

ARRANGEMENT AGREEMENT

THIS AGREEMENT dated for reference the 21st day of December, 2020.

BETWEEN:

RAINY HOLLOW VENTURES INC., a corporation existing under the laws of the Province of British Columbia and having its head office at #1703, 595 Burrard Street, Vancouver, British Columbia V7X 1J1

(hereinafter referred to as “**Rainy Hollow**”)

AND:

SUSTAINABLE PRODUCE URBAN DELIVERY INC., a corporation existing under the laws of the Province of British Columbia and having its head office at Unit 105-5566 Trapp Ave., Burnaby, British Columbia V3N 5G4

(hereinafter referred to as “**SPUD**”)

WHEREAS:

- (A) Rainy Hollow and SPUD have entered into a letter agreement dated September 30, 2020, as subsequently amended on December 10, 2020 (the “**Letter Agreement**”), outlining the general terms and conditions of a proposed transaction between Rainy Hollow and SPUD (the “**Parties**”);
- (B) Rainy Hollow and SPUD propose to combine the business and assets of Rainy Hollow and SPUD by way of a statutory plan of arrangement under Section 288 of the BCBCA (as defined herein) pursuant to which Rainy Hollow will acquire all of the issued and outstanding SPUD Shares (as defined herein) in exchange for Post-Consolidation Rainy Hollow Shares (as defined herein), and replace all SPUD Convertible Securities (as defined herein) with Rainy Hollow Replacement Securities (as defined herein), on the basis of the Exchange Ratio (as defined herein) to create the Resulting Issuer (as defined herein), and upon completion thereof, the common shares of the Resulting Issuer will be listed and posted for trading on the TSX Venture Exchange (the “**TSXV**”) or the Toronto Stock Exchange (“**TSX**”), as the case may be; and
- (C) the proposed transaction between the Parties will consist of a reverse take-over of Rainy Hollow by SPUD and shall be the Qualifying Transaction of Rainy Hollow under Policy 2.4 – *Capital Pool Companies* of the TSXV;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the premises and the respective covenants and agreements herein contained, the Parties covenant and agree as follows:

ARTICLE 1 – INTERPRETATION

Definitions

1.1 In this Agreement and the recitals hereto, unless something in the subject matter or context is inconsistent therewith:

“**1933 Act**” means the U.S. Securities Act of 1933, as amended from time to time;

“**Agents**” means the Co-Lead Agents, Cormark Securities Inc. and PI Financial Corp.;

“**Agreement**” means this Arrangement Agreement, including the Exhibits hereto, as the same may be supplemented or amended from time to time;

“Alternative Transaction” has the meaning set forth in Section 7.3;

“Applicable 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, as such may be amended from time to time prior to the Effective Date;

“Applicable Law(s)” means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies and guidelines, judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decision, rulings or awards, including general principles of common and civil law, and the terms and conditions of any grant of approval, permission, authority or licence of any Government Authority, that, in a context that refers to one or more Persons apply to the Person or Persons, or its or their business, undertaking, property or shares, and emanate from a Government Authority having jurisdiction over the Person or Persons or its or their business, undertaking, property or shares;

“ARCA” means the amended and restated credit agreement dated July 31, 2020 among Fonds Agro WF S.E.C./WF Agro Fund L.P. as the initial lender and the agent, SPUD as borrower and the Subsidiaries named therein as guarantors, as amended to the date hereof;

“Arrangement” means an arrangement under the provisions of Section 288 of the BCBCA, on the terms and conditions set forth in the Plan of Arrangement, as amended or varied from time to time in accordance with the terms of this Agreement, the Plan of Arrangement or at the direction of the Court in the Final Order, with the prior written consent of Rainy Hollow and SPUD, each acting reasonably;

“BCBCA” means the *Business Corporations Act* (British Columbia);

“Business Day” means any day other than a Saturday or Sunday or statutory holiday in the Province of British Columbia, upon which banks generally are open for business in the city of Vancouver, British Columbia;

“Co-Lead Agents” means Canaccord Genuity Corp. and Desjardins Securities Inc.;

“Code” means the United States Internal Revenue Code of 1986, as amended;

“Contaminant” means and includes, without limitation, any pollutants, contaminants, chemicals, industrial, toxic or hazardous wastes, materials or substances or any other matter including any of the foregoing, as defined or described as such pursuant to any Environmental Laws.

“Court” means the Supreme Court of British Columbia, as applicable;

“COVID-19” means the coronavirus disease 2019 (dubbed as COVID-19), caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) and/or any other virus or disease developing from or arising as a result of SARS-CoV-2 and/or COVID-19;

“Debt Instrument” means any agreement, note, loan, bond, debenture, indenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability to which SPUD is a party or otherwise bound;

“Disclosed Personal Information” has the meaning set forth in Section 3.4(b);

“Dissent Rights” means the rights of dissent in respect of the Arrangement described in the Plan of Arrangement;

“Earlston” means Earlston Management Corp.;

“Earlston Agreement” means the corporate services agreement dated January 17, 2018 between Rainy Hollow and Earlston by which Earlston provides administrative, accounting, corporate and regulatory filing services to Rainy Hollow;

“Effective Date” has the meaning set forth in the Plan of Arrangement;

“Effective Time” has the meaning set forth in the Plan of Arrangement;

“Encumbrance” means any encumbrance of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, right of first refusal, acquisition right, privilege, easement, right of way, servitude, restrictive covenant, right of use or any other right or claim of any kind or nature whatsoever which affects ownership or possession of, or title to, any interest in, or right to use or occupy property or assets;

“Environmental Laws” means all Applicable Laws imposing obligations, responsibilities, liabilities or standards of conduct for or relating to: (a) the regulation or control of pollution, contamination, activities, materials, substances or wastes in connection with or for the protection of human health or safety, the environment or natural resources (including climate, air, surface water, groundwater, wetlands, land surface, subsurface strata, wildlife, aquatic species and vegetation); or (b) the use, generation, disposal, treatment, processing, recycling, handling, transport, distribution, destruction, transfer, import, export or sale of Contaminants;

“Environmental Activity” means and includes, without limitation, any past, present or contemplated activity, event or circumstance in respect of a physical disturbance of the environment or a Contaminant, including, without limitation, the storage, use, holding, collection, purchase, accumulation, generation, manufacture, processing, treatment, stabilization, disposition, handling or transportation thereof, or the release, escape, leaching, dispersal or migration thereof into the natural environment, including the movement through or in the air, soil, surface water or groundwater;

“Equity Participation Rights” means (a) the letter agreement dated November 23, 2017 between SPUD and Wal-Mart Canada Corp.; and (b) the letter agreement dated July 30, 2020 between SPUD and Carrefour SA;

“Escrowed Shares” means 1,700,000 Rainy Hollow Shares held subject to a capital pool company escrow agreement dated April 26, 2018 among Rainy Hollow, Computershare Investor Services Inc., as escrow agent, and certain shareholders of Rainy Hollow;

“Exchange Ratio” has the meaning attributed thereto in the Plan of Arrangement;

“Filing Statement” means the filing statement of Rainy Hollow to be prepared jointly by Rainy Hollow and SPUD in respect of the Qualifying Transaction of Rainy Hollow in accordance with Policy 2.4 – *Capital Pool Companies* of the TSXV;

“Final Exchange Bulletin” means the TSXV bulletin that evidences the final TSXV acceptance of the Arrangement as the Qualifying Transaction of Rainy Hollow;

“Final Order” means the order of the Court approving the Arrangement under Section 291 of the BCBCA, after being informed of the intention to rely upon the exemption from the registration requirements under Section 3(a)(10) of the 1933 Act with respect to the issuance of the Post-Consolidation Rainy Hollow Shares issuable as consideration and the issuance of the Rainy Hollow Replacement Options and Rainy Hollow Replacement Warrants pursuant to the Arrangement, in form and substance acceptable to the SPUD and Rainy Hollow, each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of both the SPUD and Rainy Hollow, each acting reasonably) at any time prior to the Effective Date or, if appealed, as affirmed or amended (provided that any such amendment, modification, supplement or variation is acceptable to both the SPUD and Rainy Hollow, each acting reasonably) on appeal unless such appeal is withdrawn, abandoned or denied;

“Government Authority” means any foreign, national, provincial, local or state government, any political subdivision or any governmental, judicial, public or statutory instrumentality, court, tribunal, agency (including those pertaining to health, safety or the environment), authority, body or entity, or other regulatory bureau, authority, body

or entity having legal jurisdiction over the activity or Person in question and, for greater certainty, includes the TSXV or the TSX, as applicable;

“**IFRS**” means the international financial reporting standards issued by the International Accounting Standards Board that are applicable to public issuers in Canada;

“**Interim Order**” means the interim order of the Court to be issued following the application therefor contemplated by Section 2.3 in form and substance acceptable to SPUD and Rainy Hollow, each acting reasonably, providing for, among other things, the calling and holding of the SPUD Meeting, as such order may be affirmed, amended, modified, supplemented or varied by the Court with the consent of both SPUD and Rainy Hollow, each acting reasonably;

“**Investors’ Rights Agreement**” means the amended and restated investors’ rights agreement dated July 31, 2020 among SPUD, Peter van Stolk, Fonds Agro WF S.E.C./ WF Agro Fund L.P., Serious Change Management LLC, as general partner of Serious Change LP, Renewal Partners Company, Renewal2 General Partner Ltd., as general partner of Renewal2 Social Investment Fund Limited Partnership, Fidelity Special Situations Fund, Fidelity Canadian Growth Company Fund, Rudolf Steiner Foundation, Inc., RSF Social Investment Fund Inc., Divyesh Gadhia, Garnett Canada Holdings Ltd. and CIC Capital Ventures Inc.;

“**Legal Proceeding**” means any claim, action, suit, complaint, demand, litigation, arbitration, prosecution, contest, hearing, inquiry, investigation, inquest, audit or other proceeding of any nature, civil, criminal, regulatory or otherwise, in law or in equity, pending or threatened, by or before any court, tribunal, arbitrator or other Government Authority;

“**Letter Agreement**” has the meaning set forth in the Recitals;

“**Lock-Up Agreements**” means the Rainy Hollow Lock-Up Agreement and the SPUD Lock-Up Agreements;

“**Material Adverse Change**” means any one or more changes, effects, events, occurrences or states of facts that, either individually or in the aggregate, have, or would reasonably be expected to have, a Material Adverse Effect on the applicable Party;

“**Material Adverse Effect**” means, in respect of any Party, any change, development, effect, event, circumstance, fact or occurrence that, individually or in the aggregate with other such changes, developments, effects, events, circumstances, facts or occurrences, is or would reasonably be expected to be material and adverse to the business, condition (financial or otherwise), properties, assets (tangible or intangible), liabilities (including any contingent liabilities), operations or results of operations of such Party and its subsidiaries, taken as a whole, except, any change, development, effect, event, circumstance, fact or occurrence resulting from or relating to:

- (a) the negotiation, execution, announcement, performance or pendency of this Agreement or the transactions contemplated hereby including any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of such Party or its subsidiaries with their respective employees, customers, suppliers, partners and other Persons with which such Party or its subsidiaries has business relations;
- (b) global, national or regional political conditions or general economic business or regulatory conditions;
- (c) the commencement or continuation of any war, armed hostilities or acts of terrorism;
- (d) the state of national or global financial, credit, currency exchange, securities or commodity markets or interest rates;
- (e) any adoption, proposed implementation or change in IFRS or the interpretation thereof;
- (f) any generally applicable change in Applicable Laws or regulations (other than orders, judgments or decrees against such Party or any of its subsidiaries);

- (g) any natural disaster epidemic, pandemic or disease outbreak, including the COVID-19 pandemic;
- (h) any change generally affecting the industries in which such Party and its subsidiaries conduct their businesses;
- (i) any action or inaction taken by such Party or any of its subsidiaries that is required or permitted pursuant to this Agreement or that is taken with the prior written consent of the other Party; or
- (j) the failure of such Party to achieve any internal or public projections, forecast or estimates of revenue, earnings or other financial or production metrics before, on or after the date of this Agreement (it being understood that the causes underling such failure (other than those in items (a) to (i) above) may be taken into account in determining whether a Material Adverse Effect has occurred),

provided, however, that with respect to clauses (b), (d), (f) and (h), such change, development, effect, event, circumstance, fact or occurrence does not have a materially disproportionate effect on such Party and its subsidiaries, taken as a whole, relative to other companies operating in the industry in which such Party and/or its subsidiaries operate and further provided that references in certain Sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative for purposes of determining whether a “Material Adverse Effect” has occurred;

“**Name Change**” means the proposed named change of Rainy Hollow from “Rainy Hollow Ventures Inc.” to “Sustainable Produce Urban Delivery Inc.” or such other name as may be agreed to by SPUD and Rainy Hollow and accepted by relevant regulatory authorities;

“**Ordinary Resolution**” means a resolution passed by a simple majority of the votes cast by the shareholders who voted in respect of that resolution;

“**Outside Date**” means April 22, 2021;

“**Parties**” has the meaning set forth in the Recitals and “**Party**” means either SPUD or Rainy Hollow, as the context requires;

“**Permitted Encumbrances**” means (a) all Encumbrances granted in favour of Fonds Agro WF S.E.C./WF Agro Fund L.P., as agent in connection with the ARCA, (b) all Encumbrances in favour of Alberta Treasury Branches, and (c) any Encumbrance which may be granted in favour of Silicon Valley Bank pursuant to any definitive agreement entered into between SPUD as borrower and Silicon Valley Bank as lender based on the proposed debt financing term sheet signed by the same dated December 7, 2020;

“**Person**” includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate group, body corporate, corporation, unincorporated association or organization, Government Authority, syndicate or other entity, whether or not having legal status;

“**Plan of Arrangement**” means the plan of arrangement substantially in the form of the plan of arrangement set out as Exhibit A hereto and any amendment or variation thereto made in accordance with Section 6.1 hereof;

“**Post-Consolidation Rainy Hollow Shares**” means the common shares in the capital of Rainy Hollow after giving effect to the Rainy Hollow Consolidation;

“**Qualifying Transaction**” has the meaning set forth in Policy 2.4 – *Capital Pool Companies* of the TSXV;

“**Rainy Hollow**” means Rainy Hollow Ventures Inc., a corporation existing under the BCBCA;

“**Rainy Hollow Consolidation**” means a consolidation of the common shares in the capital of Rainy Hollow on a one post-consolidation common share for eight pre-consolidation common shares basis to be effected immediately prior to the Effective Time;

“Rainy Hollow Financial Statements” means the audited financial statements of Rainy Hollow for the year ended November 30, 2019 and for the period from incorporation on January 17, 2018 to November 30, 2018, and the unaudited financial statements of Rainy Hollow for the nine month period ended August 31, 2020;

“Rainy Hollow Lock-Up Agreement” means the lock-up agreement for an aggregate of 175,000 Post-Consolidation Rainy Hollow Shares signed by Ionic Securities Ltd. in relation to the Arrangement and addressed to the Co-Lead Agents and SPUD;

“Rainy Hollow Options” means all outstanding incentive stock options exercisable to acquire Rainy Hollow Shares governed by the Rainy Hollow Stock Option Plan;

“Rainy Hollow Stock Option Plan” means the stock option plan of Rainy Hollow approved by Rainy Hollow Shareholders on October 8, 2020;

“Rainy Hollow Public Documents” means all documents or information filed on or on behalf of Rainy Hollow on SEDAR or otherwise in compliance with or intended compliance with Applicable Law;

“Rainy Hollow Replacement Options” means options issued to the SPUD Optionholders pursuant to the Rainy Hollow Stock Option Plan to purchase Post-Consolidation Rainy Hollow Shares, in exchange for their SPUD Options on similar terms as those set forth in their respective SPUD Options;

“Rainy Hollow Replacement Securities” means the Rainy Hollow Replacement Options, the Rainy Hollow Replacement Warrants and the Rainy Hollow Replacement Broker Warrants;

“Rainy Hollow Replacement Warrants” means warrants issued to the SPUD Warrantholders by Rainy Hollow to purchase Post-Consolidation Rainy Hollow Shares, in exchange for their SPUD Warrants on similar terms as those set forth in their respective SPUD Warrants;

“Rainy Hollow Replacement Broker Warrants” means warrants issued to the SPUD Broker Warrantholders by Rainy Hollow to purchase Post-Consolidation Rainy Hollow Shares, in exchange for their SPUD Broker Warrants on similar terms as those set forth in their respective SPUD Broker Warrants;

“Rainy Hollow Shareholders” means holders of Rainy Hollow Shares or Post-Consolidation Rainy Hollow Shares, as the context requires;

“Rainy Hollow Shares” means the common shares in the capital of Rainy Hollow prior to giving effect to the Rainy Hollow Consolidation;

“Release Notice” will have the meaning ascribed thereto in the Subscription Receipt Agreement, in the event the Subscription Receipt Agreement is entered into by the relevant Parties;

“Resulting Issuer” means the corporation continuing from the Arrangement and existing upon issuance of the Final Exchange Bulletin, to be known as “Sustainable Produce Urban Delivery Inc.” or such other name as may be agreed to by SPUD and Rainy Hollow and accepted by the relevant regulatory authorities;

“Section 3(a)(10) Exemption” has the meaning set forth in Section 2.11;

“SEDAR” means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators;

“Special Resolution” means a resolution passed by a majority of not less than two-thirds of the votes cast by the shareholders who voted in respect of that resolution;

“SPUD” means Sustainable Produce Urban Delivery Inc., a corporation existing under the BCBCA;

“SPUD Arrangement Resolution” means the Special Resolution approving the Arrangement to be considered at the SPUD Meeting;

“SPUD Broker Warrants” means the following series of common share purchase warrants issued or to be issued by SPUD to brokers or agents of SPUD: (a) the broker warrants issued to various brokers of SPUD in tranches on November 20, 2013, April 30, 2015 and November 9, 2016 and exercisable in respect of 564,136 SPUD Shares; (b) 124,000 agent warrants issued to the Co-Lead Agents on October 21, 2020 as part of their compensation in relation to the offering of SPUD Convertible Debentures completed on October 21, 2020; and (c) the agent warrants to be issued to the Agents on or around December 23, 2020 as part of their compensation in relation to the SPUD Financing;

“SPUD Convertible Debentures” means the issued and outstanding unsecured senior convertible debentures of SPUD in the aggregate principal amount of \$15.5 million issued October 21, 2020;

