judgment, decree, law or governmental regulation to which the Vendor is a party or is subject or by which the Quotas are bound.

  With respect to each contract, liability or arrangement to which the Company is a party or by which it is bound (including contracts, liabilities and arrangement with clients and suppliers and the contracts with related parties referred to herein below), (i) it is valid, binding and enforceable in accordance with its own terms, comprised within the corporate purpose and the business of the Company at arm's length and fully compliant with any applicable law or regulation; (ii) it is in full force and effect; (iii) the Company has duly performed and complied in all material respects with each of its obligations thereunder and no event has occurred which, with the giving of notice or passage of time, may constitute a default thereunder; (iv) there are no grounds for termination, rescission or a material change in the terms thereunder and the Company has not served or received any notice of termination or any claim of default; and (v) none of the other parties thereto is in default or is likely to become in default thereunder.

- (j) **Options**. No person, other than the Purchaser under this Agreement, has any agreement, option, understanding or commitment, written or oral, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment, including a right of conversion or exchange attached to convertible securities, warrants or convertible obligations of any nature, for the purchase of: (i) the Quotas from the Vendor; or (ii) any unissued quotas or other securities in the capital of the Company.

- (k) **Required Consents**. No governmental, regional, administrative or other third-party consents or approvals are required by or with respect to either of the Vendor or the Company in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

- (l) **Required Authorizations**. There is no requirement of the Vendor or the Company to make any filing with, give any notice to, or obtain any authorization of, any governmental authority as a result of, or as a condition to the lawful completion of, the transactions contemplated by this Agreement.

(m) **No Litigation, Claims, Investigations.** There are no actions, suits, claims, investigations or other legal proceedings pending or, to the knowledge of the Vendor, threatened against or by the Vendor, the Company, any director or any person for whose acts or defaults the Company , respectively, that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

The Company has fully complied at all times with the terms of any court ruling, administrative or regulatory decision or arbitration award enforceable and binding on the Company.

(n) **Compliance with laws.**

The Company has at all times conducted its business in accordance with, and has acted in compliance with all applicable laws and regulations of any relevant jurisdiction .

Neither the Company nor any of its directors or employees (current or past), have been convicted of an offence in relation to the business or affairs of the Company.

The Company has received no notification from any authority or any third party of any violation of, or failure to comply with, any applicable order, law or regulation. No penalty has been imposed to the Company.

No artificial, irregular or unusual transaction or agreement has been executed that results or could result in a damage to the financial or commercial standing or the prospects or assets of the Company.

(o) **No Broker.** No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Vendor.

(p) **Taxes.**

There are no outstanding taxes, tax penalties, or other contingent liabilities owed by the Company.

Regarding the tax periods under audit, the Company has fulfilled its formal and material tax obligations provided by law for all tax types within the statutory term. The Company used all due diligence to fulfil the before mentioned formal and material obligations and, in particular, any tax returns assessed by the tax authorities and any self-assessment tax returns, truthfully, accurately and thoroughly.

The Company has paid its tax debt within the statutory term as well as any sanctions arising from the tax audits to which it may have been subject. Provisions have been duly made in the books of the Company for the total tax debt amount forming the subject matter of the described claim or procedure.

On the date of this Agreement, the Company has received no notices regarding the commencement of any tax audit for review or investigation and no procedures are underway to adjust the tax status of the Company.

(q) **Employment Matters and Social Security.** The Company has not entered into any employment and/or top executive relationship since its incorporation and thus has not acquired any employment related obligation, including those concerning terms and conditions of employment, wages, working hours, Social Security payments and workplace safety rules.

There are no employee representatives or unions that represent employees nor has the Company entered into any collective bargaining agreement with such representative bodies.

(r) **Services Agreements.** The Company has entered into four consultancy services agreements, currently in place and enforceable, with the following independent contractors (i) Mr. Francisco José Castellano Gassó; (ii) Mr. Joaquín Ortiz Antón, (iii) Mr. Rafael Montesinos Gutiérrez and (iv) the Seller (the "**Consultants**").

None of the Services Agreements entered into by the Company with the Consultants could be deemed to constitute an (i) employment relationship or an (ii) "*economically dependent independent contractor*" relationship and that the relationship between the Company and the Consultants will remain unaltered after the Closing Date.

The Consultants have fulfilled and are up to date with all its obligations for the payment of Social Security contributions.

The consultancy agreements comply with the law and current market practices, particularly regarding price and termination provisions.

No Consultant is entitled to any severance payment, indemnification payment or any other kind of payment or benefit by the Company as a result of the normal or early termination of the consultancy agreement other than the one-month termination notice set forth in their consultancy agreements.

