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# CREDEX CORPORATION

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## TERM SHEET FOR \$2,000,000.40 COMMON STOCK OFFERING JULY 21, 2022

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This Term Sheet for \$2,000,000.40 Common Stock Offering (the “Term Sheet”) summarizes the principal terms of an offering by Credex Corporation, a Florida corporation (the “Company”) of up to 1,666,667 shares of common stock, par value \$0.001 per share, of the Company (the “Common Stock”) at a price of \$1.20 per share, for a total offering amount of \$2,000,000.40 (the “Offering”). The discussion of the terms of the offering set forth herein is qualified in its entirety to the terms and conditions of the agreements and exhibits attached hereto. This Term Sheet is an expression of interest only and, except as expressly set forth below, is not to be construed as a binding agreement. There is no obligation on the part of any party until the subscription agreement is complete and signed by the Company and the prospective investor.

THIS TERM SHEET AND ITS EXHIBITS CONTAIN MATERIAL NON-PUBLIC INFORMATION REGARDING CREDEX CORPORATION BY ACCEPTING THIS TERM SHEET AND THE EXHIBITS HERETO, THE RECIPIENT AGREES WITH CREDEX CORPORATION TO MAINTAIN IN STRICT CONFIDENCE ALL NON-PUBLIC INFORMATION, INCLUDING, BUT NOT LIMITED TO, THE EXISTENCE OF THE PROPOSED FINANCING AND ANY OTHER NON-PUBLIC INFORMATION REGARDING CREDEX CORPORATION OBTAINED FROM THIS TERM SHEET, ANY OTHER DOCUMENT OR FROM CREDEX CORPORATION THE USE OF THIS TERM SHEET FOR ANY PURPOSE OTHER THAN AN INVESTMENT IN THE SECURITIES DESCRIBED HEREIN IS NOT AUTHORIZED AND IS PROHIBITED.

**Issuer:** Credex Corporation (the “Company”) is a Florida corporation. The Company is a reporting company subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, and therefore files reports with the Securities and Exchange Commission (the “SEC Reports”) which can be accessed at [www.sec.gov](http://www.sec.gov). Prospective investors are urged to review the SEC Reports prior to submitting a subscription agreement for Shares. The Common Stock is currently traded on the Pink tier of the OTC Markets (ticker: CRDX).

The Company is generally engaged in the business as described in the SEC Reports and in the presentation as attached hereto as Exhibit A (the “Presentation”). Prospective investors are urged to review the Presentation prior to submitting a subscription agreement for shares of Common Stock.

**The Offering:** The Company is seeking to raise up to \$2,000,000.40 in this offering (the “Offering”), through the sale of up to 1,666,667 shares of Common Stock (the “Shares”) at a price of \$1.20 per Share. The minimum subscription is for 16,667 Shares for \$20,000.40, although the Company may accept subscriptions for a fewer number of Shares in its sole discretion.

The Offering will commence on the date of this Term Sheet and will terminate on the earlier of (i) the sale of 1,666,667 Shares; and (ii) December 31, 2022, unless earlier terminated by the Company.

This Offering is being undertaken pursuant to the exemption from registration provided in Rule 506(c) under Regulation D pursuant to the Securities Act of 1933, as amended (the “Securities Act”) with respect to accredited investors. Please see additional discussion in “Subscription Procedures” below.

The Company may conduct one or more closings as determined by the Company. There is no minimum number of Shares required to be subscribed for in order for the Company to conduct a closing and to have the subscription funds released to the Company. The Offering is being conducted by the Company and its officers and no placement agents have been engaged by the Company related to the Offering, and no commissions are payable to any party in connection with any sales of the Shares.

The Company may undertake one or more other offerings of its securities in the future, and may terminate, suspend or modify the terms of this Offering at any time.

**Subscription  
Procedures:**

A subscriber must meet one (or more) of the investor suitability standards (be an “accredited investor”) to purchase Shares. The definition of who qualifies as an “accredited investor” is set forth in the Subscription Agreement which is attached hereto as Exhibit B. As this offering is being undertaken pursuant to Rule 506(c) under the Securities Act, the Company is required to undertake certain steps to confirm the accredited investor status of a prospective investor.

To subscribe for Shares in the Offering, prospective investors (each, an “Investor”) must:

1. Complete and executed a Subscription Agreement, attached to this Term Sheet as Exhibit B.
2. Return the completed and signed Subscription Agreement to the Company pursuant to the instructions set forth in the Subscription Agreement.
3. Deliver payment for the Shares subscribed for to the Company pursuant to the instructions set forth in the Subscription Agreement.

As discussed above, this Offering is being undertaken pursuant to Rule 506(c) under the Securities Act and therefore confirmation of the accredited investor status of a prospective Investor is required. Please see the procedures in the Subscription Agreement for completing and providing to the Company an Accredited Status Certification Letter, which will satisfy this requirement.

The execution of a Subscription Agreement by an investor constitutes a binding offer to purchase the Shares subscribed for. Once an investor subscribes for Shares, that Investor will not be able to withdraw such subscription. If a subscription is not

accepted, subscription funds will be promptly returned to the applicable Investor, without interest or deduction (except for the wire transfer fee). The Company may accept or reject a prospective Investor's subscription in its sole discretion. Payment for a subscription may be made via check or wire transfer, pursuant to the instructions set forth in the Subscription Agreement.

**Use of Proceeds:** The Company will utilize the proceeds of the Offering for general corporate purposes and to undertake the activities as set forth in the Presentation.

**Registration:** The Shares are not registered for resale under the Securities Act and they do not carry registration rights.

**Capitalization;  
Financials:** The authorized shares of the Company consist of 100,000,000 shares of Common Stock. As of the date of this Term Sheet, there are 69,159,114 shares of Common Stock issued and outstanding.

The Company is currently in the process of amending its Articles of Incorporation to, among other things, increase the number of shares of Common Stock to 250,000,000 shares of Common Stock, and to authorize 25,000,000 shares of "blank check" preferred stock authorized, for which the Board of Directors of the Company (the "Board") may determine the rights and preferences without any approval of the stockholders of the Company being required (the "Articles Amendment").

For additional information regarding the capitalization of the Company, the proposed Articles Amendment, and for the financials of the Company, please see the Company's SEC Reports.

**Governance:** The Company is governed by its Articles of Incorporation and Bylaws, which are included within the SEC Reports. Investors are urged to review the Articles of Incorporation and the Bylaws in their entirety prior to submitting a Subscription Agreement.

**Risk Factors:** An investment in the Shares is subject to certain material risks as set forth in the SEC Reports and in the "Risk Factors" as attached hereto as Exhibit C. Prospective Investors are urged to read these risk factors in their entirety prior to determining whether to acquire any Shares. Prospective investors should be aware that an investment in the Company involves a high degree of risk and there can be no assurance that the Company's objectives will be achieved, or that an Investor receive a return of its capital.

*Each prospective Investor in the Company must make its own independent assessment of the merits of an investment in the Company, including, without limitation, a determination whether such an investment is suitable for the investor.*

**Tax  
Considerations** This Term Sheet does not address tax considerations which may be applicable to Investors.

*Each prospective Investor should consult its own tax adviser as to the income tax consequences of an investment in the Company, whether federal, state or local or non-U.S.*

**Expenses:** Investors will bear their own fees and expenses incurred in connection with any acquisition of any Shares.

**No Offer:** This Term Sheet the Exhibits hereto and any other documents delivered by the Company in connection therewith are for informational purposes only and do not constitute either an offer to sell securities or the solicitation of an offer to buy securities. There will be no offer or sale of securities, or any solicitation to buy, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

**AN INVESTMENT IN OUR SECURITIES INVOLVES A HIGH DEGREE OF RISK. IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF US AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. YOU SHOULD ONLY INVEST IN OUR SECURITIES IF YOU CAN AFFORD A COMPLETE LOSS OF YOUR INVESTMENT. YOU SHOULD READ THE COMPLETE DISCUSSION OF THE RISK FACTORS SET FORTH IN THIS TERM SHEET.**

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS TERM SHEET. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

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## Disclaimer

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*Certain information herein relating to the Company, and any other information that may be provided to potential investors in connection with the transactions contemplated herein, contains forward-looking statement, and all statements other than statements of historical facts included herein are forward-looking statements. In some cases, forward-looking statements can be identified by words such as “believe,” “expect,” “anticipate,” “plan,” “potential,” “continue” or similar expressions. Such forward-looking statements include risks and uncertainties, and there are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Investors should not place any undue reliance on forward-looking statements since they involve known and unknown, uncertainties and other factors which are, in some cases, beyond the Company’s control which could, and likely will, materially affect actual results, levels of activity, performance or achievements. Any forward-looking statement reflects the Company’s current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to operations, results of operations, growth strategy and liquidity. The Company has no obligation to publicly update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.*

*This information shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.*

*This document and the information contained herein do not constitute legal, regulatory, accounting or tax advice to the recipient. This document does not constitute and should not be considered as any form of financial opinion or recommendation by the Company or any of its affiliates.*

Exhibit A

CreDEX Corporation Presentation

(Attached)



[CredexCorporation.com](https://CredexCorporation.com)



OTC: CRDX

# CREDEX

C O R P O R A T I O N

The CREDEX Corporation is engaged in acquiring, operating and scaling subsidiaries across strategic industries.

July 21, 2022



# Disclaimer



This presentation has been prepared by Credex Corporation (“Credex” or the “Company”). It does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. You should not treat the contents of this presentation, or any information provided in connection with it, as financial advice, financial product advice or advice relating to legal, taxation or investment matters. This presentation does not include all available information in relation to the business, operations, affairs, financial position or prospects of the Company. No representation or warranty (whether express or implied) is made by the Company or any of its shareholders, directors, officers, advisers, agents or employees as to the accuracy, completeness or reasonableness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or provided in connection with it, or any omission from this presentation, nor as to the attainability of any estimates, forecasts or projections set out in this presentation. This presentation is provided expressly on the basis that you will carry out your own independent inquiries into the matters contained in the presentation and make your own independent decisions about the business, operations, affairs, financial position or prospects of the Company. The Company reserves the right to update, amend or supplement the information contained in this presentation at any time in its absolute discretion (without incurring any obligation to do so) without any obligation to advise you of any such update, amendment or supplement. The delivery of this presentation shall not, under any circumstance, create any implication that there has been no change in the business, operations, affairs, financial position or prospects of the Company or that information contained herein is correct after the date of this presentation. Neither the Company nor any of its shareholders, directors, officers, advisers, agents or employees take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of the accuracy or completeness of the information contained in this presentation, for any errors, omissions or misstatements in or from this presentation or for any loss howsoever arising from the use of this presentation. Any such responsibility or liability is, to the maximum extent permitted by law, expressly disclaimed and excluded. This presentation does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to subscribe for or purchase, any securities of the Company, nor shall it form the basis of or be relied upon in connection with, or act as any inducement to enter, any contract or commitment whatsoever with respect to such securities. Under no circumstances should this presentation be construed as a prospectus, advertisement or public offering of securities.

This presentation contains reference to certain intentions, expectations, forward looking statements, strategy and prospects of the Company. Those intentions, expectations, forward looking statements, strategies and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of the Company may be influenced by a number of factors, many of which are outside the control of the Company. No representation or warranty, express or implied, is made by the Company, or any of its shareholders, directors, officers, advisers, agents or employees that any intentions, expectations or plans will be achieved either totally or partially or that any rate of return will be achieved. Given the risks and uncertainties that may cause the Company’s actual future results, performance or achievements to be materially different from those expected, planned or intended, you should not place undue reliance on these intentions, expectations, forward looking statements, strategies and prospects. The Company does not represent or warrant that the actual results, performance or achievements will be as intended, expected or planned.

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# Our Companies of Focus



40+ years of real estate development and transactional expertise.



40+ years of innovative solution lending.



Partnered with Joe Namath and leveraging 30 years of experience in third party sales channel growth and management.



Involved in golf design and development with 25+ years of experience.



Strategically positioned to be successful in targeted industries upon Federal acceptance.

CRDX Real Estate, Inc. CRDX Lending Inc. CRDX Golf, Inc. and CRDX Options Inc. are wholly owned subsidiaries

\*USA Hemp Store closing pending

# Our Team



## CEO, Board of Directors ROBIN H. MCVEY

Robin is a 1983 graduate of Virginia Tech with a Bachelor of Science in Marketing Management. Robin has over 38 years of profit and loss leadership, operations, and sales experience. Robin spent 20 years in the security industry and 14 years in the insurance industry until he sold his business in 1996. The last 4 years in the timeshare cancellation business building a company from 25 employees to over 500 employees with over \$100mm in revenues. Robin has a track record of success, building and growing businesses throughout his career. Robin is an inspirational leader who seeks to collaborate within an organization and encourage and teach employees to take on greater responsibilities for them to grow professionally. Robin has been married for over 25 wonderful years to Laura and they have a son Hunter who recently graduated from Virginia Tech and now is the President of [USAHempStore.com](http://USAHempStore.com). Robin is also on the Board of Directors of a faith-based organization called The Refuge Center in Franklin TN. The Refuge Center mission is to help families with counseling services for those families in need.