“SPUD Convertible Debenture Holders” means holders of the SPUD Convertible Debentures;

“SPUD Convertible Notes” means the notes convertible into SPUD Shares, issued pursuant to the ARCA;

“SPUD Convertible Note Holder” means a holder of SPUD Convertible Notes;

“SPUD Convertible Securities” means the SPUD Options, the SPUD Warrants and the SPUD Broker Warrants;

“SPUD Financial Statements” means the unaudited consolidated financial statements of SPUD for the year ended October 3, 2020 and the audited consolidated financial statements of SPUD for the years ended September 28, 2019 and September 29, 2018;

“SPUD Financing” means a private placement to be conducted by SPUD, in one or multiple tranches, pursuant to which SPUD will issue SPUD Subscription Receipts prior to the Arrangement, for aggregate gross proceeds of up to \$25,000,000 at a price of \$7.50 per SPUD Subscription Receipt, excluding the option granted to the Agents to offer for sale up to an additional 15% of the SPUD Subscription Receipts issued under the SPUD Financing;

“SPUD Information Circular” means the information circular to be sent to SPUD Shareholders in connection with the SPUD Meeting;

“SPUD Lock-Up Agreements” means the lock-up agreements signed by insiders of SPUD and certain SPUD Shareholders in relation to the SPUD Financing and the Arrangement and addressed to the Co-Lead Agents;

“SPUD Meeting” means the special meeting of SPUD Shareholders to be held to consider and, if thought fit, to approve the Arrangement, together with such other matters as are required to effect the Arrangement;

“SPUD Note Warrants” means the convertible loan warrants exercisable in respect of 3,600,000 SPUD Shares issued in connection with the ARCA and the SPUD Convertible Notes;

“SPUD Note Warrantholder” means a holder of SPUD Note Warrants;

“SPUD Options” means all outstanding incentive stock options exercisable to acquire SPUD Shares;

“SPUD Optionholders” means holders of SPUD Options;

“SPUD Shares” means the common shares in the capital of SPUD;

“SPUD Shareholders” means holders of SPUD Shares;

“SPUD Subscription Receipts” means the subscription receipts of SPUD that may be issued under the SPUD Financing, each of which would be deemed to be exercised and converted into one SPUD Share immediately prior to the Effective Time, without payment of any additional consideration and without further action on the part of the

holder thereof, upon satisfaction of the Subscription Receipt Agreement Escrow Release Conditions and delivery of the Release Notice, subject to adjustment in certain events;

“SPUD Subscription Receipt Holders” means holders of the SPUD Subscription Receipts;

“SPUD Subsidiaries” means 569672 BC Ltd., Organics Express Inc., Mainland Fresh Distribution Inc., Food-X Urban Delivery Inc., Food-X Technologies Inc., Food-X Technologies (eGMS) Inc., Be Fresh (AB) Inc., Blush Lane Organic Produce Ltd., Blush Lane Marda Loop Ltd. and Blush Lane Windsor Ltd.;

“SPUD Voting and Support Agreements” means the voting and support agreements signed by insiders of SPUD and certain SPUD Shareholders in relation to the Arrangement and the SPUD Meeting, addressed to Rainy Hollow, in a form to be agreed upon by Rainy Hollow and SPUD, each acting reasonably, whereunder such insiders and SPUD Shareholders will agree to vote in favour of the Arrangement all securities of SPUD now held or thereafter acquired by them that are entitled to vote on the matter at the SPUD Meeting;

“SPUD Warrants” means the common share purchase warrants exercisable in respect of 2,967,013 SPUD Shares to be issued immediately prior to the Effective Time pursuant to rights set forth in various subscription agreements for SPUD Shares entered into by SPUD and various subscribers, relating to various private placement financings of SPUD which closed between November 2018 and January 2020;

“SPUD Warrantholders” means holders of SPUD Warrants;

“Subscription Receipt Agreement” means the subscription receipt agreement to be entered into by SPUD, the Co-Lead Agents and the escrow agent appointed thereunder providing for the creation of, and governing the terms of, the Subscription Receipts;

“Subscription Receipt Agreement Escrow Release Conditions” will have the meaning ascribed thereto in the Subscription Receipt Agreement, in the event the Subscription Receipt Agreement is entered into by the relevant parties;

“Superior Proposal” has the meaning set forth in Section 7.5;

“Tax Act” means the *Income Tax Act* (Canada), including the regulations promulgated thereunder;

“TSX” has the meaning set forth in the Recitals; and

“TSXV” has the meaning set forth in the Recitals.

Headings

1.2 The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article or Section hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Exhibits are to Articles, Sections and Exhibits of this Agreement.

Number

1.3 In this Agreement, unless something in the context is inconsistent therewith, words importing the singular number only will include the plural and vice versa, words importing the masculine gender will include the feminine and neuter genders and vice versa, words importing Persons will include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

Date of Any Action

1.4 In the event that any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where the action is required to be taken, such action will be required to be taken on the next succeeding day which is a Business Day in such place.

Entire Agreement

1.5 This Agreement, together with the agreements and documents herein and therein referred to, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersedes the Letter Agreement and all other prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof.

Currency

1.6 All references to dollars or to \$ are references to Canadian dollars. In the event that that any amounts are required to be converted from a foreign currency to Canadian dollars or vice versa, such amounts shall be converted using the most recent daily average exchange rate of the Bank of Canada available before the relevant calculation date.

Knowledge

1.7 Where any representation or warranty is expressly qualified by reference to the knowledge of SPUD or words to like effect, it is deemed to refer to the actual knowledge of each of the Chief Executive Officer and Chief Financial Officer of SPUD, after due inquiry. Where any representation or warranty is expressly qualified by reference to the knowledge of Rainy Hollow or words to like effect, it is deemed to refer to the actual knowledge of the President, Chief Executive Officer and Chief Financial Officer of Rainy Hollow, after due inquiry.

Statutes

1.8 Any reference to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

Accounting Terms

1.9 Wherever in this Agreement reference is made to a calculation to be made or an action to be taken in accordance with IFRS, such reference will be deemed to be to the IFRS from time to time approved by the Canadian Institute of Chartered Accountants, the Canadian Accounting Standards Board or any successor institute, and applicable as at the date on which such calculation or action is made or taken or required to be made or taken.

ARTICLE 2 – ARRANGEMENT

Arrangement

2.1 The Parties agree to carry out the Arrangement pursuant and subject to the detailed steps contained in the Plan of Arrangement attached hereto as Exhibit A and subject to the terms and conditions of this Agreement.

2.2 The Arrangement is intended to be treated as Rainy Hollow's Qualifying Transaction in accordance with the policies of the TSXV.

Implementation of the Arrangement

2.3 SPUD will, as soon as reasonably practicable, apply to the Court pursuant to the BCBCA for the Interim Order.

2.4 If the approvals as required under the Interim Order are obtained, as soon as reasonably practicable thereafter, SPUD will take the necessary steps to submit the Arrangement to the Court and apply for the Final Order.

2.5 Subject to obtaining the Final Order and the satisfaction or waiver of any other conditions provided for in Article 5 (other than conditions that by their terms cannot be satisfied until the Effective Date, but subject to the satisfaction or, when permitted, waiver of those conditions as of the Effective Date), SPUD and Rainy Hollow will promptly cause to be filed all necessary documentation and take all steps and actions necessary to give effect to the Arrangement and carry out the terms of the Plan of Arrangement applicable to it.

2.6 The Parties shall use their commercially reasonable efforts to implement the Arrangement on the Effective Date, or as soon thereafter as reasonably practicable and in any event by the Outside Date.

Interim Order

2.7 The application referred to in Section 2.3 will, unless SPUD and Rainy Hollow otherwise agree, include a request that the Interim Order provide, among other things:

- (a) for the class of Persons to whom notice is to be provided in respect of the Arrangement, the SPUD Meeting and for the manner in which such notice is to be provided;
- (b) that the requisite approval for the SPUD Arrangement Resolution will be two-thirds of the votes cast on the SPUD Arrangement Resolution by SPUD Shareholders participating in Person or represented by proxy at the SPUD Meeting, each SPUD Share entitling the holder thereof to one vote on the SPUD Arrangement Resolution;
- (c) that, in all other respects, the terms, restrictions and conditions of SPUD's constating documents as in effect as of the date hereof, including quorum requirements and all other matters, will apply in respect of the SPUD Meeting;
- (d) for the grant of the Dissent Rights to registered holders of SPUD Shares;
- (e) for the notice, service, and standing requirements for the application to the Court for the Final Order;
- (f) that the SPUD Meeting may be adjourned or postponed from time to time by SPUD, subject to the provisions of this Agreement, without the need for additional approval of the Court;
- (g) notice to the Court that it is Rainy Hollow's intention to rely upon the Section 3(a)(10) Exemption in connection with the issuance of Rainy Hollow Post-Consolidation Shares, Rainy Hollow Replacement Options and Rainy Hollow Replacement Warrants in exchange for SPUD Shares, SPUD Options and SPUD Warrants, respectively, pursuant to the Plan of Arrangement;
- (h) confirmation of the record date for the purposes of determining the SPUD Shareholders entitled to receive material and vote at the SPUD Meeting in accordance with the Interim Order;
- (i) that the record date for SPUD Shareholders entitled to notice of, and to vote at, the SPUD Meeting will not change in respect of any adjournment(s) or postponement(s) of the SPUD Meeting; and
- (j) for such other matters as SPUD or Rainy Hollow may agree or may reasonably require.

SPUD Information Circular and SPUD Meeting

2.8 As promptly as practical following the execution of this Agreement, and in compliance with the Interim Order and Applicable Laws (including Applicable Canadian Securities Laws):

- (a) SPUD shall, in consultation with Rainy Hollow, fix and publish a record date for the purposes of determining the SPUD Shareholders entitled to receive notice of and vote at the SPUD Meeting in accordance with the Interim Order;
- (b) SPUD shall prepare the SPUD Information Circular and shall ensure that the SPUD Information Circular provides securityholders of SPUD with information in sufficient detail to permit them to form a reasoned judgment concerning the matters before them, in all cases ensuring compliance in all material respects with the Interim Order and all Applicable Canadian Securities Laws on the date of issue thereof;
- (c) SPUD shall provide Rainy Hollow and its representatives with a reasonable opportunity to review and comment on the SPUD Information Circular and any other relevant documentation, shall incorporate all reasonable comments made by Rainy Hollow and its counsel, and the SPUD Information Circular shall be reasonably satisfactory to Rainy Hollow before it is distributed to the securityholders of SPUD;
- (d) SPUD shall take all commercially reasonable lawful action to solicit proxies in favour of the Arrangement and other transactions contemplated herein, if required under Applicable Laws (including Applicable Canadian Securities Laws);
- (e) SPUD shall cause the SPUD Information Circular to be mailed to the securityholders of SPUD, and such other third parties as may be required pursuant to the Interim Order, and filed with applicable regulatory authorities and other Government Authorities in all jurisdictions where the same are required to be mailed and filed;
- (f) SPUD shall promptly advise Rainy Hollow as Rainy Hollow may reasonably request as to the aggregate tally of proxies received by SPUD in respect of the SPUD Arrangement Resolution;
- (g) SPUD shall promptly advise Rainy Hollow of any material communication (written or oral) from or claims brought by (or threatened to be brought by) any securityholder of SPUD in opposition to any aspect of the Arrangement; and
- (h) SPUD shall convene and conduct the SPUD Meeting in accordance with the Interim Order, the constating documents of SPUD and Applicable Laws.

Payment of Consideration

2.9 Following receipt of the Final Order and prior to the Effective Time, SPUD shall deliver or cause to be delivered to Rainy Hollow a certified copy of the SPUD Share register with the complete name and address of each SPUD Shareholder and the equivalent for any other SPUD securities as may be required, following which Rainy Hollow shall deliver or cause to be delivered to SPUD evidence of an executed treasury direction addressed to its registrar and transfer agent to issue, at the Effective Time, certificates representing the Post-Consolidation Rainy Hollow Shares issued as consideration pursuant to this Agreement.

Withholding Rights

2.10 Notwithstanding anything in this Agreement or the Plan of Arrangement to the contrary, SPUD and Rainy Hollow, as the case may be, will be entitled to deduct or withhold from any amount otherwise payable to any Person pursuant to this Agreement or the Plan of Arrangement and from all dividends or other distributions or other payments otherwise payable to any former securityholder of SPUD, such amounts as are required to be deducted or withheld with respect to the making of such payment under the Tax Act or any provision of applicable local, state, provincial or foreign tax law, in each case, as amended, or the administrative practice of the relevant governmental entity administering such law. To the extent that amounts are so deducted or withheld, such withheld amounts will be treated for all purposes of this Agreement and the Plan of Arrangement as having been paid or credited to the Person, in respect of which such deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate governmental entity in accordance with Applicable Laws.

U.S. Securities Law Matters

2.11 The Parties agree that the Arrangement will be carried out with the intention that all securities to be issued under the Arrangement will be issued in reliance on the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) of the 1933 Act (the “**Section 3(a)(10) Exemption**”), and similar exemptions under applicable state securities laws. In order to ensure the availability of the Section 3(a)(10) Exemption, the Parties agree that the Arrangement will be carried out on the following basis:

- (a) the Arrangement will be subject to the approval of the Court and the Court will hold a hearing approving the fairness of the terms and conditions of the Arrangement;
- (b) prior to the hearing required to approve the Arrangement, the Court will be advised as to the intention of the Parties to rely on the Section 3(a)(10) Exemption for all securities to be issued and exchanged under the Arrangement;
- (c) the Court will be required to satisfy itself as to the fairness of the Arrangement to the SPUD Shareholders, SPUD Optionholders and SPUD Warranholders in connection with the issuance to them of Post-Consolidation Rainy Hollow Shares, Rainy Hollow Replacement Options and Rainy Hollow Replacement Warrants in exchange for their SPUD Shares, SPUD Options and SPUD Warrants, respectively;
- (d) the Court will have determined, prior to approving the Arrangement, and the Final Order will expressly state, that the terms and conditions of the exchanges of securities under the Arrangement are fair to the SPUD Shareholders, SPUD Optionholders and SPUD Warranholders entitled to receive Post-Consolidation Rainy Hollow Shares, Rainy Hollow Replacement Options and Rainy Hollow Replacement Warrants, respectively;
- (e) SPUD will ensure that each SPUD Shareholder, SPUD Optionholder and SPUD Warranholder entitled to receive Post-Consolidation Rainy Hollow Shares, Rainy Hollow Replacement Options or Rainy Hollow Replacement Warrants pursuant to the Arrangement will be given adequate notice advising them of their right to attend the hearing of the Court at which approval of the Arrangement will be sought and providing them with sufficient information necessary for them to exercise that right; and
- (f) the Interim Order will specify that each SPUD Shareholder, SPUD Optionholder and SPUD Warranholder entitled to receive Post-Consolidation Rainy Hollow Shares, Rainy Hollow Replacement Options and Rainy Hollow Replacement Warrants, respectively, pursuant to the Arrangement will have the right to appear before the Court so long as they file a response to petition within the time specified in the Interim Order.

U.S. Income Tax Treatment.

2.12 Each of SPUD and Rainy Hollow intends, and undertakes and agrees to use its reasonable efforts to cause the Arrangement, and to take no action which would cause the Arrangement not, to constitute a “reorganization” within the meaning of Section 368(a) of the Code, and the U.S. Treasury Regulations promulgated thereunder (and as further described in Treas. Regulation §1.368-2(b)(ii) and §1.368-2(b)(ii), Examples 12 and 13) for federal income tax purposes. This Agreement shall constitute a “plan of reorganization” within the meaning of Section 368(a) of the Code for purposes of Sections 354, 356 and 361 of the Code (and any comparable provision of U.S. state law) for federal and applicable state income tax purposes. SPUD and Rainy Hollow shall prepare and file with each of their respective tax returns all information required by U.S. Treasury Regulations Section 1.368-3 and related provisions of the U.S. Treasury Regulations in a manner consistent with treating the transactions contemplated by this Agreement as a reorganization described in Section 368(a) of the Code and shall take no position (whether in audits, tax returns or otherwise) that is inconsistent with such treatment unless required to do so by applicable law.