No Consultant has given or, to the best of the Vendor's knowledge, is reasonably likely to give notice of termination of the consultancy agreement in place and no circumstances exist which give any Consultant a special right to terminate or modify his consultancy agreement.

In case of voluntary termination of the consultancy agreement, the Consultants must provide, at least, one-month notice.

There is no amount owing and outstanding by the Company to any of the Consultants.

There is not currently pending, and the Vendor is not aware of there having been threatened the filing of, any dispute or claim filed by the Consultants before the courts or Governmental Authorities and, to the best of the Vendor's knowledge, no event has occurred or circumstance exists that could reasonably be expected to serve as basis for the initiation of any such dispute or claim by the Consultants.

(s) **Personal data files.**

The Company fulfils its obligations under all applicable personal data protection laws.

(t) **Environmental matters.**

The processes used by the Company are suitable for the performance of its activities, bearing in mind the nature of such activities, and comply and have at all times fully complied, both materially and in terms of their form, with the applicable legislation in this regard.

The assets of the Company or those used by it for carrying out its business are situated on land which has not been classified as or declared to be contaminated land, nor is there any indication of contamination that may cause them to be classified as such. No part of the aforementioned land has been used, either by the Company or by previous owners, for activities that could potentially contaminate such land.

There are no substances suitable of being considered as hazardous by the applicable environmental legislation present on, at, in, under, or emanating from any of the assets of the Company.

No administrative proceedings, third-party claim or any other action, either court or out-of-court (including arbitration), has been filed against the Company in connection with its activities, which has been notified to the Vendor or to the Company, and which directly or indirectly results from (i) breach of environmental regulations, or (ii) the occurrence of any environmental damage, regardless of its nature.

As of the date hereof, no incident of an environmental nature has occurred that could result in a claim for liability of the Company. The Company has no environmental liabilities.

(u) **Health and safety.**

The properties and facilities used by the Company and the business of the Company fully comply with all Employment Law and Health and Safety Legislation.

There is no circumstance likely to give rise to liability for any of the Company under Health and Safety Legislation.

(v) **Insurance.** The Company maintains, and has at all times maintained, in full force and effect, adequate and sufficient insurance cover for all its assets, activities, civil liability and risks, in conformity with all applicable laws, standard industry practice and any applicable contractual obligations.

All insurance policies taken out by or on behalf of the Company are in full force and effect, all premiums due on them have been duly and punctually paid and all other conditions of such policies have been performed and observed.

The Company has not done, or omitted to do, anything that may result in an increase in the premium payable for any of the insurance policies, or that may adversely affect the renewal of any of such policies.

None of the insurance policies taken out by or on behalf of the Company are capable of being terminated, or will otherwise cease to be available to the Company or be breached as a result of this Agreement or the transactions contemplated by this Agreement.

No amounts for previous claims are unpaid by the relevant insurance companies and there are no outstanding claims under, or in respect of the validity of, any of the insurance policies taken out by or on behalf of the Company, and there are no circumstances likely to give rise to a claim under any of such policies.

Neither the Vendor nor the Company have received any written notice of any threatened suspension, revocation, material adverse modification or cancellation of any insurance policy taken out by or on behalf of the Company.

(w) **Concessions and subsidies.**

The Company has not received or applied for a grant, subsidy or assistance (either financial or otherwise) from any administrative, governmental, regulatory or similar body or agency, at local, regional, national or supranational level.

The Company is beneficiary of no administrative concession.

(x) **Licenses.** The Company has all requisite licenses consents, authorisations, approvals and permits in Spainwhich are necessary to operate its hemp/CBD facility, in the places and in the manner in which it is carried on at present.

In particular, the Company holds the authorization Code REGEPA 0123145060 granted by the Consejería de Agricultura, Pesca y Desarrollo Rural in accordance with Section 4 of Royal Decree 9/2015, January 16, which regulates the conditions of application of the community legislation on hygiene in primary agricultural production (*Real Decreto 9/2015, de 16 de enero, por el que se regulan las condiciones de aplicación de la normativa comunitaria en materia de higiene en la producción primaria agrícola*), which is attached to this Agreement as **Schedule III**, and which allows the Company to operate its business of cultivating hemp for industrial use on the Leased Real Estate located in Cazorla (Jaén) in conformity with all applicable legal provisions, and in the manner carried out at present.

Each of the licences is valid and subsisting, and the Company is not in breach of the terms and conditions of the licences (or any of them). The activities currently carried out by the Company under the licenses are in compliance with all laws and regulations applicable to the Company.

