

Marcos Agramont  
Chief Executive Officer  
Isodiol International Inc.  
2215 Auto Park Way  
Escondido, CA 92029

March 13, 2018

Chris Boucher  
Managing Member  
Farmtiva LLC  
1745 S. Coast Hwy., Unit G  
Laguna Beach, CA 92651

Re: Binding Letter Agreement – Acquisition of a Majority of the Issued and Outstanding Member Interests of Farmtiva LLC from Selling Members by Isodiol International Inc.

Dear Mr. Boucher:

This binding letter agreement (“Letter Agreement”), effective as of the date of last execution where undersigned (the “Effective Date”), sets forth the general terms and conditions of an agreement between and among **Isodiol International, Inc.**, a Canadian corporation (“Isodiol”), **Farmtiva LLC**, a California limited liability company (“Target”), and the existing member interest holders of Target (the “Member Interest Holders”) holding **51.0%** of the then-issued and outstanding member interests of Farmtiva (the “Target Member Interests”).

Upon consummation of the transactions described in this Letter Agreement, Farmtiva will become a majority-owned subsidiary of Isodiol, and all of Farmtiva’s assets, liabilities, and business operations (collectively, the “Target Business”) will become controlled by and financially consolidated with Isodiol.

1. **Background of Isodiol.** Isodiol is a global market leader in pharmaceutical and nutraceutical grade phytochemical compounds and an industry leader in the manufacturing and development of phytoceutical consumer products. Isodiol is the pioneer of many firsts for the cannabis industry including commercialization of 99%+ pure, bioactive pharmaceutical grade cannabinoids, micro-encapsulations, and nanotechnology for the highest quality consumable and topical skin care products. Isodiol’s growth strategy includes the development of over-the-counter and pharmaceutical drugs, expanding its phytoceutical portfolio, and aggressively continuing international expansion into Latin America, Asia, and Europe.

2. **Background of Farmtiva.** Farmtiva is a cultivator of hemp with operations in California and provides farming and distribution support for California farmers and other industry participants in the State. Farmtiva is committed to pushing the boundaries of legal hemp in California with a view to offering its products and services throughout the country and the world.

Farmtiva also has an impending partnership with the not-for-profit Imperial Valley Conservation Research Center (“IVCRC”) that has been memorialized in a memorandum of understanding between the parties allowing Farmtiva to operate an industrial hemp grow operation upon the grounds of their former U.S. Department of Agriculture research facility. The facility grounds consist of 160 acres, with 140 acres divided into small research plots that are leased to clients. In addition to the research plots, the center houses five greenhouses and a soil testing laboratory. Farmtiva’s project with IVCRC has the vision to develop a complete industrial hemp business model for hemp farming that includes industrial hemp farming, cannabidiol (CBD) hemp propagation, a seed operation, oil processing, fiber extraction, and soil phytoremediation.

The parties acknowledge that, for purposes of this Letter Agreement, Farmtiva has a pre-money valuation of approximately US\$3,000,000.

3. **Obligations of Isodiol.** The Isodiol obligations to Farmtiva and the selling Member Interest Holders are as follows:

a) **Stock Consideration.** As consideration for fifty-one percent (51%) of all of the post-Closing issued and outstanding Target Member Interests, Isodiol will issue an aggregate amount of shares of its common stock to the selling Member Interest Holders on a pro rata basis equal to US\$1,500,000 at Closing.

b) **Share Pricing.** All shares of Isodiol common stock will be valued at the closing price of said stock on the Canadian Securities Exchange (i.e., the CSE) on the Effective Date in Canadian currency.

c) **Share Restrictions.** The issuance of all shares will be subject to Isodiol’s transfer agent protocols, bear all restrictive legends applicable to private placements of securities in the country of issuance of the shares, and be subject to escrow with an additional ‘lock up’ and ‘release’ in six (6) equal installments made at Closing and on each six (6) month anniversary of Closing (i.e., within a total of thirty (30) months from Closing).

d) **Capital Commitment.** Isodiol will commit the following funds to be used as working capital by Farmtiva on the following terms and conditions:

i. US\$750,000, payable to Farmtiva on or about the Closing Date (the “Initial Funding Date”);

ii. US\$750,000, payable to Farmtiva within thirty (30) days of the Initial Funding Date (the “Second Funding Date”); provided, however, that such payment will not be due, owing, or payable in the event Farmtiva’s ‘first harvest’ in California is not legally planted to commercial scale prior to or on the Second Funding Date. The term ‘first harvest’ shall have the meaning commonly attributed to it in the industry.

e) **Currency Conversions.** All conversions from Canadian currency to U.S. currency for purposes of this Section 3 will be in accordance with the currency exchange rate published in the Wall Street Journal on the relevant transaction date.