ARTICLE 3 – REPRESENTATIONS AND WARRANTIES

Representations and Warranties of Rainy Hollow

3.1 Rainy Hollow represents and warrants to SPUD as follows and acknowledges that SPUD is relying upon such representations and warranties in connection with the transactions contemplated herein:

- (a) Rainy Hollow is a company duly organized, validly existing and in good standing under the BCBCA with respect to the filing of annual reports, has the corporate power to own or lease its property and assets and to carry on its business as now conducted by it, is duly licensed or qualified as a foreign corporation in each jurisdiction in which the character of the property and assets now owned by it or the nature of its business as now conducted by it requires it to be so licensed or qualified (save where failure to have such license or qualification would not constitute a Material Adverse Effect of Rainy Hollow) and has the corporate power to enter into this Agreement and perform its obligations hereunder;
- (b) the authorized capital of Rainy Hollow consists of an unlimited number of Rainy Hollow Shares, of which, as at the date hereof, 4,294,130 Rainy Hollow Shares are issued and outstanding as fully paid and non-assessable (1,700,000 of such Rainy Hollow Shares are Escrowed Shares) and 200,000 Rainy Hollow Shares are issuable on exercise of all outstanding Rainy Hollow Options;
- (c) except as described in Section 3.1(b) above, and as contemplated by this Agreement, no Person has any agreement, option, right, privilege or commitment (whether at law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase, subscription or issuance of, or conversion into, any unissued shares, securities, warrants or convertible obligations of any nature of Rainy Hollow;
- (d) other than the Escrow Agreement and the Rainy Hollow Lock-Up Agreement, Rainy Hollow is not a party to any agreement, nor is Rainy Hollow aware of any agreement, which in any manner affects or will affect the transfer, voting or control of any of the securities of Rainy Hollow;
- (e) Rainy Hollow has no knowledge of any shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the Rainy Hollow Shares;
- (f) Rainy Hollow does not have and will not implement any shareholder rights plan or any other form of plan, agreement, contract or instrument that will trigger any rights to acquire Rainy Hollow Shares or other securities of Rainy Hollow or rights, entitlements or privileges in favour of any Person upon the entering into of this Agreement or in connection with the Arrangement;
- (g) the Rainy Hollow Financial Statements present fairly, in all material respects, the financial position of Rainy Hollow at the relevant dates and the results of its operations and the changes in its financial position for the periods indicated in the Rainy Hollow Financial Statements, have been prepared in accordance with IFRS consistently applied (except (i) as otherwise indicated in such financial statements and the notes thereto or (ii) in the case of unaudited interim financial statements, subject to normal period end adjustments), and do not omit to state any material fact required by IFRS or by Applicable Laws to be stated or reflected therein or which is necessary to make the statements contained therein not misleading;
- (h) there are reasonable grounds for believing that no creditor of Rainy Hollow will be materially prejudiced by the Arrangement;
- (i) Rainy Hollow is presently able to pay its liabilities as they become due. Rainy Hollow has not made any assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, and no petition for a receiving order has been presented in respect of it. Rainy Hollow has not initiated proceedings with respect to a compromise or arrangement with its creditors, or for

winding-up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of Rainy Hollow or its assets and no execution or distress has been levied on any of such assets, nor have proceedings been commenced in respect of any of the foregoing;

- (j) the execution and delivery of this Agreement and the consummation of the Arrangement does not and will not:
 - (i) conflict with, result in a breach of or violate any term or provision of the constating documents of Rainy Hollow;
 - (ii) conflict with, result in a breach of, cause the revocation or termination of, constitute a default under, trigger or accelerate or permit the triggering or the acceleration of the performance required by, any agreement, instrument, licence, permit or authority to which Rainy Hollow is a party or by which it is bound or to which any property of Rainy Hollow is subject or result in the creation of any Encumbrance upon any of the assets of Rainy Hollow under any such agreement or instrument, or give to others any material interest or rights, including rights of purchase, termination, cancellation, triggering or acceleration, entitle them to payments not otherwise payable or the issuance of securities not otherwise issuable under any such agreement, instrument, licence, permit or authority; or
 - (iii) violate any provision of law or administrative regulation or any judicial or administrative order, award, judgment or decree applicable to Rainy Hollow;
- (k) the execution, delivery and performance of this Agreement has been duly approved by the board of directors of Rainy Hollow and no other corporate proceedings on the part of Rainy Hollow are necessary to authorize this Agreement and the consummation of the Arrangement, including for the Rainy Hollow Consolidation and the Name Change. This Agreement has been duly executed and delivered by Rainy Hollow and constitutes a legal, valid and binding obligation of Rainy Hollow, enforceable against it in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary;
- (l) the Articles of Incorporation of Rainy Hollow do not require approval of the Name Change or Consolidation by the Rainy Hollow Shareholders;
- (m) Rainy Hollow has not incurred nor will incur any liability for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement or the Arrangement;
- (n) there are no Legal Proceedings commenced, nor, to the knowledge of Rainy Hollow, contemplated or threatened against or affecting Rainy Hollow, by any Person or before any arbitrator of any kind which has or could reasonably be expected to have the effect of prohibiting, restricting or impairing its business or if determined adversely to Rainy Hollow would constitute a Material Adverse Effect of Rainy Hollow;
- (o) Rainy Hollow has no material outstanding indebtedness, liability or obligation, whether accrued, absolute, contingent or otherwise, required to be disclosed in the liability column of a balance sheet prepared in accordance with IFRS, other than those disclosed in the Rainy Hollow Financial Statements, those which relate to the proposed Arrangement or those incurred in the ordinary course since the date of the most recent Rainy Hollow Financial Statements;
- (p) Rainy Hollow does not own a direct or indirect voting or equity interest in any Person and has no agreement or other commitment to acquire such an interest;

- (q) Rainy Hollow is not a party to any agreement other than this Agreement and ancillary agreements reasonably necessary to complete the Arrangement and those agreements disclosed in the Rainy Hollow Public Documents or otherwise disclosed to SPUD.
- (r) the corporate records and minute books of Rainy Hollow as required to be maintained by it under the laws of its jurisdiction of incorporation contain minutes of all meetings of its directors and shareholders and all resolutions consented to in writing and are complete and accurate in all material respects;
- (s) the financial books, records and accounts of Rainy Hollow have, in all material respects, been maintained in accordance with good business practices on a basis consistent with prior years, in accordance with IFRS and, in each case, are stated in reasonable detail and accurately and fairly reflect the material transactions of Rainy Hollow;
- (t) there has never been a reportable disagreement (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) with the present auditors of Rainy Hollow;
- (u) (i) Rainy Hollow has duly filed on a timely basis all tax returns required to be filed by it and such tax returns are correct and complete in all material respects; (ii) Rainy Hollow has paid all taxes which are due and payable, and has paid all assessments and reassessments, and all other taxes, governmental charges, penalties, interest and fines due and payable on or before the date hereof; (iii) adequate provision has been made for taxes payable for the current period for which tax returns are not yet required to be filed; (iv) there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by, or payment of any tax, governmental charge or deficiency against Rainy Hollow; (v) to the knowledge of Rainy Hollow, there are no Legal Proceedings now threatened or pending against Rainy Hollow in respect of taxes, governmental charges or assessments, or any matters under discussion with any Governmental Authority relating to taxes, governmental charges or assessments asserted by any such authority; (vi) since the publication date of the Rainy Hollow Financial Statements, no material liability in respect of taxes not reflected in such Rainy Hollow Financial Statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the ordinary course of business; (vii) Rainy Hollow has not received any refund of taxes to which it was not entitled; (viii) Rainy Hollow has withheld and collected all amounts required by Applicable Law to be withheld or collected by them on account of taxes and has remitted all such amounts to the appropriate Government Authority within the time prescribed under any Applicable Law; (ix) to the knowledge of Rainy Hollow, there are no liens for taxes upon any property or asset of Rainy Hollow, except liens for current taxes not yet due; (x) Rainy Hollow is not subject to any liability for taxes of any other Person; (xi) Rainy Hollow is not subject to any joint venture, partnership or other arrangement or contract that is treated as a partnership for income tax purposes in any jurisdiction; (xii) Rainy Hollow is not a party to any agreement, understanding, or arrangement relating to allocating or sharing any amount of taxes; (xiii) Rainy Hollow is a “taxable Canadian corporation” for the purposes of the Tax Act; (xiv) Rainy Hollow is not, and will not be at the Effective Time, a “non-resident” as that term is used for the purposes of the Tax Act; and (xv) no claim has ever been made by a Government Authority in respect of taxes in a jurisdiction where Rainy Hollow does not file tax returns that Rainy Hollow is or may be subject to tax by that jurisdiction;
- (v) the Rainy Hollow Shares are listed and posted for trading on the TSXV and on no other stock exchange;
- (w) Rainy Hollow is a “reporting issuer” and not on the list of reporting issuers in default under Applicable Canadian Securities Laws in the provinces of British Columbia, Alberta and Ontario. Rainy Hollow is in compliance, in all material respects, with all Applicable Canadian Securities Laws and there are no current, pending or, to the knowledge of Rainy Hollow, threatened Legal Proceedings before any securities regulatory authority relating to any alleged non-compliance with any Applicable Canadian Securities Laws. Rainy Hollow is in material compliance with the rules and policies of the TSXV. No delisting, suspension of trading in or cease trading order with respect

to any securities of Rainy Hollow and, to the knowledge of Rainy Hollow, no inquiry or investigation (formal or informal) of any securities regulatory authority or the TSXV, is in effect or ongoing or, to the knowledge of Rainy Hollow, expected to be implemented or undertaken, except that the Rainy Hollow Shares were halt traded on February 27, 2020 following the disclosure by Rainy Hollow of a letter of intent entered into between Rainy Hollow and Reciprocity Corp. dated February 26, 2020 and will remain halted until, among other things, Rainy Hollow completes a Qualifying Transaction in accordance with the policies of the TSXV;

- (x) Rainy Hollow has filed all documents and information required to be filed by it in accordance with Applicable Canadian Securities Laws with the applicable securities regulatory authorities. All such documents and information of their respective dates (or, if amended, as of the date of such amendment) (i) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, and (ii) complied in all material respects with the requirements of Applicable Canadian Securities Laws. Rainy Hollow has not filed any confidential material change report with any securities regulatory authorities that at the date of this Agreement remains confidential;
- (y) to the knowledge of Rainy Hollow, Rainy Hollow has, at all times, conducted its operations in compliance with all Applicable Laws, other than acts of non-compliance which, in the aggregate, are not material, and Rainy Hollow has not received notice that it has not operated in compliance with Applicable Law;
- (z) Rainy Hollow is a “capital pool company” (as defined in the policies of the TSXV) and has not conducted any business operations other than to pursue a Qualifying Transaction;
- (aa) Rainy Hollow has all requisite corporate capacity, power and authority, and possesses all authorizations issued by the appropriate Government Authority necessary to conduct the business as now conducted by it and which it will conduct and to own its assets and is in compliance in all material respects with such authorizations and has not received any notice of Legal Proceedings relating to the revocation or modification of any such authorization which, singly or in the aggregate, if the subject of an unfavourable decision, order, finding or ruling, would materially and adversely affect the conduct of the business, operations, financial condition, income or future prospects of Rainy Hollow;
- (bb) except to the extent that Rainy Hollow must comply with the policies of the TSXV, it is not a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of Rainy Hollow to compete in any line of business, or to transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of Rainy Hollow taken as a whole or which would prohibit or restrict Rainy Hollow from entering into and completing the Arrangement;
- (cc) the only material assets of Rainy Hollow consist of cash or cash equivalents, all of which are owned by Rainy Hollow, free and clear of all Encumbrances;
- (dd) there is no indebtedness or liability of Rainy Hollow to any Person which might, by operation of law or otherwise, now or hereafter constitute or be capable of resulting in or forming an Encumbrance upon any of the material assets of Rainy Hollow;
- (ee) Rainy Hollow has not sold or otherwise disposed of or entered into any agreement to sell or otherwise dispose of any of its material assets;
- (ff) there has been no Material Adverse Effect on Rainy Hollow since November 30, 2019;
- (gg) provided that adequate distribution is created in the SPUD Financing, Rainy Hollow will have adequate distribution as required under the TSXV’s Policy 2.1 – *Initial Listing Requirements*;

- (hh) there are no material contracts or agreements to which Rainy Hollow is a party, or by which it is bound, other than the Earlston Agreement and as disclosed in the information filed by Rainy Hollow on the SEDAR website at www.sedar.com under Rainy Hollow's profile;
- (ii) to the knowledge of Rainy Hollow, no party is in default in the observance or performance of any term or obligation to be performed by it under any material contracts or agreements to which Rainy Hollow is a party and no event has occurred which with notice or lapse of time or both would directly or indirectly constitute such a default, in any such case which default or event would reasonably be expected to be material to the business of Rainy Hollow;
- (jj) to the knowledge of Rainy Hollow, Rainy Hollow has performed all of the obligations required to be performed by it and is entitled to all benefits under, and Rainy Hollow has not received notice or advice alleging it to be in default of, any contract;
- (kk) Rainy Hollow is not in breach of any agreement to which Rainy Hollow is a party due to any engagement of an agent or agents in connection with the SPUD Financing;
- (ll) other than the Earlston Agreement, Rainy Hollow is not a party to or bound by any agreement with, is not indebted to, and no amount is owing to Rainy Hollow by, any officers, former officers, directors, former directors, shareholders, former shareholders, employees or former employees of Rainy Hollow or any Persons not dealing at "arm's length" (as such term is defined in the Tax Act) with any of the foregoing. Since August 31, 2020, Rainy Hollow has not made or authorized any payments to any officers, former officers, directors, former directors, shareholders, former shareholders, employees or former employees of Rainy Hollow or to any Persons not dealing at "arm's length" (as such term is defined in the Tax Act) with any of the foregoing;
- (mm) other than as disclosed in the Rainy Hollow Public Documents, Rainy Hollow has not guaranteed, endorsed, assumed, indemnified or accepted any responsibility for, and does not and will not guarantee, endorse, assume, indemnify or accept any responsibility for, contingently or otherwise, any indebtedness or the performance of any obligation of any Person;
- (nn) since January 17, 2018, the business of Rainy Hollow has been carried on in its usual and ordinary course;
- (oo) there are no policies of insurance in force and effect force as of the date hereof naming Rainy Hollow as an insured;
- (pp) to the knowledge of Rainy Hollow, other than in connection with or in compliance with the provisions of Applicable Laws in relation to the completion of the Arrangement or which are required to be fulfilled post Arrangement, and except for the requisite approvals of the Court, applicable Governmental Authorities and the TSXV or TSX, no filing or registration with, or authorization, consent or approval of, any domestic or U.S. public body or authority is required of Rainy Hollow in connection with the consummation of the Arrangement, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals which, if not received, would not, individually or in the aggregate, have a Material Adverse Effect on Rainy Hollow, or materially impede the ability of Rainy Hollow to consummate the Arrangement;
- (qq) Rainy Hollow is not a party to any written management contract or employment agreement, including without limitation, any contract which provides for the payment of severance in lieu of notice upon termination thereof or for a right of payment in the event of a change in control of Rainy Hollow;
- (rr) to the knowledge of Rainy Hollow, Rainy Hollow has not, directly or indirectly, (i) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction or (ii) made any contribution to any candidate for public office, in either case, where either the payment or the

purpose of such contribution, payment or gift was, is, or would be prohibited under the *Canada Corruption of Foreign Public Officials Act* (Canada) or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the rules and regulations promulgated thereunder or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to Rainy Hollow and its operations; and

- (ss) Rainy Hollow is not classified as a U.S. corporation for U.S. income tax purposes (including, without limitation, under Section 7874 of the Code or the U.S. Treasury Regulations promulgated thereunder) and does not expect the transactions contemplated hereunder to cause it to become an inverted corporation within the meaning of Section 7874 of the Code.

Representations and Warranties of SPUD

3.2 SPUD represents and warrants to Rainy Hollow as follows and acknowledges that Rainy Hollow is relying upon such representations and warranties in connection with the transactions contemplated herein:

- (a) each of SPUD and the SPUD Subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation with respect to the filing of annual returns, has the corporate power to own or lease its property and assets and to carry on its business as now conducted by it, is duly licensed or qualified as a foreign corporation in each jurisdiction in which the character of the property and assets now owned by it or the nature of its business as now conducted by it requires it to be so licensed or qualified (save where failure to have such license or qualification would not constitute a Material Adverse Effect on SPUD) and SPUD has the corporate power to enter into this Agreement and perform its obligations hereunder;
- (b) the authorized capital of SPUD consists of an unlimited number of SPUD Shares, of which, as at the date hereof, 35,536,681 SPUD Shares are issued and outstanding as fully paid and non-assessable;
- (c) except as contemplated by this Agreement, no Person has any agreement, option, right, privilege or commitment (whether at law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase, subscription or issuance of, or conversion into, any unissued shares, securities, warrants or convertible obligations of any nature of SPUD, except for (i) the Investors' Rights Agreement, (ii) the Equity Participation Rights, (iii) an aggregate of 4,437,200 SPUD Shares reserved for issuance pursuant to outstanding SPUD Options, (iv) an aggregate of 2,967,013 SPUD Shares reserved for issuance pursuant to the SPUD Warrants to be issued prior to the Effective Date, (v) the SPUD Convertible Notes, (vi) an aggregate of 3,600,000 SPUD Shares reserved for issuance pursuant to the SPUD Note Warrants, (vii) the SPUD Broker Warrants, (viii) an aggregate of 2,431,365 SPUD Shares reserved for issuance pursuant to outstanding SPUD Convertible Debentures, and (ix) the SPUD Subscription Receipts, to the extent they are issued and outstanding prior to the entering into of this Agreement;
- (d) except for the Investors' Rights Agreement, the SPUD Lock-Up Agreements and the SPUD Voting and Support Agreements, SPUD is not a party to any agreement, nor is SPUD aware of any agreement, which in any manner affects or will affect the transfer, voting or control of any of the securities of SPUD;
- (e) except for the Investors' Rights Agreement and the SPUD Voting and Support Agreements, neither SPUD nor any of the SPUD Subsidiaries is a party to any agreement, nor does SPUD have knowledge of any shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the SPUD Shares or other securities of SPUD or any of the SPUD Subsidiaries;
- (f) SPUD does not have and will not implement any shareholder rights plan or any other form of plan, agreement, contract or instrument that will trigger any rights to acquire SPUD Shares or other

securities of SPUD or rights, entitlements or privileges in favour of any Person upon the entering into of this Agreement or in connection with the Arrangement;

- (g) SPUD has no subsidiaries other than the SPUD Subsidiaries. SPUD does not own a direct or indirect voting or equity interest in any Person other than the SPUD Subsidiaries and has no agreement or other commitment to acquire such an interest; the authorized and issued securities of each of the SPUD Subsidiaries is as disclosed to Rainy Hollow in Exhibit B. Except for Blush Lane Organic Produce Ltd. and Blush Lane Marda Loop Ltd., SPUD legally and beneficially owns all of the issued and outstanding shares in the capital of the SPUD Subsidiaries free and clear of all Encumbrances and SPUD is not liable to any creditor in respect thereof, save and except for Permitted Encumbrances. All of such shares in the capital of the SPUD Subsidiaries have been duly authorized and validly issued and are outstanding as fully paid and non-assessable shares and free of pre-emptive rights to the extent such concepts exists under Applicable Laws. SPUD legally and beneficially owns 99.995% of the issued and outstanding voting shares in the capital of Blush Lane Organic Produce Ltd. free and clear of all Encumbrances, save and except for Permitted Encumbrances. SPUD legally and beneficially owns 51% of the issued and outstanding voting shares in the capital of Blush Lane Marda Loop Ltd., free and clear of all Encumbrances, save and except for Permitted Encumbrances. Each of Blush Lane Marda Loop Ltd. and Blush Lane Windsor Ltd. is inactive and is not a material SPUD Subsidiary;
- (h) none of the outstanding shares of any SPUD Subsidiaries were issued in violation of pre-emptive or similar rights. There exist no options, warrants, purchase rights, or other contracts or commitments that could require SPUD to issue, sell, transfer or otherwise dispose of any securities of the SPUD Subsidiaries;
- (i) the SPUD Financial Statements present fairly, in all material respects, the financial position of SPUD at the relevant dates and the results of its operations and the changes in its financial position for the periods indicated in the SPUD Financial Statements, have been prepared in accordance with IFRS consistently applied (except (i) as otherwise indicated in such financial statements and the notes thereto or (ii) in the case of unaudited interim financial statements, subject to normal period end adjustments), and do not omit to state any material fact required by IFRS or by Applicable Laws to be stated or reflected therein or which is necessary to make the statements contained therein not misleading;
- (j) there are reasonable grounds for believing that no creditor of SPUD or the SPUD Subsidiaries will be prejudiced by the Arrangement;
- (k) SPUD is presently able to pay its liabilities as they become due. SPUD has not made any assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, and no petition for a receiving order has been presented in respect of it. SPUD has not initiated proceedings with respect to a compromise or arrangement with its creditors, or for winding-up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of SPUD or its assets and no execution or distress has been levied on any of such assets, nor have proceedings been commenced in respect of any of the foregoing;
- (l) the execution and delivery of this Agreement and the consummation of the Arrangement (and the transactions contemplated thereby) and the compliance of SPUD with any of the provisions hereof does not and will not:
 - (i) conflict with, result in a breach of or violate any term or provision of the constating documents of SPUD;
 - (ii) conflict with, result in a breach of, cause the revocation or termination of, constitute a default under, trigger or accelerate or permit the triggering or the acceleration of the performance required by, any agreement, instrument, licence, permit or authority to which SPUD or each of the SPUD Subsidiaries is a party or by which it is bound or to which any

property of SPUD or any of the SPUD Subsidiaries is subject or result in the creation of any Encumbrance upon any of the assets of SPUD or the SPUD Subsidiaries under any such agreement or instrument, or give to others any material interest or rights, including rights of purchase, termination, cancellation, triggering or acceleration, entitle them to payments not otherwise payable or the issuance of securities not otherwise issuable under any such agreement, instrument, licence, permit or authority; or