# Our Team



## CFO

Michael McDonnell

Mr. McDonnell, age 43, a graduate of the State University of New York at Old Westbury with a Bachelor of Science in Accounting served as a Staff Accountant in the Real Estate Tax group of Eisner Amper, LLP from May 2014 to July 2016, and as Senior Accountant from July 2016 to November 2016. From November 2016 to May 2017, he served as Senior Accountant for Albrecht, Viggiano, Zureck & Co., a regional auditing firm. From May 2017 to May 2018, Mr. McDonnell was Senior Accountant for The Gersh Organization, a for-profit company specializing in the education of children on the autism spectrum. From May 2018 to January 2022, he served in various roles (Senior Accountant, Controller and ultimately, Director of Finance/Corporate Controller) for Horizon Engineering (later acquired by FST Technical). In February 2022, Mr. McDonnell was appointed Chief Financial Officer of USA Hemp Store. On April 12th 2022, Mr. McDonnell was appointed by the board as Chief Financial Officer of Credex Corporation.

# Our Team



## Chairman of the Board

Steve Gribbon

As a proven business leader with 30+ years of high-level security industry experience under his belt, Steve Gribbon knows what it takes to turn strategic planning and business development into sustainable, long-term profitability. Since retiring in 2018, Steve has transitioned to an advisory role, where his visionary sector-specific B2B and B2C sales expertise is in high demand. He currently advises several different boards, including Brinks Home Security, the third-largest residential security company in the U.S. Steve is an accomplished executive global sales leader with demonstrated skills in analytical marketing, incentive compensation proficiency, strategic planning, and Acquisitions and Divestitures. Though many of his high-level leadership traits were developed through hands-on experience, others have been with him since childhood. Growing up in New York, Kentucky, and North Carolina, his father Harry instilled the values of hard work, honesty, and commitment to family while working at IBM. His management career began in 1986 when he served as President and General Manager of Gray Inc, a regional security company in North Carolina. Shortly afterward, he was SVP - Field Operations for The Alert Centre, running all field operations for the company until it was sold to ADT. With ADT, he transitioned to an executive position within dealer development and was responsible for launching and growing the ADT Authorized Dealer Program. In 2001, he set a company record for subscribers with 700K. Over the next decade with ADT/Tyco International, Steve served in a variety of senior leadership positions, managed thousands of employees, and successfully spearheaded several \$100 million+ projects. Some of his more notable projects include the management of a \$1B subscriptions capital budget resulting in 1.2M new annual subscribers and successfully reducing customer installation wait time from 10+ days to 2 days, directly saving the company millions. A three-time recipient of the Tyco Management Excellence Award, Steve is as proud of his role in mentoring and guiding junior team members as he is of his own accomplishments and accolades. Following his tenure with ADT, Steve took senior executive roles with iControl Networks and Enlightened Inc., successfully positioning both companies for sale. At Icontrol he increased revenue from \$47M to \$98M in just two years. Steve studied economics at North Carolina State University and Business Administration at the University of North Carolina. When he isn't busy consulting, he enjoys playing golf and tennis.



# Our Team



## Board Member

Joel Szabat

Joel Szabat is an American government official and former military officer. In August 2018, Szabat was nominated by President Donald Trump to become Assistant Secretary of Transportation for Aviation and International Affairs. He was confirmed by the United States Senate in a unanimous voice vote on January 2, 2019. Szabat became Acting Under Secretary in June, 2019. The Under Secretary is the third-highest position in the Department of Transportation, after the Secretary and Deputy Secretary. Szabat first joined the Department of Transportation in 2002. He served in several positions, including Deputy Assistant Secretary for Management and Budget, Deputy Assistant Secretary for Policy, Deputy Assistant Secretary for Aviation and International Affairs, and Executive Director of the United States Maritime Administration. In 2009, Szabat was the department's designated federal official for overseeing \$48 billion of transportation infrastructure investments from the American Recovery and Reinvestment Act of 2009 that led to the construction of 15,000 transportation infrastructure projects. In 2005, Szabat was assigned to the Embassy of the United States, Baghdad as the Transportation Counselor to the U.S. ambassador to Iraq; he also led U.S. government efforts to rebuild airports, ports and railroads in Iraq. In 2006–2007, Szabat was the Chief of Staff to Administrator Steve Preston of the Small Business Administration, before returning to the Department of Transportation. Prior to first joining the Department of Transportation, Szabat worked as a Principal Consultant for transportation in the California State Assembly, as a management adviser in the United States Environmental Protection Agency, and for a private sector management consultancy. He was a cavalry officer in the U.S. Army, commanding soldiers patrolling the East-West German border during the Cold War. Szabat and his wife, Chiling Tong, founded the International Leadership Foundation, a non-profit corporation that promotes the civic awareness, involvement and effectiveness of Asian Americans and Pacific Islanders.

# Our Team



## Board Member

### James Walsh

Born and raised in New Brunswick, New Jersey James Attended St. Peters Grammar and High School New Brunswick, NJ. He for Snellenberg Clothing Store New Brunswick, NJ during high school where Albert Einstein was a customer and worked for First National Bank of New Jersey the first year after high school. Attended University of Alabama undergraduate majoring in history and minoring in chemistry 1959-1963. Attended University of Alabama Law School 1963-1965 Juris Doctor Degree. During his years at Alabama he became acquainted with and developed a close personal friendship with Alabama star quarterback, Joe Namath. In September 1965 he moved to New York City and worked for Liberty Mutual Insurance Company - Workman's Compensation Department. He was admitted to the New York Bar Spring of 1968 and took an assistant position working for Attorney Joel Weinberg general law practice. He then went to work for attorney Dominick Porto and immediately started assisting Joe Namath and helping him with some commercial opportunities. In the fall of 1968 Joe Namath was told by the commissioner of the AFL that he had to shave his "Fu Manchu Mustache", Joe asked James if I could find a company that would be interested in capitalizing on that opportunity, where he was able to find Schick Electric. At that time he took over Mr. Porto's office at 274 Madison Avenue. In January of 1969, Joe Namath led the Jets to a totally unexpected upset of the Baltimore Colts, Mr. Namath became an instant media celebrity and commercial opportunities started flowing. James subsequently opened a law firm at 641 Lexington Avenue with two partners, Henry Bushkin (Johnny Carson's attorney), and Arnold Kopelson (movie attorney for the First Bank of Commerce New York), The firm decided to move to Los Angeles when The Tonight Show left New York for Los Angeles. Because Mr. Namath was in the height of his career in New York James decided to stay in New York and moved the office to 450 Park Avenue and focused on developing additional athlete's, but primarily Namath commercial opportunities, including numerous annual television show appearances and movie roles. Approximately three years later the building bought him out of my office space and he moved several associates into his three bedroom rental at 300 East 51<sup>st</sup> Street. With a portfolio consisting of: Faberge Corp., Lazy-Boy Chair Company, Dingo Boot Company, Noxema, Scovill Hamilton Beach Products, Field Crest sheets and pillow cases and many clothing and cosmetic involvements. Also, Joe Namath / John Dockery Football Camps which operated successfully for 50 years and Boehringer Pharmaceutical's, Mobic Arthritis pain relieve cream. They also became involved with startup public companies, including CBS Sportsline, where he served on the board of directors for several years, Vestin Mortgage Company, a sub-prime lender where he served on the board of directors. In 2017 James founded the Joe Namath Charitable Foundation and continue to act on the board.

# Our Team



President CRDX Real Estate, Board of  
Directors

J.D. HAYDEN WITT



President USA Hemp Store

HUNTER MCVEY



President CRDX Golf

TODD JESTER

Complete biographies can be found at [CredexCorporation.com/Team](https://CredexCorporation.com/Team)



# Industries of Opportunity

## CREDEX REAL ESTATE

- Involved in the purchase, development and sale of commercial real estate
- Planning to acquire brick and mortar stores, currently have a waiting list of future tenants
- Targeted average CAP Rate of 7.5%
- Working relationship with one of the largest commercial real-estate owners in the state of Colorado
- Mutually beneficial to CRDX Golf
- Started the process of rolling in real estate in Pueblo, CO

## CREDEX OPTIONS

- Been in discussions with Vicente Sederberg law firm in Colorado on navigating PUBCO regulations
- Working with Sal Pace and Associates to analyze current legalization environment both in Colorado and Nationwide
- Exploring opportunities to enter the cannabis industry when it benefits CRDX and its investors



- Production and sale of CBD hemp cream
- Joe Namath as Spokesman
- Unique distributor and retail program
- Launched affiliate program with social media influencers
- Rapidly expanding CBD market
- 2 other products currently in development

## CREDEX GOLF

- Involved in developing mixed use properties for both golf course neighborhoods, and state of the art golf entertainment facilities
- Focus on family friendly, outdoor entertainment, a rapidly growing industry since the onset of Covid-19
- Initial focus of entertainment facilities located around college campuses in the southeast
- Partnered with top golf course designers
- Mutually beneficial to CRDX Real Estate



## Nationwide Distributor Program

- Led by a team with 30+ years of third-party sales channel growth and management
- Replicable distributor websites
- Healthy margins for all involved
- Nationwide advertising campaign

\*USA Hemp Store closing pending

USAHEMPSTORE.COM  
DISTRIBUTOR PROGRAM

**USA Hemp Store** is looking for Distributors to sell our new CBD topical pain relief cream, *The Original #12!*

You have the opportunity to sell *one of the strongest CBD products on the market* at one of the lowest price points when compared to competitors.

### DISTRIBUTOR PACKAGES

**WITH PRODUCT (\$999)** BEST VALUE

**INCLUDES:**

- 100 Sample Packets (3mL /ea)
- 1 Case of 2oz product (24 units) [\$360 retail value]
- 1 Case of 4oz product (12 units) [\$300 retail value]
- 2 Retail Displays
- Lowest Cost per Unit
- Over 100% Profit Margin

**WITHOUT PRODUCT (\$799)**

**INCLUDES:**

- 100 Sample Packets (3mL /ea)
- Lowest Cost per Unit
- Over 100% Profit Margin

**BUSINESS IN BOX**

Our Distributor Packages are your "Business in Box" providing the lowest product prices, your own website and dashboard with order tracking, a national ad campaign starring Super Bowl MVP Joe Namath, marketing tools and templates as well as ongoing training.

PRODUCT	DISTRIBUTOR COST	RETAILER COST	END USER (MSRP) COST	DISTRIBUTOR TO RETAILER PROFIT MARGIN	DISTRIBUTOR TO END USER PROFIT MARGIN
2 oz (24 per case)	\$15.00 /EA	\$20.00 /EA	\$34.95 /EA	\$5.00 /EA	\$1995 /EA
4 oz (12 per case)	\$25.00 /EA	\$30.00 /EA	\$59.95 /EA	\$5.00 /EA	\$34.95 /EA

**AUTOSHIP**

For every person you set up on autoship, you will make a \$24.95 spread recurring every month. Just imagine, you set up 100 customers on autoship. That will equate to \$2,495 a month or \$29,940 a year!

**DISTRIBUTOR REFERRAL PROGRAM**

As a distributor, we encourage you to bring in as much business as possible. For any distributor you refer, you will earn 3% on all of their business!

Scan to learn more about our distributor program

# Original #12 Product Testimonial

“I have had two major back surgeries and a knee replacement and still struggle with pain in my back, legs and feet. I began using this hemp cream three months ago and it has helped me tremendously. I use it two or three times a day and it helps alleviate my pain, especially at night so that I can sleep better. I was skeptical because I have tried other creams, prescription and non-prescription that did not work. I appreciate that this product is grown in the USA and has 2500 mg of high-quality hemp oil which is stronger than most creams on the market. I also like the fact, it is odorless, not greasy or sticky, but very creamy and leaves your skin soft and moisturized so that you could use it anywhere on your body. My wife likes using it as a hand cream which helps her arthritis in her fingers. I highly recommend this product.”

Steve H



## President

Todd Nichols

Todd Nichols is a retired Army Special Forces Green Beret with five combat tours and over 23 years of service. Over the last decade after retiring from the Army, he spends his time serving across multiple states by providing meals to hundreds of families at the Ronald McDonald House in Tennessee, Nevada and Wisconsin. He also volunteers to help other Veterans and their families navigate post service through the Disabled American Veterans (D.A.V.) organization. Todd is a father of twins and welcomed a grandson this past year. He currently resides outside of Nashville, TN and enjoys his time around horses, classic automobiles and anything to do with the water, whether it is fishing, boating, or swimming. He is passionate and grateful to be the President at Homes for Veterans Inc. where he can continue to serve our heroes and their families.



# HOMES FOR VETERANS INC.



## President

### Todd Jester

Todd Jester is an experienced, accomplished golf course designer and construction consultant. Todd began his love of golf and the outdoors as a young man. Todd was very athletic growing up, playing football and baseball while attending Rhodes College in Memphis TN. A sports injury resulted in Todd transferring to the University of Mississippi, where he received a business degree. He then attended Mississippi State University where he received his second degree in landscape architecture. Todd's passion for golf grew in college while he was under the summer tutelage of Palmer Maples, one of the country's leading golf course superintendents of the day. During college, Todd received a coveted internship with Nicklaus Design and the Nicklaus companies. Upon graduation, Todd immediately went to work for Mr. Nicklaus for a little over a decade where he groomed his professional skills as a golf designer and constructor. Jerry Pate then came knocking on Todd's door and offered him a senior design associate and construction manager position at Jerry Pate Golf. Todd has worked with many of the most accomplished designers and course constructors in the industry. In 2004, Todd launched his own golf design and consulting firm. Todd continued to capitalize on the great alliances he created while at Nicklaus. One of those alliances was golf course constructor John Copeland of Superior Golf Concepts. Together, the two have offered a hands-on approach, touching some incredible courses including: The Loxahatchee Club, Jupiter, FL, The Governors Club, Chapel Hill, NC, Four Seasons Punta Mita Golf Club Nicklaus Course, Puerto Vallarta, Mexico, Grand Bear Golf Club, Saucier, MS, Tehama Golf Club, Carmel, CA, The Club at Longview, Charlotte, NC, Rancho LaQuinta, LaQuinta, CA, Trump National Colts Neck, Colts Neck, NJ, The Golf Club at Flagstaff Ranch, Flagstaff, AZ, Ol' Colony Golf Course, Tuscaloosa, AL, Timberline Golf Club, Calera, AL, The Preserve Golf Club, Vanleave, MS, Hillwood Country Club, Nashville, TN, Mountain Brook Club, Today, Todd is starting an exciting endeavor as President of Credex Golf. Todd is currently working with company executives and industry professionals to launch exceptional golf experiences within the entertainment and real estate realms. With Todd's leadership, Credex Golf will be an industry leader, offering exciting new golf experiences and growth opportunities, while partnering with some of the greatest names in golf and sports.