None of the licences shall be affected by this Agreement or the transactions contemplated by this Agreement. There is no reason why any of the licences may be revoked, suspended, cancelled, modified or not renewed on the same terms (in whole or in part).

Neither the Vendor nor the Company have received any notification or communication related to the breach or violation of the terms and conditions of any of the licenses nor of any other breach of public, administrative or environmental laws or industry regulations.

No closure of the facilities where the Company carries out its activities or the temporary suspension of such activities can be expected, nor any request by the authorities that may impair the Company's activities or demand additional works or the construction of additional premises at such facilities or any substantial investment whatsoever.

The Company uses certified French seeds of Cannabis Sativa, variety Felina 32, which are registered in the Common Agricultural Catalogue of the European Union. Both original labels and invoices for the acquisition of the cannabis seeds are duly retained by the Company.

On November 26, 2018, the Company filed an application with the Autonomous Community of Valencia to be registered in the Registry of Suppliers of Seeds and Nursery Plants as it is acting as an intermediary in the sale to third parties of certified French seeds of Cannabis Sativa, variety Felina 32, and has leased warehouses in Benifaio (Valencia) for such purposes. A copy of the aforementioned application is attached to this Agreement as **Schedule IV**.

(y) **Full Disclosure.**

All information given by or on behalf of the Vendor (or its representatives or advisers) to the Purchaser (or its representatives or advisers) in the course of the negotiations leading up to this Agreement was, when given, and is now, true, accurate and complete and not misleading in any respect.

There are no facts or circumstances which have not been disclosed and which, if disclosed, might reasonably have been expected to affect the decision of the Purchaser to enter into this Agreement on the terms (including the Purchase Price) set out herein .

4. **Representation and Warranties of the Purchaser.** The Purchaser represents and warrants as follows to the Vendor and acknowledges and confirms that the Vendor is relying on the representations and warranties in entering into this Agreement:

   (a) **Incorporation and Corporate Power.** The Purchaser is a corporation duly incorporated and existing under the laws of the Province of Ontario and has the corporate power and authority to own and operate its assets, carry on its business and enter into and perform its obligations under this Agreement.

   (a) **Corporate Authorizations.** The Purchaser has the corporate power and capacity to execute and deliver this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The Purchaser has obtained all necessary corporate approvals for the execution and delivery of this Agreement, the performance of its obligations hereunder and the consummation of the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Purchaser and (assuming due authorization, execution and delivery by the Vendor) constitutes the Purchaser's legal, valid and binding obligation, enforceable against the Purchaser in accordance with its terms.

   (b) **Authorized and Issued Capital.** The authorized capital of the Purchaser consists of an unlimited number of common shares and an unlimited number of preferred shares issuable in series, as of the date hereof 113,464,000 common shares and nil preferred shares have been duly issued and are outstanding as fully paid and non-assessable.

   (c) **No Conflict.** The execution, delivery and performance by the Purchaser of this Agreement do not conflict with, violate or result in the breach of any agreement, instrument, order, judgment, decree, law or governmental regulation to which the Purchaser is a party or is subject.

   (d) **Required Consents.** No governmental, administrative or other third-party consents or approvals are required by or with respect to the Purchaser in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

   (e) **Required Authorizations.** There is no requirement for the Purchaser to make any filing with, give any notice to, or obtain any authorization of, any governmental authority as a result of, or as a condition to the lawful completion of, the transactions contemplated by this Agreement.

   (f) **No Litigation, Claims, Investigations.** There are no actions, suits, claims, investigations or other legal proceedings pending or, to the knowledge of the Purchaser, threatened against or by the Purchaser that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

   (g) **No Broker.** No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Purchaser.

5. **Closing.**

   (a) Subject to the terms and conditions contained in this Agreement, the purchase and sale of the Quotas contemplated hereby shall take place at a closing (the "**Closing**") to be held on February 14, 2019 (the "**Closing Date**") at the place designated by the Purchaser.

   (b) As soon as practicable and no later than close of business on the Closing Date, (i) the Vendor and the Purchaser shall execute a public deed notarizing this Agreement to comply with the requirements established in section 106 of the Spanish Companies Act for the transfer of quotas; (ii) the Purchaser shall be entered on the register of quotaholders of the Company (*Libro Registro de Socios*) as the holder of the Quotas; and (iii) the Purchaser shall pay the Purchase Price to the Vendor.

(c) As soon as practicable, the Vendor and the Purchaser shall cooperate to procure that the Vendor and the Company enter into a full-time ordinary employment agreement.