- (iii) violate any provision of law or administrative regulation or any judicial or administrative order, award, judgment or decree applicable to SPUD or the SPUD Subsidiaries;
- (m) to the knowledge of SPUD, other than in connection with or in compliance with the provisions of Applicable Laws in relation to the completion of the Arrangement or which are required to be fulfilled post Arrangement, and except for the requisite approvals of the Court, applicable Governmental Authorities and the TSXV or TSX, no filing or registration with, or authorization, consent or approval of, any domestic or U.S. public body or authority is required of SPUD or the SPUD Subsidiaries in connection with the consummation of the Arrangement, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals which, if not received, would not, individually or in the aggregate, have a Material Adverse Effect on SPUD or the SPUD Subsidiaries, or materially impede the ability of SPUD to consummate the Arrangement;
- (n) the execution, delivery and performance of this Agreement has been duly approved by the board of directors of SPUD and no other corporate proceedings on the part of SPUD are necessary to authorize this Agreement and the consummation of the Arrangement except for the approval of by the SPUD Shareholders at the SPUD Meeting of the Arrangement. This Agreement has been duly executed and delivered by SPUD and constitutes a legal, valid and binding obligation of SPUD, enforceable against it in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary;
- (o) except for (i) commission payable to the Agents in relation to the SPUD Financing; (ii) a corporate finance fee of \$100,000 plus taxes payable to Canaccord Genuity Corp. in connection with the Arrangement, half of which is payable in cash and the balance in SPUD Shares to be issued at the issued price of the SPUD Subscription Receipts; and (iii) aggregate termination fee of \$350,000 plus expenses payable to two former financial advisors of SPUD in connection with the Arrangement, SPUD has not incurred nor will incur any liability for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement or the Arrangement;
- (p) there are no Legal Proceedings commenced, nor, to the knowledge of SPUD, contemplated or threatened against or affecting SPUD or the SPUD Subsidiaries, by any Person or before any arbitrator of any kind, which has or could reasonably be expected to have the effect of prohibiting, restricting or impairing its business or if determined adversely to SPUD or the SPUD Subsidiaries, constitutes a Material Adverse Effect of SPUD;
- (q) SPUD has no material outstanding indebtedness, liability or obligation, whether accrued, absolute, contingent or otherwise, required to be disclosed in the liability column of a balance sheet prepared in accordance with IFRS, other than those disclosed in the SPUD Financial Statements, those which relate to the proposed Arrangement or those incurred in the ordinary course since the date of the most recent SPUD Financial Statements;
- (r) the corporate records and minute books of each of SPUD and the SPUD Subsidiaries as required to be maintained by it under the laws of its jurisdiction of incorporation contain minutes of all meetings of its directors and shareholders and all resolutions consented to in writing and are complete and accurate in all material respects;

- (s) the financial books, records and accounts of SPUD have, in all material respects, been maintained in accordance with good business practices on a basis consistent with prior years, in accordance with IFRS and, in each case, are stated in reasonable detail and accurately and fairly reflect the material transactions of SPUD;
- (t) (i) each of SPUD and the SPUD Subsidiaries has duly filed on a timely basis all tax returns required to be filed by it and such tax returns are correct and complete in all material respects; (ii) each of SPUD and the SPUD Subsidiaries has paid all taxes which are due and payable, and has paid all assessments and reassessments, and all other taxes, governmental charges, penalties, interest and fines due and payable on or before the date hereof; (iii) adequate provision has been made by each of SPUD and the SPUD Subsidiaries for taxes payable for the current period for which tax returns are not yet required to be filed; (iv) there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by, or payment of any tax, governmental charge or deficiency against SPUD or any of the SPUD Subsidiaries; (v) to the knowledge of SPUD, there are no Legal Proceedings now threatened or pending against SPUD or any of the SPUD Subsidiaries in respect of taxes, governmental charges or assessments, or any matters under discussion with any Governmental Authority relating to taxes, governmental charges or assessments asserted by any such authority; (vi) since the publication date of the SPUD Financial Statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the ordinary course of business; (vii) neither SPUD nor any of the SPUD Subsidiaries has received any refund of taxes to which it was not entitled; (viii) each of SPUD and the SPUD Subsidiaries has withheld and collected all amounts required by Applicable Law to be withheld or collected by them on account of taxes and has remitted all such amounts to the appropriate Government Authority within the time prescribed under any Applicable Law; (ix) to the knowledge of SPUD, there are no liens for taxes upon any property or asset of SPUD or any of the SPUD Subsidiaries, except liens for current taxes not yet due; (x) neither SPUD nor any of the SPUD Subsidiaries is subject to any liability for taxes of any other Person; (xi) neither SPUD nor any of the SPUD Subsidiaries is subject to any joint venture, partnership or other arrangement or contract that is treated as a partnership for income tax purposes in any jurisdiction; (xii) neither SPUD nor any of the SPUD Subsidiaries is a party to any agreement, understanding, or arrangement relating to allocating or sharing any amount of taxes; (xiii) each of SPUD and the SPUD Subsidiaries is a “taxable Canadian corporation” for the purposes of the Tax Act; (xiv) neither SPUD nor any of the SPUD Subsidiaries is, nor will be at the Effective Time, a “non-resident” as that term is used for the purposes of the Tax Act; and (xv) no claim has ever been made by a Government Authority in respect of taxes in a jurisdiction where SPUD or any of the SPUD Subsidiaries does not file tax returns that SPUD or such a SPUD Subsidiary is or may be subject to tax by that jurisdiction;
- (u) SPUD is not a “reporting issuer” in any jurisdiction of Canada. SPUD is in compliance, in all material respects, with all Applicable Canadian Securities Laws and there are no current, pending or, to the knowledge of SPUD, threatened Legal Proceedings before any securities regulatory authority relating to any alleged non-compliance with any Applicable Canadian Securities Laws. No cease trading order with respect to any securities of SPUD and, to the knowledge of SPUD, no inquiry or investigation (formal or informal) of any securities regulatory authority, is in effect or ongoing or, to the knowledge of SPUD, expected to be implemented or undertaken;
- (v) SPUD has filed all documents and information required to be filed by it in accordance with Applicable Canadian Securities Laws with the applicable securities regulatory authorities. All such documents and information of their respective dates (or, if amended, as of the date of such amendment) (i) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, and (ii) complied in all material respects with the requirements of Applicable Canadian Securities Laws;

- (w) other than as disclosed in the SPUD Financial Statements and the Permitted Encumbrances, each of SPUD and the SPUD Subsidiaries owns good and marketable title to its property interests and assets free and clear of any and all Encumbrances of any nature whatsoever;
- (x) there is no indebtedness or liability of SPUD to any Person which might, by operation of law or otherwise, now or hereafter constitute or be capable of resulting in or forming an Encumbrance upon any of the material assets of SPUD;
- (y) SPUD has not, since October 3, 2020, sold or otherwise disposed of or entered into any agreement to sell or otherwise dispose of any of its material assets;
- (z) other than in connection with the Arrangement, SPUD has not approved or entered into any agreement in respect of:
 - (i) the purchase of any material property or assets or any interest therein or the sale, transfer or disposition of any material property or assets or any interest therein by SPUD, whether by asset or share purchase or sale or otherwise;
 - (ii) the change of control of SPUD, by sale or transfer of shares or sale of all or substantially all of the property and assets of SPUD or otherwise; or
 - (iii) a proposed or planned disposition of SPUD Shares by any SPUD Shareholder who owns, directly or indirectly, 10% or more of the outstanding SPUD Shares;
- (aa) there has been no Material Adverse Effect on SPUD since October 3, 2020;
- (bb) SPUD is not in breach of any agreement to which SPUD is a party due to any engagement of an agent or agents in connection with the SPUD Financing;
- (cc) neither SPUD nor any of the SPUD Subsidiaries is a party to or bound by any agreement with, indebted to or owed any amount by, any officers, former officers, directors, former directors, shareholders, former shareholders, employees or former employees of SPUD or any of the SPUD Subsidiaries or any Persons not dealing at "arm's length" (as such term is defined in the Tax Act) with any of the foregoing. Since October 3, 2020, neither SPUD nor any of the SPUD Subsidiaries has made or authorized any payments to any officers, former officers, directors, former directors, shareholders, former shareholders, employees or former employees of SPUD nor any of the SPUD Subsidiaries or to any Persons not dealing at "arm's length" (as such term is defined in the Tax Act) with any of the foregoing;
- (dd) except for the ARCA, none of the current directors, officers or employees of SPUD, any holder of more than 10% of the SPUD Shares, or any known associate or affiliate of any of the foregoing, has had or has any material interest, direct or indirect, in any transaction or any proposed transaction involving SPUD which, as the case may be, materially affected, is material to or is reasonably expected to materially affect SPUD on a consolidated basis;
- (ee) except for the ARCA, SPUD nor any of the SPUD Subsidiaries is a party to any Debt Instrument nor is it a party to any material loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at "arm's length" with SPUD;
- (ff) neither SPUD nor any of the SPUD Subsidiaries has guaranteed, endorsed, assumed, indemnified or accepted any responsibility for, and does not and will not guarantee, endorse, assume, indemnify or accept any responsibility for, contingently or otherwise, any indebtedness or the performance of any obligation of any Person;

- (gg) no representation, warranty or statement of SPUD in this Agreement (solely as it applies to information pertaining to SPUD or the SPUD Subsidiaries) contains or will contain at the Effective Time any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which made, not misleading;
- (hh) each of SPUD and the SPUD Subsidiaries maintains insurance against loss or damage in respect of its assets, business and operations, with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses;
- (ii) each of SPUD and the SPUD Subsidiaries has all requisite corporate capacity, power and authority, and possesses all authorizations issued by the appropriate Government Authority necessary to conduct the business as now conducted by it and which it will conduct and to own its assets and is in compliance in all material respects with such authorizations and has not received any notice of Legal Proceedings relating to the revocation or modification of any such authorization which, singly or in the aggregate, if the subject of an unfavourable decision, order, finding or ruling, would materially and adversely affect the conduct of the business, operations, financial condition, income or future prospects of SPUD or any of the SPUD Subsidiaries;
- (jj) neither of SPUD nor any of the SPUD Subsidiaries is a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of SPUD or any SPUD Subsidiary to compete in any line of business or with any Person, or to transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of SPUD or such a SPUD Subsidiary taken as a whole or which would prohibit or restrict SPUD from entering into and completing the Arrangement;
- (kk) except as would not constitute a Material Adverse Effect on SPUD, (i) SPUD and the SPUD Subsidiaries own and possess adequate enforceable rights to use all trademarks, patents, copyrights and trade secrets used or proposed to be used in the conduct of the business thereof and, (ii) to the knowledge of SPUD, neither SPUD nor any of the SPUD Subsidiaries is infringing upon the rights of any other Person with respect to any such trademarks, patents, copyrights or trade secrets and, no Person has infringed any such trademark, patents, copyrights or trade secrets;
- (ll) to the knowledge of SPUD, each of SPUD and the SPUD Subsidiaries has, at all times, conducted its operations in compliance with all Applicable Laws, including, without limitation, Environmental Laws, other than acts of non-compliance which, in the aggregate, are not material and neither SPUD nor any of the SPUD Subsidiaries has received since September 29, 2019 any notice that it has not operated in compliance with Applicable Law nor any notice of the revocation or cancellation of, or any intention to revoke or cancel, any of the licenses, leases or other instruments conferring rights to SPUD or the SPUD Subsidiaries for the conduct of their business;
- (mm) to the knowledge of SPUD, no party is in default in the observance or performance of any term or obligation to be performed by it under any material contracts or agreements to which SPUD or a SPUD Subsidiary is a party and no event has occurred which with notice or lapse of time or both would directly or indirectly constitute such a default, in any such case which default or event would reasonably be expected to be material to the business of SPUD or such SPUD Subsidiary;
- (nn) to the knowledge of SPUD, each of SPUD and the SPUD Subsidiaries has performed all of the obligations required to be performed by it and is entitled to all benefits under, and neither SPUD nor any of the SPUD Subsidiaries has not received notice or advice alleging it to be in default of, any contract;
- (oo) any and all material agreements pursuant to which each of SPUD or the SPUD Subsidiaries holds any of their material assets are valid and subsisting agreements in full force and effect, enforceable in accordance with their respective terms, and neither SPUD nor any of the SPUD Subsidiaries is in default of any of the material provisions of any such agreements including, without limitation,

failure to fulfil any material payment or work obligation thereunder nor has any such default been alleged and all leases, licenses and concessions pursuant to which SPUD and the SPUD Subsidiaries derive their interests in such material assets are in good standing and there has been no material default under any such leases, licenses and concessions;

- (pp) to the knowledge of SPUD, SPUD and the SPUD Subsidiaries are in material compliance with all applicable Environmental Laws, and neither SPUD nor any SPUD Subsidiary has used, except in material compliance with all Environmental Laws, any property or facility which it owns or leases, or previously owned or leased, to conduct any Environmental Activity, except where such use would not result in a Material Adverse Effect;
- (qq) to the knowledge of SPUD, neither SPUD nor the SPUD Subsidiaries, nor any of their predecessor companies, have received any notice of any material Legal Proceeding pending, instituted, threatened, concluded or issued against SPUD or the SPUD Subsidiaries or any of their properties, assets or operations relating to, or alleging any violation of, any Environmental Laws; SPUD is not aware of any facts which would reasonably be expected to give rise to any such Legal Proceeding and neither SPUD nor the SPUD Subsidiaries, nor any of their properties, assets or operations is the subject of any Legal Proceedings by any Governmental Authority to determine whether any violation of any Environmental Laws has occurred or is occurring or whether any remedial action is needed in connection with a release of any Contaminant into the environment, except for compliance investigations conducted in the normal course by any Governmental Authority;
- (rr) to the knowledge of SPUD, there are no liabilities (whether contingent or otherwise) in connection with any Environmental Activity relating to or affecting SPUD, the SPUD Subsidiaries or their properties, assets or operations, and no liabilities (whether contingent or otherwise) relating to the restoration or rehabilitation of land, water or any other part of the environment;
- (ss) to the knowledge of SPUD, there are no environmental audits, evaluations, assessments, studies or tests, relating to SPUD, the SPUD Subsidiaries or their properties, assets or operations, except for ongoing assessments conducted by or on behalf of SPUD or the SPUD Subsidiaries in the ordinary course;
- (tt) to the knowledge of SPUD, all environmental approvals required pursuant to Environmental Laws with respect to the properties, assets or operations of SPUD and the SPUD Subsidiaries, have been obtained, are valid and in full force and effect and have been complied with; and there are no proceedings commenced or threatened to revoke or amend any such environmental approvals;
- (uu) to the knowledge of SPUD, there are no outstanding labour disputes, (whether filed or lodged with SPUD or any of the SPUD Subsidiaries or any other Person or organization), pending labour disruptions or pending unionization with respect to SPUD or any of the SPUD Subsidiaries;
- (vv) except for the negotiations of a new collective agreement to replace the collective agreement dated October 8, 2017 between the Company and the Local 213, the International Brotherhood of Electrical Workers (Union), which expired on October 7, 2020, neither SPUD nor any of the SPUD Subsidiaries is bound by or a Party to any collective bargaining agreement;
- (ww) to the knowledge of SPUD, neither SPUD nor any SPUD Subsidiary has, directly or indirectly, (i) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction or (ii) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the *Canada Corruption of Foreign Public Officials Act* (Canada) or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the rules and regulations promulgated thereunder or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to SPUD, the SPUD Subsidiaries and any of their operations; and

- (xx) SPUD is not classified as a U.S. corporation for U.S. income tax purposes (including, without limitation, under Section 7874 of the Code or the U.S. Treasury Regulations promulgated thereunder) and does not expect the transactions contemplated hereunder to cause it to become an inverted corporation withing the meaning of Section 7874 of the Code.