# Industries of Opportunity

CREDEX  
CORPORATION

## Cheekwood Golf Course, Franklin, TN



NICKLAUS

DESIGN

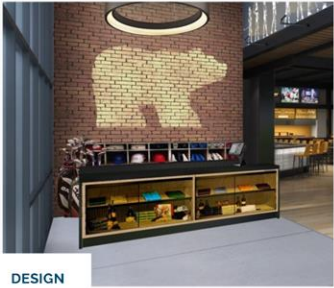
DESIGN

“The Twelve Club” – 12 Holes with  
Driving Range and Clubhouse





# The Nicklaus Golf Experience



DESIGN

Our design guidelines ensure that the location has a unique feel, linked to the iconic brands of Golden Bear and Jack Nicklaus.



Work with our clients to create a theme that can be scaled and replicated in the region.



EXPERIENCE

Ensure we create an experience that keeps the members and customers coming back for more.

## OUR GOALS

- THE RANGE SHOULD BE MORE THAN JUST PRACTICE
  - UTILIZE THE KNOWLEDGE AND EXPERIENCE OF NICKLAUS DESIGN TO DELIVER AN EXCEPTIONAL CUSTOMER JOURNEY
  - ADOPTING NEW TECHNOLOGY THAT WORKS FOR EVERYONE
  - BUILD A COMMUNITY OF PLAYERS
  - THE POWER OF THE NICKLAUS BRAND TO PROVIDE A UNIQUE, HOLISTIC AND COMPLETE CUSTOMER EXPERIENCE
- AND:
- PROVIDE OUR CLIENTS WITH THE ASSETS TO BRING THEIR CUSTOMER BACK MORE REGULARLY AND SPEND MORE PER VISIT!



## WHY TECHNOLOGY MATTERS

### BECAUSE EVERY SHOT COUNTS

Ball tracking that 'sees' even the shortest & lowest shots.

### ACCURACY MATTERS!

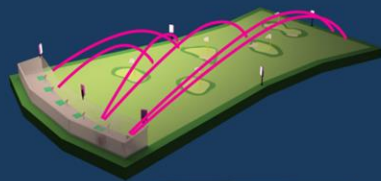
We propose using radar technology to deliver the market leading accuracy of data.

### DELIVER THE BEST PRACTICE EXPERIENCE

Software is designed to help you progress – showing you what you need to work on and making every session meaningful.

### AN UNFORGETTABLE ENTERTAINMENT EXPERIENCE

Delivering great games with great amenities to enjoy.



The Nicklaus Golf Experience



Creating the Flagship Program

Nicklaus Licensing Pending



We are an SEC reporting company and filings can be viewed at  
[SEC.gov](https://www.sec.gov)

For future investments contact Investor Relations  
[Investor.Relations@CredexCorporation.com](mailto:Investor.Relations@CredexCorporation.com)



Exhibit B

Subscription Agreement

(Attached)

## CREDEX CORPORATION

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### SUBSCRIPTION AGREEMENT

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The undersigned ("Subscriber") on the terms and conditions herein set forth, hereby irrevocably submits this subscription agreement (the "Subscription Agreement") to Credex Corporation, a Florida corporation (the "Company"), in connection with a private offering by the Company (the "Offering") to raise a maximum of \$2,000,000.40 through the sale to Subscriber as an "accredited investor" (as defined below) of shares (the "Shares") of common stock, par value \$0.001 per share, of the Company (the "Common Stock").

The minimum subscription is for 16,667 Shares for \$20,000.40, although the Company may accept subscriptions for a fewer number of Shares in its sole discretion.

The undersigned, intending to be legally bound, hereby subscribes for the number of Shares as set forth below. The undersigned acknowledges that the Company is offering the Shares to those who are "accredited investors" pursuant to the terms and provisions of the Offering documented in the Term Sheet for \$2,000,000.40 Common Stock Offering dated July 21, 2022 (together with all exhibits attached thereto, the "Term Sheet") relating to the Offering. The Company's private offering of Shares is being made to "accredited" investors within the meaning of Rule 506(c) of Regulation D promulgated by the Securities Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"). By signing this Subscription Agreement, Subscriber acknowledges receipt of the Term Sheet and its Exhibits and agrees that he/she/it has read all of its provisions and agrees to be bound thereby.

The undersigned agrees to execute this Subscription Agreement and if by mail, send to the Company. You as an individual or you on behalf of the subscribing entity are being asked to complete this Subscription Agreement so that a determination can be made as to whether or not you (it) are (is) qualified to purchase the Shares under applicable federal and state securities laws. Your answers to the questions contained herein must be true and correct in all respects, and a false representation by you may constitute a violation of law for which a claim for damages may be made against you. Your answers will be kept strictly confidential; however, by signing this Subscription Agreement, you will be authorizing the Company to present a completed copy of this Subscription Agreement to such parties as they may deem appropriate in order to make certain that the offer and sale of the securities will not result in a violation of the Securities Act or of the securities laws of any state.

All questions must be answered. If the appropriate answer is "None" or "Not Applicable," please state so. Please print or type your answers to all questions and attach additional sheets if necessary to complete your answers to any item. Please initial any corrections.

**1. Subscription for the Purchase of Shares.** The undersigned hereby subscribes for \_\_\_\_\_ Shares (the "Subscribed Shares") at a purchase price of \$1.20 per Share, for a resulting total purchase price of \$\_\_\_\_\_ (the "Subscription Price"). In this regard, the Subscriber agrees to forward payment in the amount of the Subscription Price via one of the following two methods:

**(a)** by wiring payment of the Subscription Price in accordance with the following wire information:

**For financial institutions in the United States, give your bank this information:**

**Send to:** Herring Bank  
2201 Civic Circle  
Amarillo, TX 79109  
Routing Number: 111302846

**For final credit to:** Credex Corporation  
1881 General George Patton Drive, Suite 107  
Franklin, TN 37067  
Account Number: 70193614

For the benefit of:  
*(Your Name and/or Business Entity)*  
*Your street address*  
*City, State Zip*  
*Phone Number/email address*

**For financial institutions outside the United States, give contact the Company for wiring information.**

**(b)** by mailing a check in the amount of the Subscription Price, payable to “Credex Corporation” to the Company as follows:

Credex Corporation  
Attn: Robin McVey  
1881 General George Patton Drive, Suite 107  
Franklin, TN 37067

- 2. Offer to Purchase.** Subscriber hereby irrevocably offers to purchase the Subscribed Shares and tenders herewith the total price noted above. Subscriber recognizes and agrees that (i) this subscription is irrevocable and, if Subscriber is a natural person, shall survive Subscriber’s death, disability or other incapacity, and (ii) the Company has complete discretion to accept or to reject this Subscription Agreement in its entirety and shall have no liability for any rejection of this Subscription Agreement. This Subscription Agreement shall be deemed to be accepted by the Company only when it is executed by the Company.
- 3. Effect of Acceptance.** Subscriber hereby acknowledges and agrees that on the Company’s acceptance of this Subscription Agreement, it shall become a binding and fully enforceable agreement between the Company and the Subscriber. As a result, upon acceptance by the Company of this Subscription Agreement, Subscriber will become the record and beneficial holder of the Subscribed Shares and the Company will be entitled to receive the purchase price of the Subscribed Shares as specified herein.
- 4. Representation as to Investor Status.** In order for the Company to sell the Subscribed Shares (in conformance with state and federal securities laws), the following information must be obtained regarding Subscriber’s investor status. Please **initial each Section applicable** to you as an investor in the Company.

**(a) Accredited Investor.** Rule 501(a) of Regulation D defines an “accredited investor” as any person who comes within any of the following categories, or whom the issuer reasonably believes comes within any of the following categories, at the time of the sale of the securities to that person:

**(i) Natural Persons**

- (1)** \_\_\_\_\_ I certify that I am an accredited investor because I had individual income in excess of \$200,000 in each of the two most recent years or joint income with my or spousal equivalent in excess of \$300,000 in each of those years and have a reasonable expectation of reaching the same income level in the current year.
- (2)** \_\_\_\_\_ I certify that I am an accredited investor because my individual net worth, or joint net worth with my spouse or spousal equivalent, exceeds \$1,000,000. For purposes of calculating net worth under this paragraph my primary residence is not included as an asset; indebtedness that is secured by my primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, is not be included as a liability (except that if the amount of such indebtedness outstanding at the time of sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess is included as a liability); and indebtedness that is secured by my primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities is included as a liability.
- (3)** \_\_\_\_\_ I certify that I am an accredited investor because I am a director or executive officer of the Company.
- (4)** \_\_\_\_\_ I certify that I am an accredited investor because I hold one of the following licenses in good standing: General Securities Representative license (Series 7), the Private Securities Offerings Representative license (Series 82), or the Investment Adviser Representative license (Series 65).

**(ii) Entities**

- (1)** \_\_\_\_\_ The undersigned hereby certifies that all of the beneficial equity owners of the undersigned qualify as accredited individual investors under Sections 4(a)(i)(1) and 4(a)(i)(2) above.
- (2)** \_\_\_\_\_ The undersigned is a bank as defined in section 3(a)(2) of the Securities Act, or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity.
- (3)** \_\_\_\_\_ The undersigned is a broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934, as amended.
- (4)** \_\_\_\_\_ The undersigned is an investment adviser registered pursuant to section 203 of the Investment Advisers Act of 1940 or registered pursuant to the laws of a state.

- (5) \_\_\_\_\_ The undersigned is an investment adviser relying on the exemption from registering with the Securities and Exchange Commission under section 203(l) or (m) of the Investment Advisers Act of 1940 (the “Investment Advisers Act”).
- (6) \_\_\_\_\_ The undersigned is an insurance company as defined in section 2(a)(13) of the Securities Act.
- (7) \_\_\_\_\_ The undersigned is an investment company registered under the Investment Company Act of 1940 (the “Investment Company Act”) or a business development company as defined in section 2(a)(48) of the Investment Company Act.
- (8) \_\_\_\_\_ The undersigned is a Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958.
- (9) \_\_\_\_\_ The undersigned is a Rural Business Investment Company as defined in section 384A of the Consolidated Farm and Rural Development Act.
- (10) \_\_\_\_\_ The undersigned is a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000.
- (11) \_\_\_\_\_ The undersigned is an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 and (check one or more, as applicable):
- (A) the investment decision is made by a plan fiduciary, as defined therein, in Section 3(21), which is either a bank, savings and loan association, insurance company, or registered investment adviser; or
  - (B) the employee benefit plan has total assets in excess of \$5,000,000; or
  - (C) the plan is a self-directed plan with investment decisions made solely by persons who are “accredited investors” as defined therein.
- (12) \_\_\_\_\_ The undersigned is a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act.
- (13) The undersigned has total assets in excess of \$5,000,000, was not formed for the specific purpose of acquiring the securities offered and is one or more of the following (check one or more, as appropriate):
- (A) an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended;
  - (B) corporation,
  - (C) Massachusetts or similar business trust,

(D) partnership, or

(E) limited liability company.

- (14) \_\_\_\_\_ The undersigned is a trust with total assets exceeding \$5,000,000, which was not formed for the specific purpose of acquiring the securities offered and whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the investment in the securities offered.
- (15) \_\_\_\_\_ The undersigned is an entity, of a type not listed in Sections 4(a)(ii)(1) through 4(a)(ii)(14), not formed for the specific purpose of acquiring the securities offered, owning investments in excess of \$5,000,000.
- (16) \_\_\_\_\_ The undersigned is a “family office,” as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act (17 CFR 275.202(a)(11)(G)-1): (A) with assets under management in excess of \$5,000,000, (B) that is not formed for the specific purpose of acquiring the securities offered, and (C) whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment.
- (17) \_\_\_\_\_ The undersigned is a “family client,” as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act, of a family office meeting the requirements in Section 4(a)(ii)(16) above and whose prospective investment in the issuer is directed by such family office pursuant to clause (C) of Section 4(a)(ii)(16) above.

\_\_\_\_\_ Subscriber does not qualify under any of the investor categories set forth in this Section 4(a).

The term “net worth” means the excess of total assets over total liabilities (including personal and real property, but excluding the estimated fair market value of a person’s primary home).

In determining individual “income,” Subscriber should add to Subscriber’s individual taxable adjusted gross income (exclusive of any spousal income) any amounts attributable to tax exempt income received, losses claimed as a limited partner in any limited partnership, deductions claimed for depletion, contributions to an IRA or Keogh retirement plan, alimony payments, and any amount by which income from long-term capital gains has been reduced in arriving at adjusted gross income.