4. **Obligations of Farmtiva & Selling Members.** The Farmtiva and Member Interest Holder obligations are as follows:

a) **Tender of Member Interests.** The Member Interest Holders will promptly and orderly transfer, convey, and deliver the Target Member Interests to Isodiol. Farmtiva will use its best efforts to assist in these efforts.

b) **Employment Agreements.** Chris Boucher will enter into an employment agreement with Farmtiva on standard commercial terms with a minimum term of employment of three (3) years and non-competition on terms to be negotiated in good faith, prior to or contemporaneous with the execution of a Definitive Agreement.

c) **Change of Control.** Farmtiva and the Member Interest Holders will facilitate the orderly transfer of management, possession, and custody of the Target Business into Isodiol's control, including, but not limited to, the inventories, raw goods, marketing materials, books, records, bank and financial accounts, vendor accounts and relationships, and customer data.

d) **Existing Conditions.** Farmtiva will maintain its properties, facilities, and business in the same or improved condition as of the Effective Date as at the Closing.

e) **Limited Indebtedness.** Farmtiva will not have any actions, claims, debts, or liabilities, whether actual, contingent, pending, or threatened, with an estimated value in excess of US\$25,000.

f) **Offtake Agreement.** Farmtiva will enter into an offtake agreement with Isodiol on commercially reasonable terms for the supply of all industrial hemp and products derived therefrom that are produced by Farmtiva.

g) **Conversion to Subchapter C.** Farmtiva will make all appropriate filings with the state of its organization, applicable state tax authorities, and the Internal Revenue Service to convert Farmtiva from a limited liability company to a corporation that is taxed pursuant to Subchapter C of Title 26 of the U.S. Code (the "Conversion").

h) **Board of Directors.** Upon Conversion, Farmtiva will create a five (5) member board of directors that will consist initially of the following members: (i) Aman Parmar; (ii) Troy Nihart; (iii) Marcos Agramont; (iv) Chris Boucher; and (v) Scott Hutchinson.

i) **Executive Management.** Farmtiva's existing executive officers will remain in place after the Closing, subject to the good faith negotiation of employment agreements or independent contractor agreements and removal for cause.

j) **Accounting and Audit.** Commencing on the Effective Date, Farmtiva will maintain an accrual-based accounting system that conforms to all accounting standards applicable to Isodiol, inclusive of all periodic reporting and audit requirements. Farmtiva will timely comply with all information requests from Isodiol and Isodiol's public audit firms.

k) First Planting. Farmtiva will plant its 'first harvest' in California to commercial scale prior to or on the Second Funding Date. The term 'first harvest' shall have the meaning commonly attributed to it in the industry.

5. **Definitive Agreements**. The terms and conditions of the transactions contemplated by this Letter Agreement are subject in all respects to the further negotiation, drafting, and execution by all relevant parties of one or more written definitive agreements (each a "Definitive Agreement").

6. **Closing Conditions**. The parties intend that the execution of each Definitive Agreements will be subject to the following conditions:

a) Due Diligence. A due diligence review and investigation by Isodiol, its counsel, and its agents, of the applicable laws, business, assets, financial condition, and prospects of each relevant party shall have been concluded to the reasonable satisfaction of Isodiol.

b) Customary Terms. The Definitive Agreements shall contain all representations, warranties, conditions, covenants, and agreements that are customary for a transaction of the nature described herein.

c) Approvals and Consents. The parties shall have obtained any and all necessary corporate and regulatory consents and approvals that are customary and required for transactions of the nature described herein.

d) Certain Contract Rights. Farmtiva shall have obtained the contract rights set forth in an outstanding memorandum of understanding with Imperial Valley Conservation Research Center, a California non-profit organization located in Brawley, California that conducts agricultural research and development.

For the avoidance of doubt, the satisfactory completion of due diligence pursuant to Section 10 and the other obligations of each party in Sections 3 and 4 prior to the Transaction Deadline and as at Closing are express conditions of closing, and the non-breaching party may terminate this Letter Agreement and any Definitive Agreement if the breaching party fails to satisfy any such closing condition.