Survival of Representations and Warranties

3.3 No investigation by or on behalf of any Party prior to the execution of this Agreement will mitigate, diminish or affect the representations and warranties made by the other Party. The representations and warranties of the Parties contained in this Agreement will not survive the completion of the Arrangement and will expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

Privacy Issues

3.4 Each of SPUD and Rainy Hollow agrees to and acknowledges the following.

- (a) For the purposes of Section 3.4, the following definitions shall apply:
- (i) **“applicable privacy laws”** means any and all Applicable Laws relating to privacy and the collection, use and disclosure of Personal Information in all applicable jurisdictions, including but not limited to the *Personal Information Protection and Electronic Documents Act* (Canada) and/or any comparable provincial law;
 - (ii) **“authorized authority”** means, in relation to any Person, transaction or event, any (A) federal, provincial, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign, (B) agency, authority, commission, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, (C) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions, and (D) other body or entity created wider the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such Person, transaction or event; and
 - (iii) **“Personal Information”** means information (other than business contact information when used or disclosed for the purpose of contacting such individual in that individual’s capacity as an employee or an official of an organization and for no other purpose) about an identifiable individual disclosed or transferred to a Party in accordance with this Agreement and/or as a condition of the Arrangement.
- (b) The Parties acknowledge that they are responsible for compliance at all times with applicable privacy laws which govern the collection, use or disclosure of Personal Information disclosed to either Party pursuant to or in connection with this Agreement (the **“Disclosed Personal Information”**).
- (c) Prior to the completion of the Arrangement, neither Party shall use or disclose the Disclosed Personal Information for any purposes other than those related to the performance of this Agreement and the completion of the Arrangement. After the completion of the transactions contemplated herein, a Party may only collect, use and disclose the Disclosed Personal Information for the purposes for which the Disclosed Personal Information was initially collected from or in respect of the individual to which such Disclosed Personal Information relates or for the completion of the transactions contemplated herein, unless (i) either Party shall have first notified such individual of such additional purpose, and where required by Applicable Law, obtained the consent of such individual to such additional purpose, or (ii) such use or disclosure is permitted or authorized by Applicable Law, without notice to, or consent from, such individual.

- (d) Each Party acknowledges and confirms that the disclosure of the Disclosed Personal Information is necessary for the purposes of determining if the Parties shall proceed with the Arrangement, and that the Disclosed Personal Information relates solely to the carrying on of the business or the completion of the Arrangement.
- (e) Each Party acknowledges and confirms that it has taken and shall continue to take reasonable steps to, in accordance with Applicable Law, prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized input or access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, removal, deletion, use or other processing of such Disclosed Personal Information. Subject to the following provisions, each Party shall at all times keep strictly confidential all Disclosed Personal Information provided to it, and shall instruct those employees or advisors responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the Parties' obligations hereunder. Prior to the completion of the Arrangement, each Party shall take reasonable steps to ensure that access to the Disclosed Personal Information shall be restricted to those employees or advisors of the respective Party who have a bona fide need to access to such information in order to complete the Arrangement.
- (f) Where authorized by Applicable Law, each Party shall promptly notify the other Party to this Agreement of all inquiries, complaints, requests for access, variations or withdrawals of consent and claims of which the Party is made aware in connection with the Disclosed Personal Information. To the extent permitted by Applicable Law, the Parties shall fully co-operate with one another, with the Persons to whom the Personal Information relates, and any authorized authority charged with enforcement of applicable privacy laws, in responding to such inquiries, complaints, requests for access, variations or withdrawals of consent and claims.
- (g) Upon the expiry or termination of this Agreement, or otherwise upon the reasonable request of either Party, the other Party shall forthwith cease all use of the Disclosed Personal Information acquired by it in connection with this Agreement and will return to the requesting Party or, at the requesting Party's request, destroy in a secure manner, the Disclosed Personal Information (and any copies thereof) in its possession.

ARTICLE 4 – COVENANTS

Covenants of Rainy Hollow

4.1 Rainy Hollow hereby covenants and agrees as follows:

- (a) until the Effective Date, it will carry on its business in the usual and ordinary course and consistent with past practice, and it will use all reasonable commercial efforts, to the extent that it has the financial resources to do so, to maintain and preserve its business, assets and advantageous business relationships, except as otherwise contemplated in this Agreement or as agreed to between the Parties or as required by Applicable Laws;
- (b) until the Effective Date, it will not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization with, any other corporation or Person or perform any act or enter into any transaction or negotiation which interferes or is inconsistent with the completion of the transactions contemplated hereby, other than as contemplated in this Agreement and, without limiting the generality of the foregoing, it will not, and will not permit any of its subsidiaries to:
 - (i) make any distribution by way of dividend, return of capital or otherwise to or for the benefit of Rainy Hollow Shareholders;
 - (ii) issue any of Rainy Hollow Shares (other than on exercise of presently outstanding convertible securities) or other securities convertible into Rainy Hollow Shares or enter into any commitment or agreement therefor, other than as described in this Agreement; or

- (iii) make any payment to any director or officer except pursuant to arrangements existing as of the date hereof;
- (c) until the Effective Date, not to alter or amend its constating documents as the same exist at the date of this Agreement, except in connection with the Rainy Hollow Consolidation, the Name Change and the Arrangement;
- (d) until the Effective Date, not to engage in any business, enterprise or other activity different from that carried on by it at the date of this Agreement or enter into any transaction or incur (except in respect of obligations or liabilities to which it is already legally subject) any obligation, expenditure or liability other than in the ordinary course of its business, as presently conducted, in connection with the transactions under this Agreement or with the consent of SPUD (not to be unreasonably withheld);
- (e) to furnish to SPUD such information relating to the financial condition and affairs of Rainy Hollow as may reasonably be requested by SPUD;
- (f) to ensure that the information relating to Rainy Hollow in the Filing Statement and in the SPUD Information Circular that is provided by Rainy Hollow to SPUD for inclusion in the Filing Statement and the SPUD Information Circular will, as of the date of the Filing Statement or SPUD Information Circular (as the case may be) be true, correct and complete in all material respects and contain all information in respect of Rainy Hollow required by Applicable Canadian Securities Laws and the rules and policies of the TSXV to be included in the Filing Statement and SPUD Information Circular (as the case may be) and will not contain any untrue statement of any material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein as they relate to Rainy Hollow not misleading in light of the circumstances in which they are made;
- (g) to promptly advise SPUD if at any time before the Effective Date it becomes aware that the Filing Statement or the SPUD Information Circular contains, as it relates to Rainy Hollow, an untrue statement of any material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the circumstances in which they are made;
- (h) to prepare the information relating to Rainy Hollow for inclusion in the Filing Statement and SPUD Information Circular in a timely and expeditious manner;
- (i) promptly notify SPUD of:
 - (i) any Material Adverse Change or Material Adverse Effect, or any change, event, occurrence or state of facts that could reasonably be expected to become a Material Adverse Change or to have a Material Adverse Effect, in respect of the business or in the conduct of the business of Rainy Hollow;
 - (ii) any material Governmental Authority or third-person complaints, investigations or hearings (or communications indicating that the same may be contemplated);
 - (iii) any breach by Rainy Hollow of any covenant or agreement contained in this Agreement; and
 - (iv) any event occurring subsequent to the date hereof that would render any representation or warranty of Rainy Hollow contained in this Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or inaccurate in any material respect;

- (j) to use reasonable commercial efforts to do all such other acts and things as may be necessary or desirable in order to give effect to the Arrangement and, without limiting the generality of the foregoing:
 - (i) to seek and obtain the TSXV's approval of the Arrangement, the Rainy Hollow Consolidation, the Name Change and the other transactions contemplated by this Agreement as part of Rainy Hollow's Qualifying Transaction under the policies of the TSXV;
 - (ii) to assist SPUD with its application for the Interim Order and the Final Order as provided in Article 2;
 - (iii) to the extent that satisfaction of such condition precedents are within its control, to satisfy the conditions set out in Article 5 hereof as soon as reasonably possible; and
 - (iv) to apply for and obtain such other consents, orders, acceptances or approvals as are necessary or desirable for the implementation of the Arrangement, including those referred to in Section 5.1 hereof;
- (k) to make necessary filings for and complete the Rainy Hollow Consolidation and the Name Change prior to the Effective Date;
- (l) on the Effective Date, to execute and deliver, or cause to be executed and delivered, such customary agreements, certificates, opinions, resolutions and other closing documents as may be required by SPUD, all in form satisfactory to SPUD, acting reasonably;
- (m) prior to completion of the Plan of Arrangement, the board of directors of Rainy Hollow shall procure duly executed resignations and releases in favour of Rainy Hollow in form and substance satisfactory to SPUD, acting reasonably, from each director and officer of Rainy Hollow who will no longer be serving in such capacity or capacities following completion of the Plan of Arrangement;
- (n) to use reasonable commercial efforts to ensure that, at the Effective Time, the board of directors of Rainy Hollow shall approve resolutions to, subject to the completion of the Plan of Arrangement:
 - (i) accept the resignations from the directors and officers of Rainy Hollow that will no longer be serving in such capacity following the completion of the Plan of Arrangement;
 - (ii) shall, subject to TSXV approval, appoint such additional directors as necessary such that upon the Effective Date, the board of directors of the Resulting Issuer will have been re-organized to consist of five members, comprised of Peter van Stolk, Eric Phaneuf, Terry Vanderkruyk, Todd Cherniak and Monique A. Wilberg; and
 - (iii) subject to TSXV approval, appoint the following individuals as officers of the Resulting Issuer: Peter van Stolk, and Chief Executive Officer; Adrienne Uy, Chief Financial Officer and Secretary; and Jef King, Chief Technology Officer;
- (o) to use reasonable commercial efforts to cause Ionic Securities Ltd. to enter into the Rainy Hollow Lock-Up Agreement;
- (p) to take all corporate action necessary to reserve for issuance a sufficient number of Post-Consolidation Rainy Hollow Shares for delivery upon exercise of the Rainy Hollow Replacement Options, the Rainy Hollow Replacement Warrants and the Rainy Hollow Replacement Broker Warrants; and

- (q) to use reasonable commercial efforts to ensure that the common shares of the Resulting Issuer are continuously listed and posted for trading on the TSXV (it being expressly acknowledged by SPUD that the trading of the Rainy Hollow Shares is halted at the time of entering into this Agreement).

Covenants of SPUD

4.2 SPUD hereby covenants and agrees as follows:

- (a) SPUD will take commercially reasonable efforts to ensure that, prior to the Effective Date:
 - (i) a portion or all of the aggregate principal amount and the accrued and unpaid interest on the SPUD Convertible Notes will be converted into SPUD Shares at a price of \$6.00 per share pursuant to a written agreement to be entered into by SPUD with each SPUD Convertible Note Holder and the remaining portion, if any, of such SPUD Convertible Notes shall be redeemed by SPUD for cash; and
 - (ii) all of the 3,600,000 outstanding SPUD Note Warrants will be converted, on a cashless basis, into an aggregate amount of 720,000 SPUD Shares;
- (b) SPUD will take commercially reasonable efforts to ensure that, immediately prior to the Effective Time:
 - (i) the SPUD Warrants shall be issued exempt from the prospectus requirements of Applicable Canadian Securities Laws in each of the Provinces of Canada in which holders of such SPUD Warrants are resident, in accordance with the provisions of the relevant subscription agreement relating to the SPUD Warrant;
 - (ii) subject to completion of the Subscription Receipt Agreement Escrow Release Conditions, all outstanding SPUD Convertible Debentures will, without any further action on the part of any SPUD Convertible Debenture Holder, be converted into SPUD Shares, to be immediately thereafter exchanged for Post-Consolidation Rainy Hollow Shares pursuant to the Plan of Arrangement; and
 - (iii) subject to completion of the Subscription Receipt Agreement Escrow Release Conditions, all outstanding SPUD Subscription Receipts will, without any further action on the part of any SPUD Subscription Receipt Holder, be converted into SPUD Shares, to be and immediately thereafter exchanged for Post-Consolidation Rainy Hollow Shares pursuant to the Plan of Arrangement;
- (c) until the Effective Date, SPUD will, and will cause each of the SPUD Subsidiaries to, carry on its business in the usual and ordinary course and consistent with past practice, and use all reasonable commercial efforts, to the extent that it has the financial resources to do so, to maintain and preserve its business, assets and advantageous business relationships, except as otherwise contemplated in this Agreement or as agreed to between the Parties or as required by Applicable Laws;
- (d) promptly notify Rainy Hollow of:
 - (i) any Material Adverse Change or Material Adverse Effect, or any change, event, occurrence or state of facts that could reasonably be expected to become a Material Adverse Change or to have a Material Adverse Effect, in respect of the business or in the conduct of the business of SPUD;
 - (ii) any material Governmental Authority or third-person complaints, investigations or hearings (or communications indicating that the same may be contemplated);

- (iii) any breach by SPUD of any covenant or agreement contained in this Agreement; and
- (iv) any event occurring subsequent to the date hereof that would render any representation or warranty of SPUD contained in this Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or inaccurate in any material respect;
- (e) until the Effective Date and except as contemplated by this Agreement, SPUD will not, and will not permit any of the SPUD Subsidiaries to, merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization with, any other corporation or Person or perform any act or enter into any transaction or negotiation which interferes or is inconsistent with the completion of the transactions contemplated hereby, other than as contemplated in this Agreement and, without limiting the generality of the foregoing, SPUD will not, and will not permit any of the SPUD Subsidiaries to:
 - (i) make any distribution by way of dividend, return of capital or otherwise to or for the benefit of the SPUD Shareholders or any holder of shares of the SPUD Subsidiaries;
 - (ii) issue any of its shares (other than on exercise of presently outstanding convertible securities or the exercise of the Equity Participation Rights) or other securities convertible into shares or enter into any commitment or agreement therefor (other than in connection with the SPUD Financing); or
 - (iii) make any payment to any director, officer or employee except pursuant to employment arrangements existing as of the date hereof or pursuant to new employment agreements in the ordinary course of business consistent with past practice,

provided, and notwithstanding the foregoing, SPUD will be permitted, without the consent of Rainy Hollow, to reorganize, merge, amalgamate or consolidate any of the SPUD Subsidiaries so long as SPUD's ownership percentage of such SPUD Subsidiaries, whether direct or indirect, is not decreased by virtue of any such reorganization, merger, amalgamation or consolidation;

- (f) until the Effective Date, SPUD will not alter or amend its constating documents, except as contemplated in or permitted by this Agreement;
- (g) until the Effective Date, SPUD will not engage in any business, enterprise or other activity different from that carried on by it at the date of this Agreement;
- (h) to furnish to Rainy Hollow such information relating to the financial condition, business, properties and affairs of SPUD as may reasonably be requested by Rainy Hollow;
- (i) to ensure that the information related to SPUD that is provided by SPUD to Rainy Hollow for inclusion in the Filing Statement and included by SPUD in the SPUD Information Circular will, as of the date of the Filing Statement or SPUD Information Circular (as the case may be), be true, correct and complete in all material respects and contain all information in respect of SPUD required by Applicable Canadian Securities Laws and the rules and policies of the TSXV to be included in the Filing Statement and SPUD Information Circular (as the case may be) and will not contain any untrue statement of any material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, not misleading in light of the circumstances in which they are made;
- (j) to promptly advise Rainy Hollow if at any time before the Effective Date it becomes aware that the Filing Statement or SPUD Information Circular contains, as it relates to SPUD, any untrue statement of any material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the circumstances in which they are made;

- (k) to prepare the information relating to SPUD for inclusion in the Filing Statement and SPUD Information Circular in a timely and expeditious manner;
- (l) to use reasonable commercial efforts to do all such other acts and things as maybe necessary or desirable in order to give effect to the Arrangement and, without limiting the generality of the foregoing:
 - (i) to execute and deliver such documents and to complete the transactions necessary, in each case, to complete the SPUD Financing;
 - (ii) to seek and obtain approval from the SPUD Shareholders of the SPUD Arrangement Resolution at the SPUD Meeting in accordance with the Interim Order;
 - (iii) to apply for and obtain the Interim Order and the Final Order as provided in Article 2 hereof;
 - (iv) to the extent that satisfaction of such condition precedents are within its control, satisfy the conditions set out in Article 5 as soon as possible; and
 - (v) to apply for and obtain such other consents, orders, acceptances, or approvals as are necessary or desirable for the implementation of the Arrangement, including those referred to in Section 5.1 hereof;
- (m) on the Effective Date, it will execute and deliver, or cause to be executed and delivered, such customary agreements, certificates, opinions, resolutions and other closing documents as may be required by Rainy Hollow, all in form satisfactory to Rainy Hollow, acting reasonably;
- (n) to promptly cause any proposed director or officer nominees of the Resulting Issuer to file Personal Information Forms, or statutory declarations in lieu thereof, with the TSXV or TSX, as applicable;
- (o) to provide to Rainy Hollow three Business Days' notice prior to attending Court for the purpose of seeking the Interim Order and the Final Order; and
- (p) to use commercially reasonable efforts to ensure that upon satisfaction of the Subscription Receipt Agreement Escrow Release Conditions, the Subscription Receipt Agent (as such term is defined in the Subscription Receipt Agreement) does all such acts and things as maybe necessary or desirable to assist with the timely closing of the Arrangement.

Escrow

4.3 The Parties acknowledge that in the event the Post-Consolidation Rainy Hollow Shares are listed on the TSXV, a portion of the Post-Consolidation Rainy Hollow Shares to be issued pursuant to the Arrangement and / or the SPUD Financing, in addition to existing Rainy Hollow Shares, may be subject to escrow provisions imposed by the policies of the TSXV. The Parties further acknowledge that such escrowed shares will be held in escrow and released, over time, in accordance with the rules and policies of the TSXV. The Parties agree that the terms of any such escrow will be negotiated by counsel for Rainy Hollow, Rainy Hollow Shareholders and the TSXV, and the Parties agree to accept such terms as imposed by the TSXV provided such escrow is in compliance with the rules and policies of the TSXV. The Parties covenant to use their commercially reasonable efforts to ensure that any such escrow applied by the TSXV is the least restrictive as possible in the circumstances.

4.4 The Parties acknowledge that it is their intention to submit an application for listing of the Resulting Issuer on the TSX as a "non-exempt Industrial" issuer and that they will seek, on behalf of the Resulting Issuer: (a) a waiver from the escrow requirements of the TSXV's Policy 5.4 – *Escrow, Vendor Consideration and Resale Restrictions*; and (b) a waiver allowing the Escrowed Shares to be released in full on the date of the Final Exchange Bulletin. The Parties further acknowledge that, notwithstanding the foregoing, certain Rainy Hollow Shares will be subject to escrow upon the Effective Date pursuant to the Lock-Up Agreements.