*Attached to this Subscription Agreement as Annex 1 is an Accredited Status Certification Letter that Subscriber who is claiming to be an “accredited investor” under the definitions in Section 4(a)(i)(1) or Section 4(a)(i)(2) may provide to the Company to assist it in its determination of whether Subscriber meets the accredited investor requirements discussed above. A Subscriber who is claiming to be an “accredited investor” under the definitions in in Section 4(a)(i)(1) or Section 4(a)(i)(2) should provide this form of Accredited Status Certification Letter to the applicable person (CPA, investment adviser, etc.) and ask them to complete it and return it to the Company. (In this Letter, you as the Subscriber are the “Client”).*

**(b) Type of Subscriber.** Indicate the form of entity of Subscriber:

- |   |   |
|---|---|
| <input type="checkbox"/> Individual                             | <input type="checkbox"/> Limited Partnership                  |
| <input type="checkbox"/> Corporation                            | <input type="checkbox"/> General Partnership                  |
| <input type="checkbox"/> Revocable Trust                        | <input type="checkbox"/> Other Type of Trust (indicate type): |
| <input type="checkbox"/> Limited Liability Company              |   |
| <input type="checkbox"/> Other (indicate form of organization): | _____   |

(i) If Subscriber is not an individual, indicate the approximate date Subscriber entity was formed: \_\_\_\_\_.

(ii) If Subscriber is not an individual, **initial** the line below which correctly describes the application of the following statement to Subscriber's situation: Subscriber (x) was not organized or reorganized for the specific purpose of acquiring the Subscribed Shares and (y) has made investments prior to the date hereof, and each beneficial owner thereof has and will share in the investment in proportion to his or her ownership interest in Subscriber.

\_\_\_\_\_ True

\_\_\_\_\_ False

If the "False" box is checked, each person participating in the entity will be required to fill out a Subscription Agreement.

**5. Additional Representations and Warranties of Subscriber.** Subscriber hereby represents and warrants to the Company as follows:

- (a) Subscriber has been furnished the Term Sheet and, if requested by the Subscriber, other documents related to the Company and its operations. The Subscriber has carefully read the Term Sheet and any such other requested documents. Subscriber has been furnished with all documents and materials relating to the business, finances and operations of the Company and information that Subscriber requested and deemed material to making an informed investment decision regarding its purchase of the Subscribed Shares. Subscriber has been afforded the opportunity to review such documents and materials and the information contained therein. Subscriber has been afforded the opportunity to ask questions of the Company and its management. Subscriber understands that such discussions, as well as any written information provided by the Company, were intended to describe the aspects of the Company's business and prospects which the Company believes to be material, but were not necessarily a thorough or exhaustive description, and except as expressly set forth in this Subscription Agreement, the Company makes no representation or warranty with respect to the completeness of such information and makes no representation or warranty of any kind with respect to any information provided by any entity other than the Company. Some of such information may include projections as to the future performance of the Company, which projections may not be

realized, may be based on assumptions which may not be correct and may be subject to numerous factors beyond the Company's control. Additionally, Subscriber understands and represents that Subscriber is purchasing the Subscribed Shares notwithstanding the fact that the Company may disclose in the future certain material information that the Subscriber has not received, including the financial results of the Company for their current fiscal quarters. Neither such inquiries nor any other due diligence investigations conducted by such Subscriber shall modify, amend or affect such Subscriber's right to rely on the Company's representations and warranties, if any, contained in this Subscription Agreement. Subscriber has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its investment in the Subscribed Shares. Subscriber has full power and authority to make the representations referred to herein, to purchase the Subscribed Shares and to execute and deliver this Subscription Agreement.

- (b) Subscriber has read and understood, and is familiar with, this Subscription Agreement and the business and financial affairs of the Company.
- (c) Subscriber, either personally, or together with Subscriber's advisors (other than any securities broker/dealers who may receive compensation from the sale of any of the Subscribed Shares), has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Subscribed Shares, is able to bear the risks of an investment in the Subscribed Shares and understands the risks of, and other considerations relating to, a purchase of a Share, including the matters set forth under the caption "Risk Factors" in the Term Sheet. The Subscriber and its advisors have had a reasonable opportunity to ask questions of and receive answers from the Company concerning the Subscribed Shares. Subscriber's financial condition is such that Subscriber is able to bear the risk of holding the Subscribed Shares that Subscriber may acquire pursuant to this Subscription Agreement, for an indefinite period of time, and the risk of loss of Subscriber's entire investment in the Company.
- (d) Subscriber has investigated the acquisition of the Subscribed Shares to the extent Subscriber deemed necessary or desirable and the Company has provided Subscriber with any reasonable assistance Subscriber has requested in connection therewith.
- (e) The Subscribed Shares are being acquired for Subscriber's own account for investment, with no intention by Subscriber to distribute or sell any portion thereof within the meaning of the Securities Act, and will not be transferred by Subscriber in violation of the Securities Act or the then applicable rules or regulations thereunder. No one other than Subscriber has any interest in or any right to acquire the Subscribed Shares. Subscriber understands and acknowledges that the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Subscribed Shares by anyone but Subscriber.
- (f) No representations or warranties have been made to Subscriber by the Company, or any representative of the Company, or any securities broker/dealer, other than as set forth in this Subscription Agreement.
- (g) Subscriber is aware that Subscriber's rights to transfer the Shares is restricted by the Securities Act and applicable state securities laws, and Subscriber will not offer for sale, sell or otherwise



transfer any of the Shares without registration under the Securities Act and qualification under the securities laws of all applicable states, unless such sale would be exempt therefrom.

- (h) Subscriber understands and agrees that the Shares it acquires have not been registered under the Securities Act or any state securities act in reliance on exemptions therefrom and that the Company has no obligation to register any of the Shares offered by the Company.
- (i) The Subscriber has had an opportunity to ask questions of, and receive answers from, representatives of the Company concerning the terms and conditions of this investment and all such questions have been answered to the full satisfaction of the undersigned. Subscriber understands that no person other than the Company has been authorized to make any representation and if made, such representation may not be relied on unless it is made in writing and signed by the Company. The Company has not, however, rendered any investment advice to the undersigned with respect to the suitability.
- (j) Subscriber understands that the certificates or other instruments representing the Subscribed Shares shall bear a restrictive legend in substantially the following form (and a stop transfer order may be placed against transfer of such certificates):

THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR APPLICABLE STATE SECURITIES LAWS, AND NO INTEREST MAY BE SOLD, DISTRIBUTED, ASSIGNED, OFFERED, PLEDGED OR OTHERWISE TRANSFERRED UNLESS (A) THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS COVERING ANY SUCH TRANSACTION INVOLVING SAID SECURITIES, (B) THIS COMPANY RECEIVES AN OPINION OF LEGAL COUNSEL FOR THE HOLDER OF THESE SECURITIES SATISFACTORY TO THIS COMPANY STATING THAT SUCH TRANSACTION IS EXEMPT FROM REGISTRATION, OR (C) THIS COMPANY OTHERWISE SATISFIES ITSELF THAT SUCH TRANSACTION IS EXEMPT FROM REGISTRATION.

- (k) Subscriber also acknowledges and agrees to the following:
  - (i) an investment in the Subscribed Shares is highly speculative and involves a high degree of risk of loss of the entire investment in the Company; and
  - (ii) there is no assurance that a public market for the will be available and that, as a result, Subscriber may not be able to liquidate Subscriber's investment in the Subscribed Shares should a need arise to do so.
- (l) Subscriber is not dependent for liquidity on any of the amounts Subscriber is investing in the Subscribed Shares.
- (m) Subscriber's address set forth below is his or her or its correct residence or business address.
- (n) Subscriber has full power and authority to make the representations referred to herein, to purchase the Subscribed Shares and to execute and deliver this Subscription Agreement.

- (o) Subscriber understands that the foregoing representations and warranties are to be relied upon by the Company as a basis for the exemptions from registration and qualification of the sale of the Subscribed Shares under the federal and state securities laws and for other purposes.

**6. Representations and Warranties Regarding Patriot Act; Anti-Money Laundering; OFAC.** The Subscriber should check the Office of Foreign Assets Control (“OFAC”) website at <http://www.treas.gov/ofac> before making the following representations. Subscriber hereby represents and warrants to the Company as follows:

- (a) The Subscriber represents that (i) no part of the funds used by the Subscriber to acquire the Subscribed Shares or to satisfy his/her capital commitment obligations with respect thereto has been, or shall be, directly or indirectly derived from, or related to, any activity that may contravene United States federal or state or non-United States laws or regulations, including anti-money laundering laws and regulations, and (ii) no capital commitment, contribution or payment to the Company by the Subscriber and no distribution to the Subscriber shall cause the Company to be in violation of any applicable anti-money laundering laws or regulations including, without limitation, Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001 and the United States Department of the Treasury Office of Foreign Assets Control regulations. The Subscriber acknowledges and agrees that, notwithstanding anything to the contrary contained in the Term Sheet or any other agreement, to the extent required by any anti-money laundering law or regulation, the Company may prohibit capital contributions, restrict distributions or take any other reasonably necessary or advisable action with respect to the Subscribed Shares, and the Subscriber shall have no claim, and shall not pursue any claim, against the Company or any other person in connection therewith. U.S. federal regulations and executive orders administered by OFAC prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. The lists of OFAC prohibited countries, territories, persons and entities can be found on the OFAC website at <http://www.treas.gov/ofac>. In addition, the programs administered by OFAC (the “OFAC Programs”) prohibit dealing with individuals (which include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs) or entities in certain countries regardless of whether such individuals or entities appear on the OFAC lists.
- (b) To the best of the Subscriber’s knowledge, none of: (1) the Subscriber; (2) any person controlling or controlled by the Subscriber; (3) if the Subscriber is a privately held entity, any person having a beneficial interest in the Subscriber; or (4) any person for whom the Subscriber is acting as agent or nominee in connection with this investment is a country, territory, individual or entity named on an OFAC list, or a person or entity prohibited under the OFAC Programs. Please be advised that the Company may not accept any amounts from a prospective investor if such prospective investor cannot make the representation set forth in this paragraph. The Subscriber agrees to promptly notify the Company should the Subscriber become aware of any change in the information set forth in these representations. The Subscriber understands and acknowledges that, by law, the Company may be obligated to “freeze the account” of the Subscriber, either by prohibiting additional subscriptions from the Subscriber, declining any redemption requests and/or segregating the assets in the account in compliance with governmental regulations, and any broker may also be required to report such action and to

disclose the Subscriber's identity to OFAC. The Subscriber further acknowledges that the Company may, by written notice to the Subscriber, suspend the redemption rights, if any, of the Subscriber if the Company reasonably deems it necessary to do so to comply with anti-money laundering regulations applicable to the Company or any Broker or any of the Company's other service providers. These individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs.

- (c) To the best of the Subscriber's knowledge, none of: (1) the Subscriber; (2) any person controlling or controlled by the Subscriber; (3) if the Subscriber is a privately-held entity, any person having a beneficial interest in the Subscriber; or (4) any person for whom the Subscriber is acting as agent or nominee in connection with this investment is a senior foreign political figure (as defined below), or any immediate family (as defined below) member or close associate (as defined below) of a senior foreign political figure. A "senior foreign political figure" is defined as a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a "senior foreign political figure" includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure. "Immediate family" of a senior foreign political figure typically includes the figure's parents, siblings, spouse, children and in-laws. A "close associate" of a senior foreign political figure is a person who is widely and publicly known to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.
- (d) If the Subscriber is affiliated with a non-U.S. banking institution (a "Foreign Bank"), or if the Subscriber receives deposits from, makes payments on behalf of, or handles other financial transactions related to a Foreign Bank, the Subscriber represents and warrants to the Company that: (1) the Foreign Bank has a fixed address, other than solely an electronic address, in a country in which the Foreign Bank is authorized to conduct banking activities; (2) the Foreign Bank maintains operating records related to its banking activities; (3) the Foreign Bank is subject to inspection by the banking authority that licensed the Foreign Bank to conduct banking activities; and (4) the Foreign Bank does not provide banking services to any other Foreign Bank that does not have a physical presence in any country and that is not a regulated affiliate.
- (e) The Subscriber acknowledges that, to the extent applicable, the Company will seek to comply with the Foreign Account Tax Compliance Act provisions of the U.S. Internal Revenue Code and any rules, regulations, forms, instructions or other guidance issued in connection therewith (the "FATCA Provisions"). In furtherance of these efforts, the Subscriber agrees to promptly deliver any additional documentation or information, and updates thereto as applicable, which the Company may request in order to comply with the FATCA Provisions. The Subscriber acknowledges and agrees that, notwithstanding anything to the contrary contained in the Term Sheet, any side letter or any other agreement, the failure to promptly comply with such requests, or to provide such additional information, may result in the withholding of amounts with respect to, or other limitations on, distributions made to the Subscriber and such other reasonably necessary or advisable action by the Company with respect to the Subscribed Shares (including, without limitation, required withdrawal), and the Subscriber shall have no claim, and shall not pursue any claim, against the Company or any other person in connection therewith.

The foregoing representations and warranties are true and accurate as of the date hereof and shall survive such date. If any of the above representations and warranties shall cease to be true and accurate prior to the acceptance of this Subscription Agreement, Subscriber shall give prompt notice of such fact to the Company by telegram, or facsimile or e-mail, specifying which representations and warranties are not true and accurate and the reasons therefor.