7. **Definitive Agreement Deadlines**. The parties agree that time is of the essence in the consummation of the transactions described herein and intend that the following deadlines will apply:

a) Each Definitive Agreement will have an effective date on or before a date that is thirty (30) days from the date of this Letter Agreement (the "Transaction Deadline"); and

b) Each Definitive Agreement will have a closing date on or before a date that is thirty (30) days from the Transaction Deadline (the "Closing").

If the Definitive Agreements have not been executed on or before the Transaction Deadline, the parties will not have any obligation to continue negotiations or enter into any Definitive Agreements, and Isodiol may terminate this Letter Agreement.

8. **Expenses.** Each party will bear all of its own expenses, including attorneys' fees, in connection with the negotiation of the documentation of the transactions described herein. Any party engaging a broker or finder will be solely responsible for that broker's or finder's fee.

9. **Currency.** All monetary amounts expressed in this Letter Agreement and to be expressed in the Definitive Agreements will be in Canadian dollar currency unless otherwise stated in a specific provision.

10. **Access to Information.** Farmtiva will allow Isodiol and its directors, officers, and agents reasonable access to all files, books, and records concerning the Target Business, including any and all information relating to taxes, regulatory status and history, financial encumbrances, contracts, licenses, and related matters for a period commencing on the date of this Letter Agreement and ending on a date that is the earlier of (i) the execution of the Definitive Agreements and (ii) the Transaction Deadline (the "Due Diligence Period").

11. **No Shop.** Farmtiva agrees that it will take all actions necessary to ensure that, during the Due Diligence Period, neither it nor any of its Member Interest Holders will engage in any solicitations, discussions, or negotiations with other potential counterparties with respect to the Target Business or the Target Member Interests and refrain from seeking alternative acquisition proposals from third parties to this Letter Agreement concerning the Target Business or the Target Member Interests.

12. **Confidentiality.** The parties will hold and cause each of its respective employees, agents, and advisors to hold in confidence all documents and information concerning the other party, as the case may be, which have been or will be furnished in connection with the transactions contemplated by this Letter Agreement. Whether or not the transactions are consummated, such confidential treatment will be maintained for not less than three (3) years from the date of this Letter Agreement, except to the extent such information:

- a) Was previously known to the receiving party before disclosure by the disclosing party;
- b) Is in the public domain through no fault of the receiving party;
- c) Is lawfully acquired by the receiving party from a third party under no obligation of confidence to the disclosing party; or
- d) Is required by law to be disclosed.

Such documents and information will not be used for the benefit of the receiving party or the detriment of the disclosing party in any manner contrary to the intent of this provision, and all documents, materials, and other written information provided by the disclosing party to the receiving party, including all copies and extracts thereof, will be returned to the disclosing party or destroyed promptly upon written request.

13. **Publicity and Reporting.** All regulatory reports, permit applications, and filings, as well as all press releases, announcements, or other publicity, pertaining to Isodiol, this Letter

Agreement, and the transactions will be approved by Isodiol in writing, in advance of public release, and be subject to any applicable law and regulatory requirements.

14. **Mutual Non-Disparagement.** The parties will not disparage one another or take any action that could reasonably be expected to adversely affect the personal or professional reputation of a party or its directors, officers, or agents or otherwise take any action that reasonably could be expected to adversely affect the personal or professional reputations of those involved.

15. **Governing Law.** This Letter Agreement will be governed by and construed in accordance with the laws of the State of California, except with respect to any conflicts of law principles thereof. The parties consent to the jurisdiction of the courts existing in San Diego, California, which will have exclusive jurisdiction to hear and determine any dispute arising out of the Agreement.

16. **Counterparts.** This Letter Agreement may be signed in multiple counterparts, each of which will constitute an original, and all of which together will constitute the same agreement.

[Signature Page Follows]

If the terms of this Letter Agreement are acceptable, please sign where indicated below, without addition or deletion, and deliver the same to the undersigned on or before 5:00 p.m., Pacific Time, on **Thursday, March 15, 2018**.

Failure to deliver a fully executed copy of this Letter Agreement by that date will render each provision of this letter of intent inoperative and of no further force and effect.


Sincerely,

DocuSigned by:  
  
EA3B96180525497...  
Marcos Agramont,  
Chief Executive Officer

\* \* \* \* \*

Reviewed, acknowledged, and agreed as of the **March 13, 2018** (date) by:

**Farmtiva LLC**

By:   
Name: Chris Boucher  
Title: Managing Member

*and in his capacity as an individual and as a  
Member Interest Holder of Target Member  
Interests.*