ARTICLE 5 – CONDITIONS

Mutual Conditions Precedent

5.1 The respective obligations of the Parties to complete the transactions contemplated by this Agreement and to file the documents required to give effect to the Arrangement will be subject to satisfaction of the following conditions, on or before the Effective Date, any of which may be waived by any Party (for whose benefit such condition is made) in whole or in part without prejudice to such Party's right to rely on any other of them:

- (a) the SPUD Financing shall be completed;
- (b) the SPUD Arrangement Resolution will have been approved and adopted by the SPUD Shareholders at the SPUD Meeting in accordance with the Interim Order and the Arrangement will have otherwise been approved and adopted by the requisite majorities of Persons entitled or required to vote thereon as determined by the Court;
- (c) the Interim Order and Final Order will have been obtained from the Court in the manner contemplated by Article 2 of this Agreement;
- (d) the TSXV will have accepted the Arrangement, the Rainy Hollow Consolidation, the Name Change and the other transactions contemplated by this Agreement as part of Rainy Hollow's Qualifying Transaction under the policies of the TSXV, subject to compliance with usual and ordinary conditions to final acceptance of the TSXV;
- (e) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders, necessary or desirable for the completion of the transactions provided for in this Agreement and the Plan of Arrangement will have been obtained or received from the Persons, authorities or bodies having jurisdiction in the circumstances;
- (f) there will not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Arrangement; and
- (g) the TSXV Form 5D - *Escrow Agreement*, if required, executed and delivered by each required shareholders of the Resulting Issuer as required pursuant to the rules and policies of the TSXV; and
- (h) the Post-Consolidation Rainy Hollow Shares, Rainy Hollow Replacement Options and Rainy Hollow Replacement Warrants to be issued in exchange for the SPUD Shares, SPUD Options and SPUD Warrants pursuant to the Arrangement shall be exempt from the registration requirements of the 1933 Act pursuant to Section 3(a)(10) thereof; provided, however, that SPUD shall not be entitled to rely on the provisions of this Section 5.1(h) in failing to complete the Arrangement if SPUD fails to advise the Court prior to the hearing in respect of the Final Order that Rainy Hollow will rely on the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereof based on the Court's approval of the Arrangement.

Conditions to Obligations of SPUD

5.2 The obligation of SPUD to complete the transactions contemplated by this Agreement is further subject to the following conditions, which may be waived by SPUD in whole or in part without prejudice to its right to rely on any other condition in favour of SPUD:

- (a) the issuances of Post-Consolidation Rainy Hollow Shares contemplated by the Arrangement will have been approved by all necessary corporate action to permit such securities to be issued, if applicable, as fully paid and non-assessable shares and will be exempt from the prospectus requirements of Applicable Canadian Securities Laws in each of the Provinces of Canada in which holders of SPUD Shares are resident;

- (b) the maintenance of Rainy Hollow's listing on the TSXV;
- (c) the Rainy Hollow Consolidation and the Name Change shall have been completed;
- (d) Rainy Hollow will have a minimum cash balance as the cash balance reflected on the Rainy Hollow balance sheet contained in the Rainy Hollow unaudited financial statements for the nine month period ended August 31, 2020, excluding any paid or unpaid: (i) transaction costs relating to the Arrangement; (ii) costs relating to maintaining a listing on the TSXV; and (iii) routine costs incurred in the ordinary course;
- (e) all directors and officers of Rainy Hollow will resign and provided mutual releases in a form acceptable to SPUD, acting reasonably, at the Effective Time and will be replaced by SPUD's nominees, subject to such nominees being acceptable to the TSXV;
- (f) Rainy Hollow will have fulfilled or complied in all material respects with each of the covenants of Rainy Hollow contained in this agreement to be fulfilled or complied with by it on or prior to the Effective Time, and will have delivered a certificate confirming same to SPUD, executed by a senior officer of Rainy Hollow (without personal liability) addressed to SPUD and dated the Effective Time;
- (g) the representations and warranties of Rainy Hollow as set out in this Agreement being true and correct in all material respects (and will have, for this purpose, any reference to "material", "Material Adverse Effect" or any other concept of materiality in such representations and warranties shall be ignored) at the Effective Time with the same force and effect as if made at and as of such time except for representations and warranties made as of a specified time, the accuracy of which will be determined as of such specified time, and Rainy Hollow will have delivered a certificate confirming same to SPUD executed by a senior officer of Rainy Hollow (without personal liability) addressed to SPUD and dated the Effective Time;
- (h) the absence of any Material Adverse Effect of Rainy Hollow;
- (i) SPUD Shareholders holding no more than 5% of the issued and outstanding SPUD Shares will have exercised their Dissent Rights (and not withdrawn such exercise); and
- (j) the Rainy Hollow Lock-Up Agreement will have been executed and delivered by Ionic Securities Ltd. to SPUD.

Conditions to Obligations of Rainy Hollow

5.3 The obligation of Rainy Hollow to complete the transactions contemplated by this Agreement is further subject to the conditions, which may be waived by Rainy Hollow in whole or in part without prejudice to its right to rely on any other condition in favour of Rainy Hollow, that:

- (a) SPUD will have fulfilled or complied in all material respects with each of the covenants of SPUD contained in this agreement to be fulfilled or complied with by it on or prior to the Effective Time, and will have delivered a certificate confirming same to Rainy Hollow, executed by a senior officer of SPUD (without personal liability) addressed to Rainy Hollow and dated the Effective Time;
- (b) the representations and warranties of SPUD as set out in this Agreement being true and correct in all material respects (and, for this purpose, any reference to "material", "Material Adverse Effect" or any other concept of materiality in such representations and warranties shall be ignored) at the Effective Time with the same force and effect as if made at and as of such time in each case except for representations and warranties made as of a specified time, the accuracy of which will be determined as of such specified time, and SPUD will have delivered a certificate confirming same to Rainy Hollow executed by a senior officer of SPUD (without personal liability) addressed to Rainy Hollow and dated the Effective Time;

- (c) the absence of any Material Adverse Effect on SPUD;
- (d) the SPUD Lock-Up Agreements will have been executed and delivered by the relevant insiders of SPUD and SPUD Shareholders to the Co-Agents; and
- (e) the SPUD Voting and Support Agreements will have been executed and delivered by the relevant insiders of SPUD and SPUD Shareholders to Rainy Hollow.

ARTICLE 6 – AMENDMENT AND TERMINATION

Amendment

6.1 This Agreement and the Plan of Arrangement may, at any time and from time to time before the Effective Date, be amended by written agreement of the Parties without, subject to Applicable Law, further notice to or authorization on the part of their respective shareholders. Without limiting the generality of the foregoing, any such amendment may:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) waive any inaccuracies or modify any representation contained herein or any document to be delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained or waive or modify performance of any of the obligations of the Parties; or
- (d) as otherwise ordered by the Court and agreed to by SPUD and Rainy Hollow, each acting reasonably.

This Agreement and the Exhibits hereto may be amended in accordance with the Final Order, but in the event that the terms of the Final Order requires any such amendment, the rights of the Parties under Sections 5.1, 5.2, 5.3 and 6.2 will remain unaffected.

Termination

6.2 This Agreement may, at any time before the Effective Time, be terminated on the day on which the earliest of the following events occurs:

- (a) by the mutual agreement of SPUD and Rainy Hollow without further action on the part of the SPUD Shareholders or any action on the part of the Rainy Hollow Shareholders;
- (b) any applicable regulatory authority having notified in writing any of the Parties that it will not permit the Arrangement to proceed;
- (c) by either SPUD or Rainy Hollow if the other Party breaches a material term of this Agreement and such breach is not waived or, if capable of being cured, cured within a period of 10 calendar days from the date of written notice of such breach;
- (d) by either SPUD or Rainy Hollow if the conditions precedent set forth in Sections 5.1, 5.2 and 5.3 (as applicable) are not satisfied or waived on or before the Outside Date (or such other date as agreed to by the Parties), except that the right to terminate this Agreement under this Section 6.2(d) will not be available to a Party whose failure to perform any of its covenants or agreements has been the primary cause of, or resulted in, the failure of the conditions precedent to be satisfied by such date;
- (e) upon the earliest to occur of: (i) the SPUD Shareholders failing to approve the Arrangement; or (ii) a final determination from the Court or an appeal court that denies the granting of the Final Order;

provided, however, that nothing in this subsection 6.2(e) will extend the termination date of this Agreement past the Outside Date without the mutual consent of SPUD and Rainy Hollow;

- (f) by SPUD in order to accept and enter into an agreement in respect of an Alternative Transaction (including a Superior Proposal) in compliance with the terms of this Agreement;
- (g) by Rainy Hollow if the board of directors of SPUD shall have withdrawn or modified in a manner adverse to Rainy Hollow its approval or recommendation of the Arrangement or shall have approved or recommended any Superior Proposal; and
- (h) by SPUD if the board of directors of Rainy Hollow shall have withdrawn or modified in a manner adverse to SPUD its approval or recommendation of the Arrangement or shall have approved or recommended any Superior Proposal.

6.3 If this Agreement is terminated pursuant to Section 6.2, this Agreement will become void and of no further force or effect without liability of any Party (or any shareholder) and this Section 6.3, Section 6.4, Section 8.1 and Sections 9.1 to 9.7 and all related definitions in Section 1.1 will survive such termination; provided, however, that no Party shall be relieved of any liability or damages resulting from a material breach by any Party of its representations, warranties or covenants contained in this Agreement that is a consequence of an act undertaken by the breaching Party with the actual knowledge that the taking of such act would, or would be reasonably expected to, cause a breach of this Agreement.

6.4 In the event that:

- (a) this Agreement is terminated by SPUD pursuant to Section 6.2(f);
- (b) this Agreement is terminated by Rainy Hollow pursuant to Section 6.2(g), except where such termination is due to the board of directors of SPUD having withdrawn or modified in a manner adverse to Rainy Hollow its approval or recommendation of the Arrangement as a result of a Material Adverse Effect in respect of Rainy Hollow; or
- (c) an Alternative Transaction (including a Superior Proposal) shall have been made to SPUD and publicly announced to SPUD Shareholders generally or shall have been made directly to SPUD Shareholders generally or any person shall have publicly announced an intention to make an Alternative Transaction (including a Superior Proposal) in respect of SPUD and, in each case, such Alternative Transaction or announced intention shall not have been publicly withdrawn prior to the SPUD Meeting and, following the occurrences set forth in this Section 6.4(c), the SPUD Shareholders fail to approve the Arrangement and this Agreement is subsequently terminated pursuant to Section 6.2(e)(i) hereof,

then SPUD shall pay or cause to be paid to Rainy Hollow, within three (3) Business Days following such event, an amount in cash equal to \$250,000 in immediately available funds to an account designated by Rainy Hollow in consideration for the disposition of Rainy Hollow's rights under this Agreement. SPUD hereby acknowledges that the agreements contained in this Section 6.4 are an integral part of the transactions contemplated in this Agreement and that, without those agreements, Rainy Hollow would not enter into this Agreement, and that the payment amount set out in this Section 6.4 is a payment in consideration for the disposition of Rainy Hollow's rights under this Agreement and is a genuine pre-estimate of the damages that Rainy Hollow will suffer or incur as a result of the non-completion of the Arrangement in the circumstances in which such payment is payable, that such payment is not for lost profits or a penalty, and that SPUD shall not take any position inconsistent with the foregoing. SPUD hereby irrevocably waives any right it may have to raise as a defence that any such payment amount set out in this Section 6.4 is excessive or punitive.

ARTICLE 7 – NON-SOLICITATION

Non-Solicitation

7.1 Subject to Section 7.4, until this Agreement is terminated or the Arrangement is effected as contemplated herein, each of Rainy Hollow and SPUD will not, nor will it permit any of its respective directors, officers, affiliates, employees, representatives or agents (including and without limitation, investment bankers, attorneys and accountants) directly or indirectly to: (a) make, solicit, initiate, entertain, encourage, promote or facilitate, including by way of permitting any visit to its facilities or properties or entering into any form of agreement, arrangement or understanding, any inquiries or the making of any proposals regarding an Alternative Transaction or that may reasonably be expected to lead to an Alternative Transaction; (b) participate in any discussions or negotiations regarding, or furnish to any Person any information or otherwise co-operate with, respond to, assist or participate in any Alternative Transaction or potential Alternative Transaction; (c) agree to, approve or recommend any Alternative Transaction or potential Alternative Transaction or remain neutral with respect to any publicly announced Alternative Transaction or potential Alternative Transaction (it being understood that publicly taking no position or a neutral position with respect to an Alternative Transaction or potential Alternative Transaction until 10 Business Days following public announcement of such Alternative Transaction or potential Alternative Transaction will not be considered to be a violation of this paragraph); or (d) enter into any agreement, arrangement or understanding related to any Alternative Transaction.

7.2 From and after the date of this Agreement, Rainy Hollow and SPUD will promptly (and in any event within 24 hours) notify the other Party, at first orally and then in writing, of any proposals, offers or written inquiries relating to or which could result in an Alternative Transaction being consummated, or any request for non-public information relating to such Party. Such notice will include a description of the terms and conditions of any proposal, inquiry or offer, and will not be required to disclose the identity of the Person making such proposal, inquiry or offer. Each Party will keep the other Party fully informed on a prompt basis of the status, including any change to the material terms, of any such inquiry, proposal or offer.

7.3 For the purposes of this Agreement, an “**Alternative Transaction**” means, with respect to a Party, an agreement which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions): (a) a direct or indirect acquisition from such Party or from its shareholders of 20% or more of the voting securities of such Party; (b) a direct or indirect acquisition of assets of such Party representing 20% or more of the book value (on a consolidated basis) of such Party; (c) an amalgamation, arrangement, merger, or consolidation involving such Party; (d) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization into a royalty trust or income fund or similar transaction involving such Party; or (e) any other transaction, the consummation of which would or could reasonably be expected to materially impede, interfere with, prevent or delay the transactions contemplated by this Agreement or which would or could reasonably be expected to materially reduce the benefits under this Agreement or the Arrangement. Notwithstanding the foregoing, an “**Alternative Transaction**” will not include the SPUD Financing, an equity or debt financing of SPUD to a maximum of \$40,000,000 or a refinancing of any credit or similar debt facility of SPUD or any of the SPUD Subsidiaries existing as of the date hereof; provided, however, that any such equity or debt financing is on customary commercial terms.

7.4 Notwithstanding Sections 7.1, 7.2 and 7.3, the board of directors of each of Rainy Hollow and SPUD may consider, negotiate, accept, approve or recommend to its shareholders, or enter into an agreement, understanding or arrangement in respect of an Alternative Transaction that is an unsolicited Superior Proposal. Prior to considering, negotiating, accepting, approving or recommending to its shareholders or entering into agreement, understanding or arrangement in respect of, an unsolicited Superior Proposal, each Party will: (a) advise the other Party in writing of the existence and terms of any such offer or proposal and provide redacted copies thereof to the other Party as soon as reasonably possible following its receipt thereof; (b) provide copies of any information provided to the Person making the Superior Proposal, which has not already been made available to the other Party; and (c) if requested by the other Party, prior to accepting, recommending, approving or entering into any agreement to implement the Superior Proposal, to negotiate in good faith with the other Party and its legal and financial advisors for a period of up to three Business Days to permit the other Party, if practicable, to propose such adjustments in the terms and conditions of this Agreement as may be necessary or advisable such that, in the *bona fide* opinion of such Party’s board of directors, the Alternative Transaction is no longer a Superior Proposal. In the event that the other Party proposes to so amend this

Agreement to provide substantially equivalent or superior value to that provided under the Superior Proposal, neither Party will accept, recommend, approve or enter into any agreement to implement the Superior Proposal.

7.5 Subject to compliance with Sections 7.1, 7.2, 7.3 and 7.4, if prior to the completion of the Arrangement a *bona fide*, unsolicited Alternative Transaction is proposed, offered or made to Rainy Hollow or SPUD or their respective shareholders which, in the *bona fide* opinion of a Party's board of directors would result in a financially superior transaction, directly or indirectly, for its shareholders than that contemplated by the Arrangement (any such Alternative Transaction being referred to herein as a "**Superior Proposal**"), a Party's board of directors may withdraw, modify or change its approval of the Arrangement contemplated by this Agreement if, in the opinion of such board of directors acting reasonably and upon the written advice of its legal counsel, such withdrawal, modification or change is required or would be consistent with the fiduciary duties of its board of director under Applicable Laws.

ARTICLE 8 – CONFIDENTIALITY

Confidentiality

8.1 Each of Rainy Hollow and SPUD:

- (a) acknowledges that it will be providing to the other information that is non-public, confidential, and proprietary in nature. Each of Rainy Hollow and SPUD (and its respective directors, officers, affiliates, representatives, agents and employees) will keep such information confidential and will not, except as otherwise provided below, disclose such information or use such information for any purpose other than for the evaluation and consummation of the Arrangement. The foregoing will not apply to information that:
 - (i) becomes generally available to the public absent any breach of the foregoing;
 - (ii) was available on a non-confidential basis to a Party prior to its disclosure pursuant to this Agreement; or
 - (iii) becomes available on a non-confidential basis from a third party who, to the knowledge of the recipient after enquiry, is not bound to keep such information confidential;
- (b) agrees that promptly upon request by the other Party, it will return to the other Party all confidential information, except to the extent it is required by law, regulations or rules (including the rules of professional bodies) to retain the confidential information; and
- (c) agrees that it will not make any public disclosure of the existence of this Agreement or of any of its terms without first advising the other Party and obtaining the written consent of such other Party to the proposed disclosure, unless such disclosure is required by Applicable Law or regulation or stock exchange policy, in which event the Party contemplating disclosure will inform the other Party of, and obtain its consent to, the form and content of such disclosure, which consent will not be unreasonably withheld or delayed.

ARTICLE 9 – GENERAL

Notices

9.1 All notices which may or are required to be given pursuant to any provision of this Agreement will be given or made in writing and will be served personally or by email addressed to the recipient as follows:

To Rainy Hollow:

Rainy Hollow Ventures Inc.
#1703, 595 Burrard Street
Vancouver, British Columbia V7X 1J1

Attention: Michael Atkinson, President, Chief Executive Officer and Chief Financial Officer
Email: [REDACTED]

With a copy (which shall not constitute notice) to:

Borden Ladner Gervais LLP
1900, 520 – 3rd Ave SW
Calgary, Alberta T2P 0R3

Attention: Melinda Park
Email: [REDACTED]

To SPUD:

Sustainable Produce Urban Delivery Inc.
Unit 105-5566 Trapp Ave.
Burnaby, British Columbia V3N 5G4

Attention: Peter van Stolk, Chief Executive Officer
Email: [REDACTED]

With a copy (which shall not constitute notice) to:

Fasken Martineau DuMoulin LLP
Stock Exchange Tower
800 Square Victoria, Suite 3500
Montreal, Québec H4Z 1E9

Attention: Sébastien Bellefleur
Email: [REDACTED]

or such other addresses of which a Party may, from time to time, advise the other Party by notice in writing given in accordance with the foregoing. Date of receipt of any such notice will be deemed to be the date of delivery thereof.