- 7. Indemnification.** Subscriber acknowledges that Subscriber understands the meaning and legal consequences of the representations and warranties made by Subscriber herein, and that the Company is relying on such representations and warranties in making the determination to accept or reject this Subscription Agreement. Subscriber hereby agrees to indemnify and hold harmless the Company and each employee and agent thereof from and against any and all losses, damages or liabilities due to or arising out of a breach of any representation or warranty of Subscriber contained in this Subscription Agreement.
- 8. Transferability.** Subscriber agrees not to transfer or assign this Subscription Agreement, or any interest herein, and further agrees that the assignment and transferability of the Subscribed Shares acquired pursuant hereto shall be made only in accordance with applicable federal and state securities laws.
- 9. Termination of Agreement; Return of Funds.** In the event that, for any reason, this Subscription Agreement is rejected in its entirety by the Company, this Subscription Agreement shall be null and void and of no further force and effect, and no party shall have any rights against any other party hereunder. In the event that the Company rejects this Subscription Agreement, the Company shall promptly return or cause to be returned to Subscriber any money tendered hereunder without interest or deduction.
- 10. Notices.** All notices or other communications given or made hereunder shall be in writing and shall be delivered or mailed by registered or certified mail, return receipt requested, postage prepaid, or delivered by, facsimile or e-mail to Subscriber at the address set forth below and to the Company at the address set forth on the first page of this Subscription Agreement, or at such other place as the Company may designate by written notice to Subscriber.
- 11. Amendments.** Neither this Subscription Agreement nor any term hereof may be changed, waived, discharged or terminated except in a writing signed by Subscriber and the Company.
- 12. Governing Law.** This Subscription Agreement and all amendments hereto shall be governed by and construed in accordance with the laws of the State of Florida without application of the conflicts of laws provisions thereof.
- 13. Headings.** The headings in this Subscription Agreement are for convenience of reference, and shall not by themselves determine the meaning of this Subscription Agreement or of any part hereof.
- 14. Counterparts.** This Subscription Agreement may be executed in any number of counterparts with the same force and effect as if all parties had executed the same document. The execution and delivery of a facsimile or other electronic transmission of this Subscription Agreement shall constitute delivery of an executed original and shall be binding upon the person whose signature appears on the transmitted copy.

**15. Continuing Obligation of Subscriber to Confirm Investor Status.** Upon the request of the Company and for as long as the Subscriber holds the Subscribed Shares or other securities in the Company, the Subscriber shall confirm Subscriber's investor status as an "Accredited Investor," as defined by the Securities and Exchange Commission at the time of such request. In connection therewith, the Company shall deliver to the Subscriber a questionnaire that elicits the necessary information to determine the Subscriber's investor status. Upon receipt of the questionnaire, the Subscriber shall: (i) complete it, (ii) execute the signature page therein, and (iii) return it to the Company, or its designee, in accordance with the instructions therein, no later than ten (10) days after receipt of the questionnaire.

*[Remainder of page intentionally left blank. Signatures appear on following pages.]*

## **INDIVIDUALS**

In witness whereof, the parties hereto have executed this Subscription Agreement as of the dates set forth below.

Dated: \_\_\_\_\_, 2022.

Signature(s): \_\_\_\_\_

Name(s) (Please Print): \_\_\_\_\_

Signature(s): \_\_\_\_\_

Name(s) (Please Print): \_\_\_\_\_

Residence Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone Number: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Cellular Number: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Social Security Number(s): \_\_\_\_\_

Social Security Number(s): \_\_\_\_\_

Email address: \_\_\_\_\_@\_\_\_\_\_

ACCEPTANCE

Credex Corporation

Date: \_\_\_\_\_, 2022.

By: \_\_\_\_\_

Name: Robin McVey

Title: Chief Executive Officer

**CORPORATIONS, PARTNERSHIPS, TRUSTS OR OTHER ENTITIES**

In witness whereof, the parties hereto have executed this Subscription Agreement as of the dates set forth below.

Dated: \_\_\_\_\_, 2022.

Name of Purchaser (Please Print): \_\_\_\_\_

By: \_\_\_\_\_

Name (Please Print): \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone Number: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Cellular Number: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Taxpayer ID Number: \_\_\_\_\_

Email address: \_\_\_\_\_@\_\_\_\_\_

ACCEPTANCE

Credex Corporation

Date: \_\_\_\_\_, 2022.

By: \_\_\_\_\_

Name: Robin McVey

Title: Chief Executive Officer

**Annex 1**

[CERTIFIER LETTERHEAD]

Accredited Status Certification Letter

\_\_\_\_\_, 2022

Credex Corporation  
1881 General George Patton Drive, Suite 107  
Franklin, TN 37067

Re: Determination of Accredited Status

Dear Investor Relations Department:

\_\_\_\_\_ (“Client”) has asked us to provide Credex Corporation with this letter to assist you in your determination of whether Client is an “accredited investor” as defined in Rule 501(a) of the Securities Act of 1933, as amended (the “Securities Act”).

[I/We] hereby certify that [I/we] [am/are] (please check the appropriate box):

- ☐ a registered broker-dealer, as defined in the Securities Exchange Act of 1934;
- ☐ an investment adviser registered with the Securities and Exchange Commission;
- ☐ a licensed attorney in good standing under the laws of the jurisdictions in which I am admitted to practice law; or
- ☐ a certified public accountant in good standing under the laws of the place of my residence or principal office.

Based solely on a review of the Client Materials (as defined below), the undersigned hereby advises you that Client satisfies one or more of the following criteria (check all boxes that apply):

- ☐ a natural person whose individual “net worth,” or joint net worth with Client’s spouse, exceeds \$1,000,000; or
- ☐ a natural person who had an individual income in excess of \$200,000 in each of the two most-recent years or joint income with Client’s spouse in excess of \$300,000 in each of those years.

We draw your attention to the fact that the determination of whether a person is an accredited investor is a factual question and therefore not susceptible to a legal opinion. Accordingly, this letter is not a legal opinion and we make no representations about whether Client is an accredited investor or whether this letter is sufficient for your purposes. In connection with this letter, we have examined and relied upon the original or copies of one or more of the following documents (the “Client Materials”):



- A certificate executed by Client and [his/her] spouse, attached hereto, addressed to the Issuer and us, stating such persons: (i) have had a joint income in excess of \$300,000 in each of the two most-recent years and a reasonable expectation of joint income in the current year in excess of \$300,000; or (ii) have a joint “net worth” with Client’s spouse in excess of \$1,000,000.

- A certificate executed by Client, attached hereto, addressed to the Issuer and us, stating such person: (i) has had an individual income in excess of \$200,000 in each of the two most-recent years and a reasonable expectation of income in the current year in excess of \$200,000; or (ii) has an individual “net worth” in excess of \$1,000,000.

- The following tax documents to the extent applicable to Client:

- Tax returns for the years [ ] and [ ] (each, a “Tax Year”) filed by Client and [his/her] spouse on Form 1040 (the “Tax Returns”), accompanied by a certificate of the Client that that the copies of the Tax Returns provided were true, correct and complete, filed with the appropriate office of the Internal Revenue Service, prepared in full compliance with applicable law and governmental regulations and have not been amended.
- Form 1099 filed with the Internal Revenue Service by Client [and [his/her] spouse] for the two most-recent years.
- Schedule K-1 of Form 1065 filed with the Internal Revenue Service by Client [and [his/her] spouse] for the two most recent-years.
- Form W-2 issued by the Internal Revenue Service to Client [and [his/her] spouse] for the two most recent-years.
- Other Internal Revenue Service documents (please specify): \_\_\_\_\_

- Bank statements, brokerage statements and other statements of securities holdings, certificates of deposit, tax assessments, or appraisal reports issued by independent third parties to Client, dated within three months of the date of this Letter.

- A consumer or credit report from at least one of the nationwide consumer reporting agencies indicating Client’s liabilities, dated within three months of the date of this Letter;

- Other documents (please specify): \_\_\_\_\_.

We have not conducted any other investigation or inquiries of Client, and have not determined whether the above documents were accurately prepared, agree with source documents, were properly filed or otherwise.

By rendering this letter, we do not intend to waive any attorney-client privilege, as applicable. This letter is limited to the matters set forth herein and speaks only as of the date hereof. Nothing may be inferred or implied beyond the matters expressly contained herein. This letter may be relied upon by you and only you in connection with an offering under Rule 506(c) and only for 30 days from the date of this letter. This letter may not be used, quoted from, referred to or relied upon by you or by any other person

for any other purpose, nor may copies be delivered to any other person, without in each instance our express prior written consent. We assume no obligation to update this letter.

Very truly yours,

[CERTIFIER]:

By:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

## Exhibit C

### Risk Factors

AN INVESTMENT THE COMMON STOCK INVOLVES SIGNIFICANT RISK AND IS SUITABLE ONLY FOR PERSONS WHO ARE CAPABLE OF BEARING THE RISKS, INCLUDING THE RISK OF LOSS OF A SUBSTANTIAL PART OR ALL OF THEIR INVESTMENT. CAREFUL CONSIDERATION OF THE FOLLOWING RISK FACTORS, AS WELL AS THE RISK FACTORS AS SET FORTH IN THE COMPANY'S REPORTS WITH THE SEC, AND THE OTHER INFORMATION IN THIS TERM SHEET, IS ADVISABLE PRIOR TO INVESTING. PROSPECTIVE INVESTORS SHOULD READ ALL SECTIONS OF THIS TERM SHEET AND ARE STRONGLY URGED AND EXPECTED TO CONSULT THEIR OWN LEGAL AND FINANCIAL ADVISERS BEFORE INVESTING IN THE SHARES OF COMMON STOCK OFFERED HEREIN. THE INFORMATION IN THIS TERM SHEET AND OTHER INFORMATION PROVIDED TO A POTENTIAL INVESTOR IN CONNECTION HERewith CONTAINS BOTH HISTORICAL AND FORWARD-LOOKING STATEMENTS. PLEASE BE ADVISED THAT THE COMPANY'S ACTUAL FINANCIAL CONDITION, OPERATING RESULTS AND BUSINESS PERFORMANCE MAY DIFFER MATERIALLY FROM THAT ESTIMATED BY THE COMPANY IN FORWARD-LOOKING STATEMENTS. THE COMPANY HAS ATTEMPTED TO IDENTIFY, IN CONTEXT, CERTAIN OF THE FACTORS THAT IT CURRENTLY BELIEVES COULD CAUSE ACTUAL FUTURE RESULTS TO DIFFER FROM THE COMPANY'S CURRENT EXPECTATIONS. THE DIFFERENCES MAY BE CAUSED BY A VARIETY OF FACTORS, INCLUDING BUT NOT LIMITED TO, ADVERSE ECONOMIC CONDITIONS, COMPETITORS (INCLUDING THE ENTRY OF NEW COMPETITORS), INADEQUATE CAPITAL, UNEXPECTED COSTS, LOWER REVENUES AND NET INCOME THAN ANTICIPATED, FLUCTUATION AND VOLATILITY OF THE COMPANY'S OPERATING RESULTS AND FINANCIAL CONDITION, INABILITY TO CARRY OUT MARKETING AND SALES PLANS, LOSS OF KEY EXECUTIVES OR OTHER PERSONNEL, AND OTHER RISKS THAT MAY OR MAY NOT BE REFERRED TO IN THESE RISK FACTORS.

#### **General Risks Related to the Company and our Business**

*As we are a development stage business, we have a limited operating history and thus are subject to risks of business development.*

Credex Corporation has recently commenced its current operations, and is currently a "shell" company. Accordingly, the Company has no material history upon which an evaluation of its prospects and future performance can be made. The Company's proposed operations are subject to all business risks associated with new enterprises. The likelihood of the Company's success must be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with the expansion of a business, operation in a competitive industry, and the continued development of advertising, promotions and a corresponding customer base. There is a possibility that the Company could sustain losses in the future.

There can be no assurance that the Company's efforts will result in successful commercialization or further development of the Company's operations, that the Company's marketing efforts will be successful, or that the Company will ever achieve significant (or any) revenue. If the Company fails to achieve its goals outlined, the Company may run out of money to run its operation and as such, the

Company would need to raise additional working capital. Failure to do so could result with Investors losing part or all of their money invested.

***The pending acquisition of USA Hemp Store, LLC may not close.***

The Company has entered into a definitive agreement to acquire USA Hemp Store, LLC, as disclosed in the Company's filings with the SEC, which acquisition will be the first material operations of the Company. While the Company expects this transaction to close shortly, there can be no assurance that this transaction will close, or the timing thereof.

***Our success is dependent on our key personnel.***

We believe that our success will depend on continued employment by us of senior management and key technical personnel, especially our Chief Executive Officer, Robin McVey. If one or more members of our senior management team in the future were unable or unwilling to continue in their present positions, our business and operations could be disrupted or fail. The loss of the services of any of its executive officers within a short period of time could have a material adverse effect on the Company's business. The Company's future success is also dependent upon its ability to attract and retain a significant number of other highly qualified personnel. Competition for such personnel is intense, and if the Company is unable to attract and retain significant numbers of additional key employees, its business, financial condition, and results of operations may be adversely affected. The Company can make no assurance that such key personnel will remain in its employ or that it will be able to attract and retain key personnel in the future.

***Our Directors and our executive officers may have other business interests and obligations to other entities.***

None of our directors or officers will be required to manage the Company as their sole and exclusive function and they may have other business interests and may engage in other activities in addition to those relating to the Company, provided that such activities do not compete with the business of the Company or otherwise breach their agreements with the Company. We are dependent on our director or officers and officers to successfully operate our Company. Their other business interests and activities could divert time and attention from operating our business.