6. **Purchaser's Conditions to Closing.** The obligation of the Purchaser to complete the transactions contemplated by this Agreement shall be subject to the satisfaction of, or compliance with, on or before the Closing Date, the following:

(a) The Vendor shall have delivered or caused to be delivered to the Purchaser:

i. a certificate of status, compliance or like certificate with respect to the Company issued by the Commercial Registry of Malaga;

ii. a certificate executed by the Vendor, in his capacity as sole director of the Company, certifying that the attached thereto are true and complete copies of the articles and by-laws of the Company and all amendments thereto;

iii. a certificate, executed by or on behalf of the Vendor, certifying that the conditions in Subsections 6(b) and (c) have been satisfied; and

iv. a release and resignation, if applicable, by the Vendor of any claims against the Company with respect to any matter in relation to its capacity as director, officer, quotaholder, consultant or employee of the Company, as the case may be;

(b) The representations and warranties of the Vendor contained in this Agreement shall be true and correct in all material respects;

(c) All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendor on or before the Closing Date shall have been complied with or performed in all respects;

(d) There shall not have occurred any change, effect or circumstance that is or is likely to be materially adverse to the assets, properties, financial condition, prospects or results of operations of the Company or its business;

(e) There shall have been no material change to the working capital position of the Company; and

(f) The Purchaser having received non-competition and non-solicitation agreements from each of the Consultants and the Vendor with a term of 24 months from the Closing Date.

7. **Vendor's Conditions to Closing.** The obligation of the Vendor to complete the transactions contemplated by this Agreement shall be subject to the satisfaction of, or compliance with, on or before the Closing Date, the following:

(a) The Purchaser shall have delivered or caused to be delivered to the Vendor the following:

i. a certificate of status, compliance or like certificate with respect to the Purchaser issued by appropriate government officials of its jurisdiction of incorporation; and

ii. a certificate, executed by or on behalf of the Purchaser, certifying that the conditions in Subsection 7(b) and (c) have been satisfied;

(b) The representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects;

(c) All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser on or before the Closing Date shall have been complied with or performed in all material respects;

(d) The transaction contemplated by this Agreement shall have been approved by the board of directors of the Vendor, if applicable; and

(e) There shall not have occurred any change, effect or circumstance that is or is likely to be materially adverse to the assets, properties, financial condition, prospects or results of operations of the Purchaser or its business.

8. Vendor's Post-Closing Covenants.

(a) The Vendor agrees that from the date hereof until 11:59 pm (Toronto time) on February 14, 2019 (the "**Standstill Period**"), the Company and the Vendor shall not: (i) issue any additional stock options or securities of the Company; or (ii) directly or indirectly through any affiliate, subsidiary, director, officer, employee, agent or representative (including, without limitation, investment bankers, attorneys and accountants) enter into or continue any negotiations or discussions with any third party in respect of a merger, amalgamation or purchase or sale of assets or shares (in each case where such transaction would have a material effect on the Company), or a sale of all or substantially all of the Company's assets or a sale of all or substantially all of the equity securities of the Company or any of its respective subsidiaries, to any person (in each case other than transactions in the Company's ordinary course of business).

(b) If during the Standstill Period the Vendor proposes to enter into a letter of intent or definitive agreement relating to an Alternative Transaction (as hereafter defined), it shall not do so unless it has first provided five business days prior written notice to the Purchaser of that fact, together with a copy of such agreement. If the Purchaser elects to match the terms and conditions of the Alternative Transaction prior to the end of such five business day period, the matching offer by the Purchaser shall be deemed by the Vendor's Sole Director to be superior to the Alternative Transaction.

(c) For purposes of this Section 8, "**Alternative Transaction**" means, other than the transaction contemplated by this Agreement, any offer, proposal or inquiry (written or oral) relating to: (i) any sale or disposition (or any lease, long-term supply agreement or other arrangement having the same economic effect as a sale), direct or indirect, of assets representing 20% or more of the consolidated assets or contributing 20% or more of the consolidated revenue of the Company or of 20% or more of the voting or equity securities of the Company or any of its subsidiaries (or rights or interests in such voting or equity securities); (ii) any take-over bid, exchange offer, issuance of securities or other transaction that, if consummated, would result in a person or group of persons beneficially owning 20% or more of any class of voting or equity securities of the Company or any of its material subsidiaries; (iii) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or winding up involving the Company or its material subsidiaries, if any; or (iv) any other similar transaction or series of transactions involving the Company and/or its subsidiaries, if any.