Expenses

9.2 Each of Rainy Hollow and SPUD will bear its own respective costs, expenses and professional fees (including but not limited to legal and accounting fees) associated with the Arrangement. It being acknowledged, however, that documentation in respect of the Arrangement will, to as great an extent as reasonably possible, be prepared by counsel to SPUD. SPUD acknowledges and agrees to pay disbursements and filing fees usually incurred in the normal course in conjunction with the Arrangement, including for greater certainty the costs and fees payable to the TSX or TSXV, as applicable, regarding their review of the Arrangement and the personal information forms to be submitted by the proposed executive officers and directors of the Resulting Issuer following completion of the

Arrangement and all listing fees in connection with any securities issued pursuant to the Arrangement. In addition, on the Effective Date, SPUD shall pay Earlston an amount of \$50,000 as payment of costs associated with Rainy Hollow being a public company and completing the Arrangement.

Assignment

9.3 No Party may assign its rights or obligations under this Agreement or the Arrangement without the prior written consent of the other Party.

Binding Effect

9.4 This Agreement and the Arrangement will be binding upon and will enure to the benefit of the Parties thereto and their respective successors and permitted assigns.

Waiver

9.5 Any waiver or release of any of the provisions of this Agreement, to be effective, must be in writing executed by the Party granting the same. Waivers may only be granted upon compliance with the terms governing amendments set forth in Section 6.1, mutatis mutandis.

Governing Law

9.6 This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

Qualifications

9.7 All covenants herein and opinions to be given hereunder as to the enforceability of any covenant, agreement or document will be qualified to applicable bankruptcy and other laws affecting the enforcement of creditors' rights generally and to the effect that the Court may exercise discretion in granting equitable remedies, including the remedy of specific performance.

Time of Essence

9.8 Time is of the essence of this Agreement and of each of its provisions.

Public Announcements

9.9 Neither Rainy Hollow nor SPUD will make announcements regarding the Arrangement or any other transactions contemplated herein that have not been previously reviewed and commented on by the other of them, except that Rainy Hollow or SPUD may issue a news release or make a filing with a regulatory authority if its counsel advises that such news release or filing is necessary in order to comply with Applicable Law or the rules and policies of any securities regulatory authority having jurisdiction over it, in which case it will first make a reasonable commercial effort to obtain the approval of the other of them, acting reasonably.

Counterparts

9.10 This Agreement may be executed in one or more counterparts and delivered electronically or by fax, each of which will be deemed an original but all of which together will constitute one and the same instrument.

(Signature page follows)

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

RAINY HOLLOW VENTURES INC.

**SUSTAINABLE PRODUCE URBAN
DELIVERY INC.**

Per: (signed) "Michael Atkinson"
Michael Atkinson
President, Chief Executive Officer and Chief
Financial Officer

Per: (signed) "Peter van Stolk"
Peter van Stolk
Chief Executive Officer

EXHIBIT A
PLAN OF ARRANGEMENT

Please see attached.

EXHIBIT A
FORM OF PLAN OF ARRANGEMENT
PLAN OF ARRANGEMENT UNDER DIVISION 5 OF PART 9 OF THE *BUSINESS*
CORPORATIONS ACT (BRITISH COLUMBIA)

ARTICLE 1
INTERPRETATION

1.1 Definitions.

In this Plan of Arrangement, unless something in the subject matter or context is inconsistent therewith:

“**1933 Act**” means the U.S. Securities Act of 1933, as amended from time to time;

“**2018 Subscription Agreements**” means the various subscription agreements for SPUD Shares entered into by SPUD and various subscribers in relating to various private placement financings of SPUD which closed between November 2018 and January 2020;

“**Arrangement**” means an arrangement under Division 5 of Part 9 of the BCBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations to this Plan of Arrangement made in accordance with the terms of this Plan of Arrangement and the Arrangement Agreement or at the direction of the Court in the Final Order with the prior written consent of the Parties, each acting reasonably;

“**Arrangement Agreement**” means the arrangement agreement made as of December 21, 2020 between Rainy Hollow and SPUD together with the schedules and exhibits attached thereto, as same may be amended, supplemented or otherwise modified from time to time in accordance with its terms;

“**Authorization**” means, with respect to any Person, any order, permit, approval, grant, consent, waiver, license, certificate, judgment, writ, award, determination, exemption, direction, decision, decree, bylaw, rule, regulation, registration or similar authorization of, from or required by any Governmental Entity having jurisdiction over the Person;

“**BCBCA**” means the *Business Corporations Act* (British Columbia);

“**Business Day**” means any day other than a Saturday or Sunday or statutory holiday in the Province of British Columbia, upon which banks are generally open for business in the city of Vancouver, British Columbia;

“**Code**” means the United States Internal Revenue Code of 1986, as amended;

“**Consideration Shares**” means the Post-Consolidation Rainy Hollow Shares to be issued as consideration for the SPUD Shares pursuant to the Plan of Arrangement;

“Court” means the Supreme Court of British Columbia, as applicable;

“Debenture Indenture” means the indenture between SPUD and Computershare Trust Company of Canada as the debenture trustee, dated October 21, 2020, pursuant to which the SPUD Convertible Debentures were created;

“Dissent Rights” has the meaning set forth in Section 4.1;

“Dissenting Holder” means a registered SPUD Shareholder who has duly exercised its Dissent Rights in respect of the Arrangement and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the SPUD Shares in respect of which Dissent Rights are validly exercised by such holder;

“Dissenting Shares” means SPUD Shares held by a Dissenting Holder who has demanded and perfected Dissent Rights in respect of its SPUD Shares in accordance with Article 4 of this Plan of Arrangement and the Interim Order and who, as of the Effective Time, has not effectively withdrawn or lost such Dissent Rights;

“Effective Date” means the date upon which the Arrangement becomes effective, as agreed to in writing by Rainy Hollow and SPUD, but in any event no later than the Outside Date, unless otherwise agreed between Rainy Hollow and SPUD;

“Effective Time” means 12:01 a.m. (Vancouver time) on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date;

“Exchange Ratio” means, for each SPUD Share, one Post-Consolidation Rainy Hollow Share;

“Final Order” has the meaning set forth in the Arrangement Agreement;

“Governmental Entity” means any applicable: (a) multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, minister, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) subdivision, agent, commission, commissioner, board or authority of any of the foregoing; (c) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) stock exchange;

“Interim Order” means the interim order of the Court to be issued in connection with the Arrangement in form and substance acceptable to SPUD and Rainy Hollow, each acting reasonably, providing for, among other things, the calling and holding of the SPUD Meeting, as such order may be affirmed, amended, modified, supplemented or varied by the Court with the consent of both SPUD and Rainy Hollow, each acting reasonably;

“Law” or **“Laws”** means, with respect to any Person, any and all applicable laws (statutory, common or otherwise), statute, constitution, treaty, convention, ordinance, code, rule, regulation, by-laws, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applicable by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property, assets or securities, the

terms and conditions of any Authorization and to the extent they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended;

“Liens” means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, encumbrances, encroachments, options, adverse rights or claims or other third Person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

“Outside Date” has the meaning set forth in the Arrangement Agreement;

“Parties” means Rainy Hollow and SPUD, and **“Party”** means either of them;

“Person” includes an individual, partnership, association, company, corporation, body corporate, limited liability company, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status;

“Plan of Arrangement” means this plan of arrangement, and any amendments or variations made in accordance with Section 6.1 of the Arrangement Agreement, this plan of arrangement or upon the direction of the Court with the consent of the Parties, each acting reasonably;

“Post-Consolidation Rainy Hollow Shares” means the common shares in the capital of Rainy Hollow after giving effect to the Rainy Hollow Consolidation;

“Rainy Hollow” means Rainy Hollow Ventures Inc., a corporation existing under the BCBCA;

“Rainy Hollow Consolidation” means a consolidation of the common shares in the capital of Rainy Hollow on a one post-consolidation common share for eight pre-consolidation common share basis to be effected immediately prior to the Effective Time;

“Rainy Hollow Option Plan” has the meaning set forth in the Arrangement Agreement;

“Rainy Hollow Replacement Broker Warrants” has the meaning set forth in Section 3.3(e);

“Rainy Hollow Replacement Options” has the meaning set forth in Section 3.3(c);

“Rainy Hollow Replacement Warrants” has the meaning set forth in Section 3.3(d);

“Record Date” means the record date for the purposes of determining the SPUD Shareholders entitled to receive material and vote at the SPUD Meeting;

“Special Resolution” means a resolution passed by a majority of not less than two-thirds of the votes cast by the shareholders who voted in respect of that resolution;

“SPUD” means Sustainable Produce Urban Delivery Inc., a corporation existing under the BCBCA;

“SPUD Arrangement Resolution” means the Special Resolution of the SPUD Shareholders approving the Arrangement to be considered at the SPUD Meeting;

“SPUD Broker Warrants” has the meaning set forth in the Arrangement Agreement;

“SPUD Convertible Debentures” has the meaning set forth in the Arrangement Agreement;

“SPUD Convertible Debenture Holders” means the holders of the SPUD Convertible Debentures;

“SPUD Convertible Notes” has the meaning set forth in the Arrangement Agreement;

“SPUD Convertible Note Holders” means the holders of the SPUD Convertible Notes;

“SPUD Meeting” means the special meeting of SPUD Shareholders, including any adjournment or postponement of such special meeting in accordance with the terms of the Arrangement Agreement, to be called and held in accordance with the Interim Order to consider and, if thought fit, to approve the Arrangement, together with such other matters as are required to effect the Arrangement;

“SPUD Note Warrants” has the meaning set forth in the Arrangement Agreement;

“SPUD Option Plan” means the share option plan of SPUD dated for reference September 28, 2014;

“SPUD Options” has the meaning set forth in the Arrangement Agreement;

“SPUD Securities” means the SPUD Broker Warrants, the SPUD Convertible Debentures, the SPUD Convertible Notes, the SPUD Note Warrants, the SPUD Options, the SPUD Shares, the SPUD Subscription Receipts and the SPUD Warrants;

“SPUD Securityholders” means holders of SPUD Securities;

“SPUD Shareholders” means holders of SPUD Shares;

“SPUD Shares” means common shares in the capital of SPUD;

“SPUD Subscription Receipts” has the meaning set forth in the Arrangement Agreement;

“SPUD Subscription Receipt Holders” means the holders of the Subscription Receipts;

“SPUD Warrants” has the meaning set forth in the Arrangement Agreement;

“Subscription Receipt Agreement Escrow Release Conditions” has the meaning set forth in the Arrangement Agreement; and

“Tax Act” means the *Income Tax Act* (Canada).

1.2 Certain Rules of Interpretation.

In this Plan of Arrangement, unless otherwise specified:

- (1) **Headings, etc.** The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Plan of Arrangement.
- (2) **Certain Phrases, etc.** The words (i) “including”, “includes” and “include” mean “including (or includes or include) without limitation,” (ii) “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of,” and (iii) unless stated otherwise, “Article” and “Section” followed by a number or letter mean and refer to the specified Article or Section of this Plan of Arrangement.
- (3) **Number.** In this Plan of Arrangement, unless the contrary intention appears, words importing the singular include the plural and vice versa.
- (4) **Statutes.** Any reference to a statute refers to such statute and all rules, resolutions and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.
- (5) **Date of Any Action.** In the event that any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where the action is required to be taken, such action will be required to be taken on the next succeeding day which is a Business Day in such place.

ARTICLE 2

PRE-ARRANGEMENT STEPS

2.1 Pre-Arrangement Steps.

Prior to this Plan of Arrangement becoming effective, the following steps will occur:

- (a) prior to the Effective Date:
 - (i) a portion or all of the aggregate principal amount and the accrued and unpaid interest on the SPUD Convertible Notes will be converted into SPUD Shares at a price of \$6.00 per share pursuant to a written agreement to be entered into by SPUD with each SPUD Convertible Note Holder and the remaining portion, if any, of such SPUD Convertible Notes shall be redeemed by SPUD for cash; and
 - (ii) all of the 3,600,000 outstanding SPUD Note Warrants will be converted, on a cashless basis, into an aggregate amount of 720,000 SPUD Shares; and
- (b) immediately prior to the Effective Time:
 - (i) in accordance with the provisions of the 2018 Subscription Agreements giving certain SPUD Shareholders the right to the SPUD Warrants, SPUD will issue such SPUD Warrants to such SPUD Shareholders, exempt from the registration requirements of the 1933 Act and state securities laws as

well as the prospectus requirements of applicable securities laws in each of the Provinces of Canada in which such SPUD Shareholders are resident;

- (ii) subject to completion of the Subscription Receipt Agreement Escrow Release Conditions, all outstanding SPUD Convertible Debentures will, in accordance with the provisions of the subscription agreements relating to and the Trust Indenture governing the SPUD Convertible Debentures, and without any further action on the part of any SPUD Convertible Debenture Holder, be converted into SPUD Shares; and
- (iii) subject to completion of the Subscription Receipt Agreement Escrow Release Conditions, all outstanding SPUD Subscription Receipts will, in accordance with the provisions of the subscription agreements relating to, and the Subscription Receipt Agreement governing, the SPUD Subscription Receipts, and without any further action on the part of any SPUD Subscription Receipt Holder, be converted into SPUD Shares.

2.2 Notice of Interim Order and Final Order Hearings.

SPUD shall send to the following SPUD Securityholders copies of the petition and the Interim Order, as well as the Notice of Hearing of Final Order, inviting them to attend:

- (a) the holders of SPUD Convertible Notes, SPUD Note Warrants, SPUD Convertible Debentures and SPUD Subscription Receipts, as the contractually based conversions of SPUD Convertible Notes, SPUD Note Warrants, SPUD Convertible Debentures and SPUD Subscription Receipts into SPUD Shares, as set forth at Sections 2.1(a), 2.1(a)(i), 2.1(b)(ii) and 2.1(b)(iii) respectively, will or may occur after the Record Date for the Special Meeting and such holders therefore will or may not be entitled to vote at such Special Meeting, in relation to such SPUD Shares; and
- (b) the following SPUD Securityholders upon whom the Arrangement will be binding as per Section 3.2:
 - (i) the SPUD Shareholders, including the Dissenting Holders;
 - (ii) the holders of the SPUD Options;
 - (iii) the holders of the right to be issued SPUD Warrants immediately prior to the Effective Time in accordance with Section 2.1(b)(i); and
 - (iv) the holders of SPUD Broker Warrants.

ARTICLE 3 THE ARRANGEMENT

3.1 Arrangement Agreement.

This Plan of Arrangement is made pursuant to, and is subject to the provisions of, the Arrangement Agreement except in respect of the sequence of the steps comprising the Arrangement which will occur in the order set forth herein. This Plan of Arrangement constitutes an arrangement as referred to in Section 288 of the BCBCA.

3.2 Binding Effect.

This Plan of Arrangement will become effective at, and be binding at and after, the Effective Time, without any further authorization, act or formality on the part of the Court, and will be binding upon on the following:

- (a) SPUD;
- (b) Rainy Hollow;
- (c) the SPUD Shareholders, including the Dissenting Holders;
- (d) the holders of the SPUD Options;
- (e) the holders of the SPUD Warrants;
- (f) the holders of SPUD Broker Warrants; and
- (g) all other Persons, without any further act or formality required on the part of any other Person except as expressly provided herein.

3.3 Arrangement.

Commencing at the Effective Time, the following events or transactions shall occur as set out below and shall be deemed to occur in the following sequence without any further authorization, act or formality:

- (a) each Dissenting Share held by a Dissenting Holder in respect of which a registered SPUD Shareholder has validly exercised his, her or its Dissent Rights will be deemed to have been transferred by such Dissenting Holder to Rainy Hollow without any further act or formality on the part of such Dissenting Holder, free and clear of all Liens, in accordance with and for the consideration set forth in Article 4 hereof, and:
 - (i) such Dissenting Holder will cease to be the registered holder of such SPUD Share and have any rights as a SPUD Shareholder other than the right to be paid the fair value of such SPUD Share in accordance with the provisions of the BCBCA;

- (ii) the name of such Dissenting Holder will be deemed to be removed from the securities register of SPUD with respect to such SPUD Share;
 - (iii) legal and beneficial title to such SPUD Share will be deemed to be transferred to Rainy Hollow and Rainy Hollow will be entered in the securities register of SPUD as the holder of such SPUD Share;
 - (iv) such SPUD Share and the certificate representing such SPUD Share will be deemed to have been cancelled;
 - (v) such Dissenting Holder will be deemed to have executed and delivered all consents, assignments and waivers, statutory or otherwise, required to effect such transfer; and
 - (vi) the central securities register of SPUD shall be revised accordingly;
- (b) each SPUD Share held by a SPUD Shareholder, other than those SPUD Shares held by Dissenting Holders, will be deemed to have been transferred by such SPUD Shareholder to Rainy Hollow without any further act or formality on the part of such SPUD Shareholder, free and clear of all Liens, in exchange for Post-Consolidation Rainy Hollow Shares based upon the Exchange Ratio, and:
 - (i) such SPUD Shareholder will cease to be the registered holder of such SPUD Share and have any rights as a SPUD Shareholder other than the right to receive Post-Consolidation Rainy Hollow Shares based upon the Exchange Ratio in accordance with this Section 3.3(b);
 - (ii) the name of such SPUD Shareholder will be deemed to be removed from the securities register of SPUD with respect to such SPUD Share;
 - (iii) legal and beneficial title to such SPUD Share will be deemed to be transferred to Rainy Hollow and Rainy Hollow will be entered in the securities register of SPUD as the holder of such SPUD Share;
 - (iv) such SPUD Share and the certificate representing such SPUD Share will be deemed to have been cancelled;
 - (v) such SPUD Shareholder will be deemed to have executed and delivered all consents, assignments and waivers, statutory or otherwise, required to effect such transfer; and
 - (vi) the central securities register of SPUD shall be revised accordingly;
- (c) notwithstanding the terms of the SPUD Option Plan, each SPUD Option (whether vested or unvested) outstanding immediately prior to the Effective Time will be, and will be deemed to be, terminated and cancelled in its entirety and the holder of such SPUD Option, without any further act or formality on the part of such holder, will receive an option to purchase Post-Consolidation Rainy Hollow Shares from