Potential conflicts of interest may arise in the course of our operations involving any member of management's interest, or an affiliate company's interest, as well as their respective interests in other potential unrelated activities. The Company does not have any formally documented procedures to identify, analyze or monitor conflicts of interest.

***If we are unable to recruit additional executives and personnel, we may not be able to execute our forecasted business strategy and our growth may be hindered; limited time availability.***

Our success largely depends on our ability to continue to recruit qualified senior executives and other key personnel. Competition for senior management personnel is intense and there can be no assurance that we will be able to retain our personnel or attract additional qualified personnel. The loss of a member of senior management may require the remaining executive officers to divert immediate and substantial attention to fulfilling his or her duties and to seeking a replacement. We may not be able to continue to attract or retain such personnel in the future. Any inability to fill vacancies in our senior executive positions on a timely basis could impair our ability to implement our business strategy, which

would harm our business and results of operations.

We do not have employment agreements with any of our executives currently and there can be no assurance that we will be successful in retaining their services. A diminution or loss of their services could significantly harm our business, prospects, financial condition and results of operations.

***The Company's results are dependent on successful product initiatives and acceptance by consumers of the Company's business model.***

The Company's results are dependent on successful product initiatives and acceptance by consumers of the Company's products and services and business model. The Company's new or improved product introductions, along with its other product initiatives, are designed to capitalize on customer or consumer trends. In order to remain successful, the Company must anticipate and react to these trends and develop new or improved products and services to address them. While the Company intends to devote significant resources to meeting this goal, the Company may not be successful in developing new or improved products and services, or its new or improved products and services may not be accepted by customers or consumers.

Projections are speculative and are based upon a number of assumptions. Any projected financial results prepared by or on behalf of the Company have not been independently reviewed, analyzed, or otherwise passed upon. Such "forward-looking" statements are based on various assumptions, which assumptions may prove to be incorrect. Such assumptions include, but are not limited to (i) the future status of local and regional economies, (ii) anticipated demand for our products and services, (iii) anticipated costs associated with the research and development of our products and services, and (iv) anticipated procurement and retention of a customer base. Accordingly, there can be no assurance that such projections, assumptions, and statements will accurately predict future events or actual performance. Any projections of cash flow should be considered speculative and are qualified in their entirety by the assumptions, information and risks disclosed in this Term Sheet. Investors are advised to consult with their own independent tax and business advisors concerning the validity and reasonableness of the factual, accounting and tax assumptions. No representations or warranties whatsoever are made by the Company, its affiliates or any other person or entity as to the future profitability of the Company or the results of making an investment in the Shares.

***While the shareholders have a right to vote thereon, the Board and the officers they designate will make all management decisions.***

Except as otherwise set forth in our Articles of Incorporation and Bylaws, the Company's shareholders who have a right to vote thereon, the Board and the officers they appoint will have the right to make all decisions with respect to our management. Other than the information set forth in this Term Sheet, Investors will not have an opportunity to evaluate the specific investments that will be financed with the proceeds of this Offering or with future operating income. You should not purchase Shares unless you are willing to entrust all aspects of our management to the voting shareholders, officers and directors.

***We are expect continued losses in the foreseeable future.***

We expect to incur losses for the foreseeable future and, if we ever have profits, we may not be able to sustain them. Our expenses will increase as we build an infrastructure to implement our business model. For example, we may hire additional employees, expand information technology systems and

lease more space for our corporate offices. In addition, we plan to significantly increase our operating expenses to fully develop and broaden our service and product offerings, acquire customers, explore opportunities and alliances with other companies and facilitate business arrangements. Expenses may also increase due to the potential effect of goodwill amortization and other charges resulting from completed and future acquisitions. If any one of these and other expenses is not accompanied by increased revenue, our losses will be greater than we anticipate.

We may not effectively manage growth. The anticipated growth of the Company's business will result in a corresponding growth in the demands on the Company's management and its operating infrastructure and internal controls. While we are planning for managed growth, any future growth may strain management resources and operational, financial, human and management information systems, which may not be adequate to support the Company's operations and will require the Company to develop further management systems and procedures. There can be no guarantee that the Company will be able to develop such systems or procedures effectively on a timely basis. The failure to do so could have a material adverse effect upon the Company's business, operating results and financial condition.

***Many of our competitors have greater brand recognition and greater financial, marketing and other resources.***

Many, if not all, of our competitors have greater brand recognition, and greater financial, marketing, and other resources than the Company. This may place us at a disadvantage in responding to our competitors' pricing strategies, technological advances, advertising campaigns, strategic alliances and other initiatives. In any event, the Company expects to compete with a number of companies, many of which have considerably greater financial, personnel, marketing, technical and operating resources. Consequently, such competitors may be in a better position than the Company to take advantage of customer acquisition and business opportunities, and devote greater resources to marketing and sale of their product offerings. There cannot be any certainty that the Company will be able to compete successfully.

***There may be unanticipated obstacles to the execution of the Company's business model.***

The Company's business plans may change significantly. Our business model is capital intensive. We believe that our chosen activities and strategies are achievable in light of current economic and legal conditions with the skills, background, and knowledge of our principals and advisors. Our management reserves the right to make significant modifications to its stated strategies depending on future events.

Our proposed plan of operation and prospects will depend largely upon our ability to successfully establish the Company's presence in a timely fashion, retain and continue to hire skilled management, technical, marketing, and other personnel, and attract and retain significant numbers of quality business partners and corporate clients. There can be no assurance that we will be able to successfully implement our business plan or develop or maintain future business relationships, or that unanticipated expenses, problems or technical difficulties which would result in material delays in implementation will not occur.

***We may fail to implement our business plan.***

Investors may lose their entire investment if we fail to implement our business plan. Our prospects must be considered in light of the risks, uncertainties, expenses, and difficulties frequently

encountered by companies in the early stages of development. These risks include, without limitation, competition, the absence of ongoing revenue streams, somewhat inexperienced management and lack of brand recognition. We cannot guarantee that we will be successful in executing our business. If we fail to implement and create a base of operations for our proposed business, we may be forced to cease operations, in which case Investors may lose their entire investment.

***Negative publicity could adversely affect our business and operating results.***

Negative publicity about our industry or the Company, including the utility of our products and services and offerings, even if inaccurate, could adversely affect our reputation and the confidence in, and the use of, our marketplace, which could harm our business and operating results. Harm to our reputation can arise from many sources, including employee misconduct, misconduct by our partners, outsourced service providers or other counter-parties, failure by us or our partners to meet minimum standards of service and quality and compliance failures and claims.

***Rapid growth may strain our resources.***

We expect to experience significant and rapid growth in the scope and complexity of our business, which may place a significant strain on our senior management team and our financial and other resources. Such growth, if experienced, may expose us to greater costs and other risks associated with growth and expansion. We may be required to hire a broad range of additional employees, including other support personnel, among others, in order to successfully advance our operations. We may be unsuccessful in these efforts or we may be unable to project accurately the rate or timing of these increases.

Our ability to manage our growth effectively will require us to continue to improve our operations, to improve our financial and management information systems, and to train, motivate, and manage our future employees. This growth may place a strain on our management and operational resources. The failure to develop and implement effective systems, or to hire and retain sufficient personnel for the performance of all of the functions necessary to effectively service and manage our business, or the failure to manage growth effectively, could have a materially adverse effect on our business, financial condition, and results of operations. In addition, difficulties in effectively managing the budgeting, forecasting, and other process control issues presented by such a rapid expansion could harm our business, financial condition, and results of operations.

***Availability of Additional Funds***

As of the date of this Term Sheet, the Company has a minimal cash balance. Even if we are able to create additional revenues, we will need to raise additional capital. In order to continue operating, we may need to obtain additional financing, either through borrowings, private offerings, public offerings, or some type of business combination, such as a merger, or buyout, and there can be no assurance that we will be successful in such pursuits. We may be unable to acquire the additional funding necessary to continue operating. Accordingly, if we are unable to generate adequate cash from operations, and if we are unable to find sources of funding, it may be necessary for us to sell one or more lines of business or all or a portion of our assets, enter into a business combination, or reduce or eliminate operations. These possibilities, to the extent available, may be on terms that result in significant dilution to our shareholders or that result in our Investors losing all of their investment in the Company.

Although we believe that we will have access to capital resources, there are no commitments in

place for new financing as of the date of this Term Sheet and there can be no assurance that we will be able to obtain funds on commercially acceptable terms, if at all. We expect to have ongoing needs for working capital in order to fund operations and to continue to expand our operations. To that end, we may be required to raise additional funds through equity or debt financing. However, there can be no assurance that we will be successful in securing additional capital. If we are unsuccessful, we may need to (a) initiate cost reductions; (b) forego business development opportunities; (c) seek extensions of time to fund liabilities, or (d) seek protection from creditors.

In addition, if we are unable to generate adequate cash from operations, and if we are unable to find sources of funding, it may be necessary for us to sell one or more lines of business or all or a portion of our assets, enter into a business combination, or reduce or eliminate operations. These possibilities, to the extent available, may be on terms that result in significant dilution to our shareholders or that result in our shareholders losing all of their investment in our Company.

If we are able to raise additional capital, we do not know what the terms of any such capital raising would be. Our inability to raise capital could require us to significantly curtail or terminate our operations. We may seek to increase our cash reserves through the sale of additional equity or debt securities. The sale of debt securities or additional equity securities could result in additional and potentially substantial dilution to our shareholders. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations and liquidity. In addition, our ability to obtain additional capital on acceptable terms is subject to a variety of uncertainties.

***The sale of the additional shares of Common Stock could cause the value of our Common Stock to decline.***

The sale of a substantial number of shares of Common Stock, or anticipation of such sales, could make it more difficult for us to sell equity or equity-related securities in the future at a time and at a price that we might otherwise wish.

***Our Articles of Incorporation and Bylaws provides for indemnification of the officers and directors.***

Our Articles of Incorporation and Bylaws provides for the indemnification of our officers and directors at our expense and limit their liability to the Company, and this may result in a major cost to us because Company resources may be expended for the benefit of the present or former officers and directors.

The SEC mandates the following disclosure of its position on indemnification for liabilities under the federal securities laws:

“Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling an issuer, the Company has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is therefore unenforceable.”

***General economic conditions and recent events may affect the Company and its operations.***

Various sectors of the global financial markets have been experiencing an extended period of



adverse conditions. These conditions have resulted in reduced liquidity, greater volatility, general widening of credit spreads and a lack of price transparency. The short- and long-term impact of these events is uncertain, but could have a material effect on general economic conditions, consumer and business confidence and market liquidity. Investments made by the Company are expected to be sensitive to the performance of the overall economy. A negative impact on economic fundamentals and consumer and business confidence would likely increase market volatility and reduce liquidity, both of which could have a material adverse effect on the ability of the Company to dispose of or realize its assets or investments at favorable multiples and on the performance of the Company generally, and these or similar events may affect the ability of the Company to execute its investment strategies.

***There will exist recourse to the Company's assets.***

The Company's assets are available to satisfy all liabilities and other obligations of the Company. If the Company becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Company's assets generally and not be limited to any particular asset, such as the asset representing the investment giving rise to the liability or to any particular operating subsidiary of the Company.

***Regulatory, legal and tax changes may adversely affect the Company.***

Legal, tax and regulatory changes, as well as judicial decisions, could adversely affect the Company. In response to the recent global financial crisis, there have been unprecedented legislative and regulatory actions taken by numerous governmental authorities and their agencies. Many of these actions have been directed at the securities industry in general and specific segments of the industry. Additional legislative and regulatory action is likely. Changes to the securities laws and regulations could occur during the term of the Company and may adversely affect the Company and its ability to operate. Such risks are often difficult or impossible to predict, avoid or mitigate. The effect on the Company of any such regulatory or legal changes could be substantial and adverse.

***Our financial condition and results of operation will depend on our ability to manage future growth effectively.***

Our ability to achieve our investment objective will depend on our ability to grow, which will depend, in turn, on the ability of the Board and the officers it names name to execute on our business plan. The management team of Company will have substantial responsibilities under the Articles of Incorporation and Bylaws. In addition, the employees of the Company may also be called upon to provide managerial assistance. Any failure to manage our future growth effectively could have a material adverse effect on our business, financial condition, and results of operations.

***The Company may experience fluctuations in its quarterly results.***

The Company could experience fluctuations in its quarterly operating results due to a number of factors, including the level of its expenses; variations in, and the timing of the recognition of, realized and unrealized gains or losses; the degree to which we encounter competition in our markets and general economic conditions. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

***Misconduct by employees of the Company or third-party service providers could cause significant losses to the Company.***

Misconduct by employees of the Company or third-party service providers could cause significant losses to the Company. Losses could also result from actions by third party service providers, including, without limitation, failing to recognize trades and misappropriating assets. In addition, employees and third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Company's business prospects or future marketing activities. No assurances can be given that the due diligence performed by the Company will identify or prevent any such misconduct.

***We expect that the Covid-19/Coronavirus pandemic will materially impact our ability to move forward with our intended operations within the intended timeline.***

Of all the markets that have been impacted by the Coronavirus pandemic, the markets and industries in which the Company expects to operate have been some of the worst hit. As a result, our ability to operate will be materially impacted and we have no way of knowing when these abilities will be returned to pre-pandemic levels.