(d) The Vendor shall not render services, directly or indirectly, as an employee, independent contractor, director, shareholder, lender, sales representative or in any other capacity whatsoever, to any company or business competing (or which could potentially compete), directly or indirectly, with the Company in Spain in providing services that are the same as or similar to those provided by the Company.

Likewise, the Vendor shall not, either on his own account or on behalf of any other person, firm, company or organization, directly or indirectly, solicit or endeavour to entice away from the Company any person, firm or company who is or was an employee, client, customer, partner, supplier or procurer of goods or services to the Company.

The Vendor's remuneration for his non-compete obligation is paid with part of the Purchase Price.

The above mentioned restrictions will be applicable for a period of two (2) years as from the signature of this Agreement.

(e) The Vendor shall provide all necessary assistance to the Purchaser and the auditors of the Purchaser in the preparation of audited financial statements of the Company for the year ended December 31, 2018 under International Financial Reporting Standards, together with the preparation of a corresponding management discussion and analysis.

9. **Survival.** All representations and warranties contained herein shall survive the execution and delivery of this Agreement and the Closing hereunder.

10. **Indemnification.** Each party shall indemnify the others and hold the parties harmless against and in respect of any and all losses, liabilities, damages, obligations, claims, Encumbrances, costs and expenses (including, without limitation, reasonable legal fees) incurred by one party resulting from any breach of any representation, warranty, covenant or agreement made by other party herein or in any instrument or document delivered to the parties pursuant hereto.

    Vendor shall be liable to the Purchaser for any Damage or Loss that they may have caused it, including for any taxes payable by the Purchaser in relation to the consideration received by the Vendor from the Purchaser as set forth in this agreement and any agreement ancillary hereto. For the purposes of this Agreement, "Damage or Loss" means any damage or loss as a consequence of: (i) any misrepresentation, inaccuracy or omission in the representations and warranties or in any other representation made or warranty given in the Agreement or (ii) any breach of any obligation established in the Agreement.

11. **Further Assurances.** Following the Closing, each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances, and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

12. **Termination.** This Agreement may be terminated at any time before the Closing: (a) by the mutual written consent of the Purchaser and the Vendor; or (b) by either the Purchaser or the Vendor if a breach of any provision of this Agreement has been committed by the other party and such breach has not been cured within 10 days following receipt by the breaching party of written notice of such breach. Upon termination, all further obligations of the parties under this Agreement shall terminate without liability of any party to the other parties to this Agreement, except that no such termination shall relieve any party from liability for any fraud or wilful breach of this Agreement.

13. **Expenses.** All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

14. **Notices.** All notices, requests, consents, claims, demands, waivers and other communications hereunder (each, a "**Notice**") shall be in writing and addressed to the parties at the addresses set forth on the first page of this Agreement (or to such other address that may be designated by the receiving party from time to time in accordance with this Section 14). All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees prepaid), facsimile or e-mail of a PDF document (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only: (a) upon receipt by the receiving party; and (b) if the party giving the Notice has complied with the requirements of this Section 14.

15. **Entire Agreement.** This Agreement constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

16. **Successor and Assigns.** This Agreement shall be binding upon and shall ensure to the benefit of the parties hereto and their respective successors and permitted assigns. No party may assign any of its rights or obligations hereunder without the prior written consent of the other parties hereto, which consent shall not be unreasonably withheld or delayed.

17. **Headings.** The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

18. **Amendment and Modification; Waiver.** This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

19. **Severability.** If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

20. **Governing Law and Jurisdiction.** This Agreement and the relationship between the parties in relation to the subject matter of this Agreement shall be governed exclusively by the laws of the Province of Ontario and the federal laws of Canada applicable therein. Notwithstanding the above, any public deed of transfer giving effect to section 106 of the Spanish Companies Act shall be governed by the laws of Spain.

    The courts of the Province of Ontario shall have exclusive jurisdiction to settle any disputes in connection with this Agreement and accordingly the parties irrevocably submit to the jurisdiction of the courts of Ontario. Each party (i) waives objection to Ontario courts on grounds of inconvenient forum or otherwise as regards proceedings in connection with this Agreement; and (ii) agrees that a judgment or order of an Ontario court in connection with this Agreement is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

21. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed

copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

TERRACE INC. [redacted]

By:______________ (signed) "Michael Galego"

Name: Michael Galego

Title: Director

MR. FRANCISCO JAVIER GUTIERREZ RIVAS

By:______________

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

TERRACE INC.

By:______________________

Name: Michael Galego

Title: Director

MR. FRANCISCO JAVIER GUTIERREZ RIVAS

By: [redacted]

(signed)
"Francisco Javier Gutierrez Rivas"