Rainy Hollow (that will be governed by the terms of the Rainy Hollow Option Plan) (each, a “**Rainy Hollow Replacement Option**”), such that: (i) on exercise of each Rainy Hollow Replacement Option, the holder will be entitled to acquire, and will accept in lieu of the number of SPUD Shares to which such holder was entitled immediately before the Effective Date, the number of Post-Consolidation Rainy Hollow Shares equal to the number of SPUD Shares subject to the SPUD Option immediately before the Effective Date; (ii) each such Rainy Hollow Replacement Option will have an exercise price per Post-Consolidation Rainy Hollow Share equal to the exercise price per SPUD Share subject to such SPUD Option immediately before the Effective Date; and (iii) except as provided in this Section 3.3(c), all other terms and conditions of such SPUD Option in effect immediately prior to the Effective Date will govern the Rainy Hollow Replacement Option for which such SPUD Option is so exchanged, and:

- (i) such holder of a SPUD Option will cease to be the holder of such SPUD Option and to have any rights as a holder of such SPUD Option other than the right to receive Rainy Hollow Replacement Options in accordance with this Section 3.3(c);
 - (ii) the SPUD Option will be deemed to have been terminated and cancelled and the name of such holder of a SPUD Option will be removed from the securities register of SPUD with respect to such SPUD Option;
 - (iii) the SPUD Option Plan and all option agreements relating to such SPUD Option will be deemed to have been terminated and cancelled and shall be of no further force and effect;
 - (iv) such holder of a SPUD Option will be deemed to have executed and delivered all consents, assignments and waivers, statutory or otherwise, required to effect such assignment and transfer; and
 - (v) the central securities register of SPUD shall be revised accordingly;
- (d) each SPUD Warrant outstanding prior to the Effective Time will be, and will be deemed to be, terminated and cancelled in its entirety and the holder of such SPUD Warrant, without any further act or formality on the part of such holder, will receive a warrant to purchase Post-Consolidation Rainy Hollow Shares from Rainy Hollow (each a “**Rainy Hollow Replacement Warrant**”), such that: (i) on exercise of each Rainy Hollow Replacement Warrant, the holder will be entitled to acquire, and will accept in lieu of the number of SPUD Shares to which such holder was entitled immediately before the Effective Date, the number of Post-Consolidation Rainy Hollow Shares equal to the number of SPUD Shares subject to the SPUD Warrant immediately before the Effective Date; (ii) each such Rainy Hollow Replacement Warrant will have an exercise price per Post-Consolidation Rainy Hollow Share equal to the exercise price per SPUD Share subject to such SPUD Warrant immediately before the Effective Date; and (iii) except as provided in this Section 3.3(d), all other terms and conditions of such SPUD Warrant in effect

immediately prior to the Effective Date will govern the Rainy Hollow Replacement Warrant for which such SPUD Warrant is so exchanged, and:

- (i) such holder of a SPUD Warrant will cease to be the holder of such SPUD Warrant and to have any rights as a holder of such SPUD Warrant other than the right to receive Rainy Hollow Replacement Warrants in accordance with this Section 3.3(d);
 - (ii) the name of such holder of a SPUD Warrant will be deemed to be removed from the securities register of SPUD with respect to such SPUD Warrant;
 - (iii) the SPUD Warrant will be deemed to have been terminated and cancelled and shall be of no further force and effect;
 - (iv) such holder of a SPUD Warrant will be deemed to have executed and delivered all consents, assignments and waivers, statutory or otherwise, required to effect such assignment and transfer; and
 - (v) the central securities register of SPUD shall be revised accordingly;
- (e) each SPUD Broker Warrant outstanding prior to the Effective Time will be, and will be deemed to be, terminated and cancelled in its entirety and the holder of such SPUD Broker Warrant, without any further act or formality on the part of such holder, will receive a warrant to purchase Post-Consolidation Rainy Hollow Shares from Rainy Hollow (each a “**Rainy Hollow Replacement Broker Warrant**”), such that: (i) on exercise of each Rainy Hollow Replacement Broker Warrant, the holder will be entitled to acquire, and will accept in lieu of the number of SPUD Shares to which such holder was entitled immediately before the Effective Date, the number of Post-Consolidation Rainy Hollow Shares equal to the number of SPUD Shares subject to the SPUD Broker Warrant immediately before the Effective Date; (ii) each such Rainy Hollow Replacement Broker Warrant will have an exercise price per Post-Consolidation Rainy Hollow Share equal to the exercise price per SPUD Share subject to such SPUD Broker Warrant immediately before the Effective Date; and (iii) except as provided in this Section 3.3(e), all other terms and conditions of such SPUD Broker Warrant in effect immediately prior to the Effective Date will govern the Rainy Hollow Replacement Broker Warrant for which such SPUD Broker Warrant is so exchanged, and:
- (i) such holder of a SPUD Broker Warrant will cease to be the holder of such SPUD Broker Warrant and to have any rights as a holder of such SPUD Warrant other than the right to receive Rainy Hollow Replacement Broker Warrants in accordance with this Section 3.3(e);
 - (ii) the name of such holder of a SPUD Broker Warrant will be deemed to be removed from the securities register of SPUD with respect to such SPUD Broker Warrant;

- (iii) the SPUD Broker Warrant will be deemed to have been terminated and cancelled and shall be of no further force and effect;
- (iv) such holder of a SPUD Broker Warrant will be deemed to have executed and delivered all consents, assignments and waivers, statutory or otherwise, required to effect such assignment and transfer; and
- (v) the central securities register of SPUD shall be revised accordingly; and
- (f) provided that none of the foregoing will occur or be deemed to occur unless all of the foregoing occurs.

3.4 U.S. Income Tax Treatment.

As set forth in the Arrangement Agreement, each of SPUD and Rainy Hollow intends, and undertakes and agrees to use its reasonable efforts to cause the Arrangement, and to take no action which would cause the Arrangement not, to constitute a “reorganization” within the meaning of Section 368(a) of the Code, and the U.S. Treasury Regulations promulgated thereunder (and as further described in Treas. Regulation §1.368-2(b)(ii) and §1.368-2(b)(ii), Examples 12 and 13) for federal income tax purposes. The Arrangement Agreement shall constitute a “plan of reorganization” within the meaning of Section 368(a) of the Code for purposes of Sections 354, 356 and 361 of the Code (and any comparable provision of U.S. state law) for federal and applicable state income tax purposes. SPUD and Rainy Hollow shall prepare and file with each of their respective tax returns all information required by U.S. Treasury Regulations Section 1.368-3 and related provisions of the U.S. Treasury Regulations in a manner consistent with treating the transactions contemplated by the Arrangement Agreement as a reorganization described in Section 368(a) of the Code and shall take no position (whether in audits, tax returns or otherwise) that is inconsistent with such treatment unless required to do so by applicable law.

ARTICLE 4 RIGHTS OF DISSENT

4.1 Rights of Dissent.

Registered SPUD Shareholders may exercise dissent rights (“**Dissent Rights**”) in connection with the Arrangement pursuant to and in the manner set forth in Sections 237 to 247 of the BCBCA, as modified by the Interim Order, the Final Order and this Section 4.1; provided that the written notice of dissent setting forth the objection of such registered SPUD Shareholders to the SPUD Arrangement Resolution must be received by SPUD not later than 5:00 p.m. (Vancouver time) on the day that is two Business Days immediately preceding the date of the SPUD Meeting (as it may be adjourned or postponed from time to time). Each such Dissenting Holder who duly exercises his, her or its Dissent Rights shall be deemed to have transferred the SPUD Shares held by such Dissenting Holder, and in respect of which Dissent Rights have been validly exercised, to Rainy Hollow free and clear of all Liens, as provided in Section 3.3(a) and if such Dissenting Holder is:

- (a) ultimately entitled to be paid fair value for such SPUD Shares by SPUD (which fair value, notwithstanding anything to the contrary contained in section 245 of the BCBCA, shall be determined as of the close of business on the day before the

Effective Date), shall be deemed to have irrevocably transferred such Dissenting Shares to Rainy Hollow on the Effective Date pursuant to Section 3.3(a) in exchange for the right to be paid fair value for such Dissenting Shares, and SPUD shall thereupon be obligated to pay the amount therefore determined to be the fair value of such Dissenting Shares; or

- (b) ultimately not entitled, for any reason, to be paid fair value for such Dissenting Shares by SPUD, shall be deemed to have participated in the Arrangement on the same basis as a registered holder of SPUD Shares that has not exercised Dissent Rights.

4.2 Recognition of Dissenting Holders.

- (a) In no circumstances shall Rainy Hollow, SPUD or any other Person be required to recognize:
 - (i) a Person exercising Dissent Rights, unless such Person is the registered holder of those SPUD Shares in respect of which such rights are sought to be exercised or was the registered holder of such SPUD Shares immediately prior to the Effective Time; or
 - (ii) a Person purporting to exercise Dissent Rights after the completion of the step contemplated by Section 3.3(a), and each such Person who has exercised Dissent Rights will cease to be entitled to the rights of the registered holders of SPUD Shares, respectively, in respect of the shares in relation to which such Person has exercised such Dissent Rights, and the register for the SPUD Shares will be amended to reflect that such former holder is no longer the holder of such shares as and from the completion of the step set forth in Section 3.3(a).
- (b) In addition to any other restrictions under the Interim Order and Sections 237 to 247 of the BCBCA, SPUD Shareholders who vote or have instructed a proxyholder to vote their SPUD Shares in favour of the SPUD Arrangement Resolution (but only in respect of such SPUD Shares) shall not be entitled to exercise Dissent Rights.

ARTICLE 5 CERTIFICATES AND PAYMENTS

5.1 Payment of Consideration Shares.

- (a) Following receipt of the Final Order and prior to the Effective Time and following delivery by SPUD to Rainy Hollow of a certified copy of the SPUD Share register with the complete name and address of each SPUD Shareholder and the equivalent for any other SPUD securities as may be required, Rainy Hollow shall deliver or cause to be delivered to SPUD, evidence of an executed treasury direction addressed to its registrar and transfer agent to issue at the Effective Time certificates

or direct registration statements representing the Consideration Shares (other than for dissenting SPUD Shareholders).

- (b) As soon as reasonably practicable after the Effective Date, Rainy Hollow will deliver or cause to be delivered to each former SPUD Shareholder, the certificate(s) or direct registration statement representing the number of Consideration Shares to which such former SPUD Shareholder is entitled pursuant to the Arrangement.
- (c) Upon surrender to Rainy Hollow for cancellation of a certificate, which immediately prior to the Effective Time represented outstanding SPUD Shares, transferred pursuant to Section 3.3(b) and such additional documents and instruments as Rainy Hollow may reasonably require, the holder of SPUD Shares represented by such surrendered certificate shall be entitled to receive in exchange therefor, and Rainy Hollow shall deliver to such holder, a certificate or direct registration statement representing that number of Consideration Shares which such holder has the right to receive under the Arrangement for such SPUD Shares, rounded down to the nearest whole number in accordance with Section 5.3, and less any amounts withheld pursuant to Section 5.4.
- (d) Rainy Hollow will be entitled to rely on the books and records of SPUD and, in particular, its securities register, in preparing and mailing the share certificates or direct registration statements for the Consideration Shares to which SPUD Shareholders are entitled pursuant to the Arrangement. For greater certainty, the certificates or direct registration statements representing Consideration Shares forwarded to former SPUD Shareholders will be registered in such name or names and delivered to such address or addresses as it appears on the securities register of SPUD.
- (e) Until surrendered as contemplated by this Section 5.1, each certificate that immediately prior to the Effective Time represented SPUD Shares shall be deemed after the Effective Time to represent only the right to receive upon such surrender a certificate representing the number of Consideration Shares under the Arrangement in lieu of such certificate as contemplated in this Section 5.1 rounded down to the nearest whole number in accordance with Section 5.3, and less any amounts withheld pursuant to Section 5.4. Any such certificate formerly representing SPUD Shares not duly surrendered on or before the sixth anniversary of the Effective Date shall cease to represent a claim by or interest of any former holder of SPUD Shares of any kind or nature against or in SPUD or Rainy Hollow. On such date, all Consideration Shares to which such former holder was entitled shall be deemed to have been surrendered to Rainy Hollow.

5.2 Dividends and other Distributions.

No dividends or other distributions declared or made on or after the Effective Date with respect to the Consideration Shares with a record date on or after the Effective Date shall be paid to the holder of any certificates formerly representing outstanding SPUD Shares which are not surrendered pursuant to this Plan of Arrangement unless and until the certificate representing such

SPUD Shares, and such additional documents and instruments as Rainy Hollow may reasonably require, are surrendered and delivered in accordance with this Plan of Arrangement. Subject to applicable law and to Section 5.4, at the time of such surrender and delivery of any such certificate, together with such additional documents and instruments as Rainy Hollow may reasonably require (or, in the case of clause (b) below, at the appropriate payment date), there shall be paid to the holder of the Consideration Shares resulting from such exchange, in all cases without interest, (a) the amount of dividends or other distributions with a record date on or after the Effective Date theretofore paid with respect to such Consideration Shares, and (b) the amount of dividends or other distributions with a record date on or after the Effective Date but prior to surrender and a payment date subsequent to surrender payable with respect to such Consideration Shares.

5.3 No Fractional Shares

In no event shall any holder of SPUD Shares be entitled to a fractional Consideration Share. Where the aggregate number of Consideration Shares to be issued to a person under or as a result of the Arrangement would result in a fraction of a Consideration Share being issuable, the number of Consideration Shares to be received by such securityholder shall be rounded down to the nearest whole Consideration Share and no person will be entitled to any compensation in respect of a fractional Consideration Share.

5.4 Withholding Rights.

Rainy Hollow and SPUD shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable to any Person under this Plan of Arrangement (including, without limitation, any amounts payable pursuant to Section 4.1), such amounts as Rainy Hollow or SPUD determines, acting reasonably, are required to be deducted and withheld therefrom under the Tax Act, the U.S. Internal Revenue Code of 1986, as amended, or any provision of any other Law. To the extent that amounts are so deducted, withheld and remitted, such amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such amounts are actually remitted to the appropriate taxing authority. To the extent that the amount so required to be deducted or withheld from any payment to a Person exceeds the consideration otherwise payable to the Person, SPUD and Rainy Hollow are hereby authorized to sell or otherwise dispose of any property or amount otherwise payable to such Person to the extent necessary to provide sufficient funds to SPUD or Rainy Hollow, as the case may be, to enable it to comply with such deduction or withholding requirement and SPUD or Rainy Hollow shall remit to such Person any unapplied balance of the net proceeds of such sale. Any such Person subject to withholding may request reasonable evidence of payment to the appropriate taxing authority.

5.5 No Liens.

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

5.6 U.S. Securities Laws Exemptions.

Notwithstanding any provision herein to the contrary, SPUD and Rainy Hollow each agree that this Plan of Arrangement will be carried out with the intention that all Post-Consolidation Rainy

Hollow Shares, Rainy Hollow Replacement Options and Rainy Hollow Replacement Warrants issued in exchange for SPUD Shares, SPUD Options and SPUD Warrants, respectively, will be issued in reliance on the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereof, and similar exemptions under state securities laws.

5.7 Paramountcy.

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all SPUD Securities issued prior to the Effective Time, (b) the rights and obligations of the SPUD Securityholders and any transfer agent therefor in relation thereto, shall be solely as provided for in this Plan of Arrangement, and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any SPUD Securities shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

ARTICLE 6 AMENDMENTS

6.1 Amendments to Plan of Arrangement.

- (a) SPUD and Rainy Hollow may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must (i) be set out in writing, (ii) be approved by Rainy Hollow on the one hand and SPUD on the other hand, each acting reasonably, (iii) filed with the Court and, if made following the SPUD Meeting, approved by the Court, and (iv) be communicated to SPUD Shareholders if and as required by the Court, and in either case in the manner required by the Court.
- (b) Subject to the provisions of the Interim Order, any amendment, modification or supplement to this Plan of Arrangement may be proposed by SPUD at any time prior to the SPUD Meeting (provided that Rainy Hollow shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the SPUD Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the SPUD Meeting shall be effective only if (i) it is consented to in writing by each of SPUD and Rainy Hollow (in each case, acting reasonably), and (ii) if required by the Court, it is consented to by some or all of the SPUD Shareholders voting in the manner directed by the Court.
- (d) Any amendment, modification or supplement to this Plan of Arrangement may be made by SPUD or Rainy Hollow without approval of or communication to the Court, the SPUD Shareholders or any Persons voting at the SPUD Meeting, provided that it concerns a matter which, in the reasonable opinion of SPUD and Rainy Hollow, is of an administrative or ministerial nature required to better give

effect to the implementation of this Plan of Arrangement and is not materially adverse to the economic interest of any Persons voting at the SPUD Meeting.

ARTICLE 7 FURTHER ASSURANCES

7.1 Further Assurances.

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

7.2 Agreement not to Implement

Subject to the terms of the Arrangement Agreement, SPUD and Rainy Hollow may agree not to implement this Plan of Arrangement, notwithstanding the approval of the SPUD Arrangement Resolution and the receipt of the Final Order.

EXHIBIT B

SPUD SUBSIDIARIES

SPUD Subsidiary	Issued and Outstanding Securities; Holder(s) Thereof
569672 BC Ltd.	6,000 common shares; held by SPUD 30,000 class D preferred redeemable retractable shares; held by SPUD
Organics Express Inc.	1,000 class A shares; held by SPUD
Mainland Fresh Distribution Inc.	100 common shares; held by SPUD
Food-X Urban Delivery Inc.	1 common share; held by SPUD
Food-X Technologies Inc.	1 common share; held by SPUD
Food-X Technologies (eGMS) Inc.	100 common shares; held by SPUD
Be Fresh (AB) Inc.	100 class A shares; held by Organics Express Inc.
Blush Lane Organic Produce Ltd.	1,000,051 class A shares; held by Be Fresh (AB) Inc. 49 class A shares; held by a third-party family trust 9 class B shares; held by Be Fresh (AB) Inc. 1 class C share; held by a third-party corporation 6,000 class F shares; held by Be Fresh (AB) Inc. 4,900 class F shares; held by a third-party individual
Blush Lane Marda Loop Ltd.	51 class A shares; held by Be Fresh (AB) Inc. 49 class A shares; held by a third-party family trust 9 class B shares; held by Be Fresh (AB) Inc.
Blush Lane Windsor Ltd.	100 common shares; held by Blush Lane Organic Produce Ltd.