The Coronavirus pandemic is expected to cause continued interruptions to, and negative effects on, our business overall. While we are attempting to manage the negative effects of the pandemic, and we currently expect that the Company will be able to ultimately weather the effects of the pandemic, there can be no assurance as to the overall effect on our business.

***Declining economic conditions could negatively impact our business.***

Our operations are affected by local, national and worldwide economic conditions. Markets in the United States and elsewhere have been experiencing extreme volatility and disruption since the commencement of the Coronavirus pandemic and the consequences of a potential or prolonged recession may include a lower level of economic activity and uncertainty regarding real estate pricing. While the ultimate outcome and impact of the current economic conditions cannot be predicted, a lower level of economic activity might result in a decline in consumer spending and resulting instability in the financial markets, as a result of recession or otherwise, also may affect the cost of capital and our ability to raise capital and conduct our operations.

### **Risks Related to the Company's Operations and Industry**

***If we fail to retain and add customers, or if our customers decrease their level of engagement with our products and services, our revenue, financial results, and business may be significantly harmed.***

The size of our customer base and our customers' level of engagement are critical to our success. Our financial performance will be significantly determined by our success in adding, retaining, and engaging active customers of our products and services. If people do not perceive our products and services to be useful, reliable, and trustworthy, we may not be able to attract or retain customers or otherwise maintain or increase the frequency and duration of their engagement. User engagement can be difficult to measure, particularly as we introduce new and different products and services. Any number of factors could potentially negatively affect user retention, growth, and engagement, including if:

- customers increasingly buy other competitive products or services;
- we fail to introduce new products or services that customers find engaging or if we introduce new products or services that are not favorably received;
- there are decreases in customer sentiment about the quality or usefulness of our products and services;
- there are adverse changes in our products and services that are mandated by legislation, regulatory authorities, or litigation, including settlements or consent decrees;
- technical or other problems prevent us from delivering our products and services in a rapid and reliable manner or otherwise affect the customer experience;
- we fail to provide adequate customer service to customers, marketers, developers, or other partners; or.
- we, developers whose products and services are integrated with our products and services, or other partners and companies in our industry are the subject of adverse media reports or other negative publicity.

***If we are unable to attract and increase our customer base our revenue and financial results may be adversely affected.***

Any decrease in customer retention, growth, or engagement could render our products and services less attractive to customers, marketers, and developers, which is likely to have a material and adverse impact on our revenue, business, financial condition, and results of operations. If our active customer growth rate does not increase or later slows, we will become increasingly dependent on our ability to maintain or increase levels of customer engagement and monetization in order to drive revenue growth.

***Our business is highly competitive. Competition presents an ongoing threat to the success of our business.***

We face significant competition in every aspect of our business and we compete with companies that offer products and services that replicate capabilities we provide. There are other similarly situated businesses competing in the same market with significant funding and expertise. There is a possibility that other business similar to our business could saturate the market with a supply that exceed the demands of the market. This presents an ever present threat to our business.

***Some of our current and potential competitors may have significantly greater resources or better competitive positions in certain product segments, geographic regions or user demographics than we do.***

These factors may allow our competitors to respond more effectively than us to new or emerging technologies and changes in market conditions. We believe that some of our customers are aware of and actively engaging with other products and services similar to, or as a substitute for, our products and services, and we believe that some of our customers have reduced their use of and engagement with us in favor of these other products and services. In the event that our customers increasingly engage with other products and services, we may experience a decline in use and engagement in key user

demographics or more broadly, in which case our business would likely be harmed.

Our competitors may develop products and services, features, or services that are similar to ours or that achieve greater acceptance, may undertake more far-reaching and successful product development efforts or marketing campaigns, or may adopt more aggressive pricing policies. Some competitors may gain a competitive advantage against us in areas where we operate, including by making acquisitions. As a result, our competitors may acquire and engage customers or generate revenue at the expense of our own efforts, which may negatively affect our business and financial results. In addition, from time to time, we may take actions in response to competitive threats, but we cannot assure you that these actions will be successful or that they will not negatively affect our business and financial results.

If we are not able to compete effectively, our customer base may decrease and our revenue and results of operations may be materially and adversely affected.

***Our products and services could fail to attract or retain customers or generate revenue and profits.***

Our ability to retain, increase, and engage our customer base and to increase our revenue depends heavily on our ability to continue to evolve our existing products and services and to create successful new products and services, both independently and in conjunction with developers or other third parties. We may introduce significant changes to our existing products and services or acquire or introduce new and unproven products and services, including using technologies with which we have little or no prior development or operating experience. These decisions may not produce the long-term benefits that we expect, in which case our user growth and engagement, our relationships with marketers and developers, and our business and results of operations could be harmed.

***If events occur that damage our reputation and brands, our ability to expand our base of customers may be impaired, and our business and financial results may be harmed.***

We believe that maintaining and enhancing our brand will be critical to expanding our base of customers. Maintaining and enhancing our brands will depend largely on our ability to continue to provide useful, reliable, trustworthy, and innovative products and services, which we may not do successfully. We may introduce new products and services or terms of service or policies that customers do not like, which may negatively affect our brands. We also may fail to provide adequate customer service, which could erode confidence in our brands. Maintaining and enhancing our brands may require us to make substantial investments and these investments may not be successful. If we fail to successfully promote and maintain our brands or if we incur excessive expenses in this effort, our business and financial results may be adversely affected.

***Security breaches and improper access to or disclosure of our data or user data, or other hacking and phishing attacks on our systems, could harm our reputation and adversely affect our business.***

Our industry is prone to cyber-attacks by third parties seeking unauthorized access to our data or customers' data. Any failure to prevent or mitigate security breaches and improper access to or disclosure of our data or user data could result in the loss or misuse of such data, which could harm our business and reputation and diminish our competitive position. In addition, computer malware, viruses, social engineering (predominantly spear phishing attacks), and general hacking have become more

prevalent in our industry. Such attacks may cause interruptions to the services we provide, degrade the user experience, cause customers to lose confidence and trust in our products and services, or result in financial harm to us. Our efforts to protect our Company data or the information we receive may also be unsuccessful due to software bugs or other technical malfunctions; employee, contractor, or vendor error or malfeasance; government surveillance; or other threats that evolve. In addition, third parties may attempt to fraudulently induce employees or customers to disclose information in order to gain access to our data or our customers' data. Although we have developed systems and processes that are designed to protect our data and user data, to prevent data loss, and to prevent or detect security breaches, we cannot assure you that such measures will provide absolute security.

In addition, some of our partners may receive or store information provided by us or by our customers through mobile or web applications integrated with our products and services. We will provide limited information to such third parties based on the scope of services provided to us. However, if these third parties fail to adopt or adhere to adequate data security practices, or in the event of a breach of their networks, our data or our customers' data may be improperly accessed, used, or disclosed.

Affected customers or government authorities could initiate legal or regulatory actions against us in connection with any security breaches or improper disclosure of data, which could cause us to incur significant expense and liability or result in orders or consent decrees forcing us to modify our business practices. Any of these events could have a material and adverse effect on our business, reputation, or financial results.

***Our financial results may fluctuate and be difficult to predict.***

Our financial results may fluctuate. Additionally, we have a relatively limited operating history, which makes it difficult to forecast our future results. As a result, you should not rely upon our past financial results as indicators of future performance. You should take into account the risks and uncertainties frequently encountered by companies in rapidly evolving markets. Our financial results can be influenced by numerous factors, many of which we are unable to predict or are outside of our control, including:

- our ability to maintain and grow our customer base;
- the pricing of our products and services;
- our ability to generate revenue from products and services or other products and services we may introduce in the future;
- the development and introduction of new products or services by us or our competitors;
- increases in marketing, sales, and other operating expenses that we will incur to grow and expand our operations and to remain competitive;
- costs and expenses related to the development and delivery of products and services;
- our ability to maintain gross margins and operating margins;
- our ability to obtain equipment, components, and labor and other technical infrastructure in a timely and cost-effective manner;

- breaches of security or privacy, and the costs associated with any such breaches and remediation;
- changes in the manner in which we distribute our products and services or inaccessibility of our products and services due to third-party actions;
- share-based compensation expense, including acquisition-related expense;
- adverse litigation judgments, settlements, or other litigation-related costs;
- changes in the legislative or regulatory environment, including with respect to privacy and data protection, or enforcement by government regulators, including fines, orders, or consent decrees;
- tax obligations that may arise from changes in laws or resolutions of tax examination,;
- fluctuations in currency exchange rates and changes in the proportion of our revenue and expenses denominated in foreign currencies;
- changes in U.S. generally accepted accounting principles; and
- changes in global business or macroeconomic conditions.

***Our business is subject to complex and evolving U.S. and foreign laws and regulations regarding manufacture and sales of products, privacy, data protection, competition, consumer protection, and other matters and many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business.***

We are subject to a variety of laws and regulations in the United States and abroad that involve matters central to our business, including privacy, data protection, and personal information, rights of publicity, content, intellectual property, advertising, marketing, distribution, data security, data retention and deletion, personal information, electronic contracts and other communications, competition, protection of minors, consumer protection, telecommunications, product liability, taxation, economic or other trade prohibitions or sanctions, securities law compliance, and online payment services. The introduction of new products and services, expansion of our activities in certain jurisdictions, or other actions that we may take may subject us to additional laws, regulations, or other government scrutiny. In addition, foreign data protection, privacy, competition, and other laws and regulations can impose different obligations or be more restrictive than those in the United States.

These U.S. federal and state and foreign laws and regulations, which in some cases can be enforced by private parties in addition to government entities, are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which we operate, and may be interpreted and applied inconsistently from country to country and inconsistently with our current policies and practices. For example, regulatory or legislative actions affecting the manner in which we display content to our customers or obtain consent to various practices could adversely affect user growth and engagement. Such actions could affect the manner in which we provide our services or adversely affect our financial results.

We are also subject to laws and regulations that dictate whether, how, and under what

circumstances we can transfer, process and/or receive transnational data that is critical to our operations, including data relating to customers or partners outside the United States, and those laws and regulations are uncertain and subject to change. Proposed or new legislation and regulations could also significantly affect our business.

These laws and regulations, as well as any associated inquiries or investigations or any other government actions, may be costly to comply with and may delay or impede the development of new products and services, result in negative publicity, increase our operating costs, require significant management time and attention, and subject us to remedies that may harm our business, including fines or demands or orders that we modify or cease existing business practices.

***Our success is dependent upon our ability to adapt to and offer products and services that keep pace with evolving technology related to our businesses.***

The success of our products and services is affected by changing technology and evolving industry standards. Our ability to anticipate or respond to such changes and to develop and introduce new and enhanced products and services, including, but not limited to, gaming content and interactive gaming products and services, on a timely basis or at all is a significant factor affecting our ability to remain competitive, retain existing contracts or business and expand and attract new customers and players. There can be no assurance that we will achieve the necessary technological advances or have the financial resources needed to introduce new products or services on a timely basis or at all.

***We expect to rely on a combination of confidentiality, assignment, and license agreements with our employees, consultants, and third parties with whom we have relationships, as well as trademark, copyright, patent, trade secret, and domain name protection laws, to protect our proprietary rights.***

In the United States and internationally, we expect to file various applications for protection of certain aspects of our intellectual property. In addition, in the future we may acquire additional trademarks, patents or patent portfolios, which could require significant cash expenditures. Third parties may knowingly or unknowingly infringe our proprietary rights, third parties may challenge proprietary rights held by us, and pending and future trademark and patent applications may not be approved. In addition, effective intellectual property protection may not be available in every country in which we operate or intend to operate our business. In any or all of these cases, we may be required to expend significant time and expense in order to prevent infringement or to enforce our rights. Although we have generally taken measures to protect our proprietary rights, there can be no assurance that others will not offer products and services or concepts that are substantially similar to ours and compete with our business. Any of these events could have an adverse effect on our business and financial results.

***We may become party to patent lawsuits and other intellectual property rights claims that are expensive and time consuming and, if resolved adversely, could have a significant impact on our business, financial condition, or results of operations.***

Companies in industries such as ours own large numbers of patents, copyrights, trademarks, and trade secrets, and frequently enter into litigation based on allegations of infringement, misappropriation, or other violations of intellectual property or other rights. In addition, various “non-practicing entities” that own patents and other intellectual property rights often attempt to aggressively assert their rights in order to extract value from technology companies. Furthermore, from time to time we may introduce or acquire new products and services, including in areas where we historically have not competed, which

could increase our exposure to patent and other intellectual property claims from competitors and non-practicing entities.

We may receive notice letters from patent holders alleging that certain of our products and services infringe their patent rights. Defending patent and other intellectual property litigation is costly and can impose a significant burden on management and employees, and there can be no assurances that favorable final outcomes will be obtained in all cases. In addition, plaintiffs may seek, and we may become subject to, preliminary or provisional rulings in the course of any such litigation, including potential preliminary injunctions requiring us to cease some or all of our operations. We may decide to settle such lawsuits and disputes on terms that are unfavorable to us. Similarly, if any litigation to which we are a party is resolved adversely, we may be subject to an unfavorable judgment that may not be reversed upon appeal. The terms of such a settlement or judgment may require us to cease some or all of our operations or pay substantial amounts to the other party. In addition, we may have to seek a license to continue practices found to be in violation of a third party's rights, which may not be available on reasonable terms, or at all, and may significantly increase our operating costs and expenses. As a result, we may also be required to develop alternative non-infringing technology or practices or discontinue the practices. The development of alternative non-infringing technology or practices could require significant effort and expense or may not be feasible. Our business, financial condition, and results of operations could be adversely affected as a result of an unfavorable resolution of the disputes and litigation referred to above.

***Our reputation and ability to attract, retain, and serve our customers is dependent upon the reliable performance of our products and services and our underlying technical infrastructure.***

Our systems may not be adequately designed with the necessary reliability and redundancy to avoid performance delays or outages that could be harmful to our business. If our products and services are unavailable when customers attempt to acquire them, customers may not use our products and services as often in the future, or at all.

***Our internal systems rely on software that is highly technical, and if it contains undetected errors or vulnerabilities, our business could be adversely affected.***

Our internal systems will rely on software, including software developed or maintained internally and/or by third parties, that is highly technical and complex. In addition, our internal systems will depend on the ability of such software to store, retrieve, process, and manage large amounts of data. The software on which we rely may contain, undetected errors, bugs, or vulnerabilities. Some errors may only be discovered after the code has been released for external or internal use. Errors, vulnerabilities, or other design defects within the software on which we rely may delay product introductions or enhancements, compromise our ability to protect the data of our customers and/or our intellectual property or lead to reductions in our ability to provide some or all of our products or services. In addition, any errors, bugs, vulnerabilities, or defects discovered in the software on which we rely, and any associated degradations or interruptions of service, could result in damage to our reputation, loss of customers, loss of revenue, or liability for damages, any of which could adversely affect our business and financial results.

***Our success will be dependent upon public acceptance of our products and services, which is difficult to predict.***

Consumer acceptance of our products and services is key to the success of our business and our



ability to generate revenues. Consumer tastes change frequently and it is a challenge to anticipate what offerings will be successful at any point in time. We will invest substantial capital in our product before learning the extent to which they will garner consumer acceptance. In addition, general economic conditions affect our customers' spending and therefore their willingness to acquire our products and services. Consumer acceptance of our products and services has a significant impact on the revenues we are able to generate. As a result, a lack of consumer acceptance of our products and services could have a material adverse effect on our results of operations in a particular period or longer term.

***The development of alternative products and services for consumers could have, an adverse effect on our revenue and profitability.***

In response to perceived consumer demand, other companies are continuing to develop alternative product offerings for consumers. To the extent these alternative products and services are widely accepted by consumers in lieu of our products and services, we could experience a decline in customers, which could lead to lower revenues.

***Our marketing programs may not be successful.***

We believe our brand is critical to our business. We will incur costs and expend other resources in our marketing efforts to raise brand awareness and attract and retain customers. These initiatives may not be successful, resulting in expenses incurred without the benefit of revenues or growth. Additionally, most, if not all, of our competitors have greater financial resources, which enable them to spend significantly more than we are able to on marketing and advertising. Should our competitors increase spending on marketing and advertising or our marketing funds decrease for any reason, or should our advertising and promotions be less effective than our competitors, there could be a material adverse effect on our results of operations and financial condition.

***The Company's business plan is unproven.***

The success of our business depends on the successful development and launch of our products and services and the broad and widespread use of them by consumers. Our target market may not fully embrace our products and services and our business objectives may fail to materialize as projected and our business may fail. In such an event, Investors could lose all or part of their investment.

***Industry adoption of the Company's products and services is uncertain.***

The success of our new and existing products and services is uncertain and may not be adopted by the industry or customers. In addition, new products and services and enhancements may pose a variety of technical challenges and require us to attract additional qualified employees. The failure to successfully develop and market these new products, services or enhancements could seriously harm our business, financial condition, and results of operations.

***We are susceptible to adverse economic conditions.***

While we intend to finance our operations and growth of our business from funding and cash flow from operations, if adverse global economic conditions persist or worsen, we could experience a decrease in cash flow from operations attributable to reduced demand for our products and services and as a result, we may need to acquire additional financing for our continued operation and growth. There can be no assurance that alternative financing on acceptable terms would be available to the Company.

***We are exposed to the risk of natural disasters, unusual weather conditions, pandemic outbreaks, political events, war and terrorism that could disrupt business and result in lower sales, increased operating costs and capital expenditures.***

Our headquarters and Company-operated locations, as well as certain of our vendors and customers, are located in areas which have been and could be subject to natural disasters such as floods, hurricanes, tornadoes, fires or earthquakes. Adverse weather conditions or other extreme changes in the weather, including resulting electrical and technological failures, may disrupt our business and may adversely affect our ability to continue our operations. These events also could have indirect consequences such as increases in the costs of insurance if they result in significant loss of property or other insurable damage. Any of these factors, or any combination thereof, could adversely affect our operations.

***Our risk management efforts may not be effective which could result in unforeseen losses.***

We could incur substantial losses and our business operations could be disrupted if we are unable to effectively identify, manage, monitor, and mitigate financial risks, such as credit risk, interest rate risk, prepayment risk, liquidity risk, and other market-related risks, as well as operational risks related to our business, assets and liabilities. Our risk management policies, procedures, and techniques, including our scoring methodology, may not be sufficient to identify all of the risks we are exposed to, mitigate the risks we have identified or identify additional risks to which we may become subject in the future.

***The Company's operations are subject to various laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of cannabis but also including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment.***

The Company both directly and indirectly engages in the medical and adult-use cannabis industry in the United States where local state law permits such activities. Investors are cautioned that in the United States, cannabis is largely regulated at the state level. To the Company's knowledge, there are to date a total of 33 states, and the District of Columbia, that have now legalized cannabis in some form, including California, Nevada, New York, Florida, Illinois and Arizona. Notwithstanding the permissive regulatory environment of cannabis at the state level, cannabis continues to be categorized as a controlled substance under the Controlled Substances Act ("CSA"), and as such, cultivation, distribution, sale and possession of cannabis violates federal law in the United States. The inconsistency between federal and state laws and regulations is a major risk factor and there can be no assurance that the federal government will not seek to prosecute cases involving cannabis businesses that are otherwise compliant with state law. Violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on the Company, including its reputation and ability to conduct business, its holding (directly or indirectly) of medical and adult-use cannabis licenses in the United States, the listing of its securities on applicable exchanges, its financial position, operating results, profitability or liquidity or the market price of our Common Stock.

The Company believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. Consumer perception of the Company's products can be significantly influenced by scientific research or findings, regulatory

investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the medical cannabis market or any product, or consistent with earlier publicity. The Company and its wholly-owned subsidiaries face an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. Greater access to medical cannabis, through home and designated growing and illegal dispensaries, may decrease the number of patients registering with the Company and may cause registered patients to leave the Company and grow for themselves. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Company and if the Company is unable to continually innovate and increase efficiencies, its ability to attract new customers may be adversely affected. The Company may become party to litigation, mediation and/or arbitration from time to time in the ordinary course of business which could adversely affect its business.

***The Company expects to derive a substantial portion of its revenues from the cannabis industry in certain states of the United States, which industry is illegal under United States federal law.***

The Company is directly involved (through its subsidiaries) in the cannabis industry in the United States where local state laws permit such activities. The United States federal government regulates drugs through the Controlled Substances Act (21 U.S.C. § 811), which places controlled substances, including cannabis, in a schedule. Cannabis is classified as a Schedule I drug. Under United States federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. The United States Food and Drug Administration has not approved marijuana as a safe and effective drug for any indication.

In the United States marijuana is largely regulated at the state level. State laws regulating cannabis are in direct conflict with the federal Controlled Substances Act, which makes cannabis use and possession federally illegal. Although certain states authorize medical or recreational cannabis production and distribution by licensed or registered entities, under U.S. federal law, the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal and any such acts are criminal acts under federal law. The Supremacy Clause of the United States Constitution establishes that the United States Constitution and federal laws made pursuant to it are paramount and in case of conflict between federal and state law, the federal law shall apply.

On January 4, 2018, U.S. Attorney General Jeff Sessions issued a memorandum to U.S. district attorneys which rescinded previous guidance from the U.S. Department of Justice specific to cannabis enforcement in the United States. U.S. federal prosecutors have been given discretion in determining whether to prosecute cannabis related violations of U.S. federal law. If the Department of Justice policy was to aggressively pursue financiers or equity owners of cannabis-related business, and United States Attorneys followed such Department of Justice policies through pursuing prosecutions, then the Company could face (i) seizure of its cash and other assets used to support or derived from its cannabis subsidiaries, (ii) the arrest of its employees, directors, officers, managers and investors, and charges of ancillary criminal violations of the CSA for aiding and abetting and conspiring to violate the CSA by virtue of providing financial support to cannabis companies that service or provide goods to state-licensed or permitted cultivators, processors, distributors, and/or retailers of cannabis, and/or (iii) barring employees, directors, officers, managers and investors who are not U.S. citizens from entry into the

United States for life. There is no guarantee that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Unless and until the United States Congress amends the Controlled Substances Act with respect to medical and/or adult-use cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current federal law. If the federal government begins to enforce federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing applicable state laws are repealed or curtailed, the Company's business, results of operations, financial condition and prospects would be materially adversely affected.

***Possible yet unanticipated changes in federal and state law could cause any products that we intend to launch, containing hemp-derived CBD oil to be illegal, or could otherwise prohibit, limit or restrict any of our products containing CBD.***

Until 2014, when 7 U.S. Code §5940 became federal law as part of the Agricultural Act of 2014 (the "2014 Farm Act"), products containing oils derived from hemp, notwithstanding a minimal or non-existing THC content, were classified as Schedule I illegal drugs. The 2014 Farm Act expired on September 30, 2018, and was thereafter replaced by the Agricultural Improvement Act of 2018 on December 20, 2018 (the "2018 Farm Act"), which amended various sections of the U.S. Code, thereby removing hemp, defined as cannabis with less than 0.3% of THC, from Schedule 1 status under the Controlled Substances Act ("CSA"), and legalizing the cultivation and sale of hemp at the federal level, subject to compliance with certain federal requirements and state law, amongst other things. THC is the psychoactive component of plants in the cannabis family generally identified as marihuana or marijuana.

The 2018 Farm Bill also shifted regulatory authority from the Drug Enforcement Administration to the Department of Agriculture. The 2018 Farm Bill did not change the United States Food and Drug Administration's ("FDA") oversight authority over CBD products. The 2018 Farm Act delegated the authority to the states to regulate and limit the production of hemp and hemp derived products within their territories. Although many states have adopted laws and regulations that allow for the production and sale of hemp and hemp derived products under certain circumstances, no assurance can be given that such state laws may not be repealed or amended such that our intended products containing hemp-derived CBD would once again be deemed illegal under the laws of one or more states now permitting such products, which in turn would render such intended products illegal in those states under federal law even if the federal law is unchanged. In the event of either repeal of federal or of state laws and regulations, or of amendments thereto that are adverse to our intended medical CBD products, we may be restricted or limited with respect to those products that we may sell or distribute, which could adversely impact our intended business plan with respect to such intended products.

Additionally, the FDA has indicated its view that certain types of products containing CBD may not be permissible under the United States Federal Food, Drug and Cosmetic Act ("FDCA"). The FDA's position is related to its approval of Epidiolex, a marijuana-derived prescription medicine to be available in the United States. The active ingredient in Epidiolex is CBD. On December 20, 2018, after the passage of the 2018 Farm Bill, FDA Commissioner Scott Gottlieb issued a statement in which he reiterated the FDA's position that, among other things, the FDA requires a cannabis product (hemp-derived or otherwise) that is marketed with a claim of therapeutic benefit, or with any other disease claim, to be approved by the FDA for its intended use before it may be introduced into interstate commerce and that the FDCA prohibits introducing into interstate commerce food products containing added CBD, and marketing products containing CBD as a dietary supplement, regardless of whether the substances are hemp-derived. Although we believe our existing and planned CBD product offerings

comply with applicable federal and state laws and regulations, legal proceedings alleging violations of such laws could have a material adverse effect on our business, financial condition and results of operations.

***FDA regulation could negatively affect the hemp industry, which would directly affect our financial condition.***

The FDA may seek expanded regulation of hemp under the FDCA. Additionally, the FDA may issue rules and regulations, including certified good manufacturing practices, or cGMPs, related to the growth, cultivation, harvesting and processing of hemp. Clinical trials may be needed to verify efficacy and safety. It is also possible that the FDA would require that facilities where hemp is grown register with the FDA and comply with certain federally prescribed regulations. In the event that some or all of these regulations are imposed, we do not know what the impact would be on the hemp industry, including what costs, requirements and possible prohibitions may be enforced. If we or our partners are unable to comply with the regulations or registration as prescribed by the FDA, we and or our partners (including C2M) may be unable to continue to operate their and our business in its current or planned form or at all.

***Sources of hemp-derived CBD depend upon legality of cultivation, processing, marketing and sales of products derived from those plants under state law of the United States.***

Hemp-derived CBD can only be legally produced in states that have laws and regulations that allow for such production and that comply with the 2018 Farm Act, apart from state laws legalizing and regulating medical and recreational cannabis or marijuana, which remains illegal under federal law and regulations. In addition, as described in the preceding risk factor, in the event of repeal or amendment of laws and regulations which are now favorable to the cannabis/hemp industry in such states, we would be required to locate new suppliers in states with laws and regulations that qualify under the 2018 Farm Act. If we were to be unsuccessful in arranging new sources of supply of our raw ingredients, or if our raw ingredients were to become legally unavailable, our intended business plan with respect to such products could be adversely impacted.

***Because our distributors may only sell and ship our products containing hemp-derived CBD in states that have adopted laws and regulations qualifying under the 2018 Farm Act, a reduction in the number of states having such qualifying laws and regulations could limit, restrict or otherwise preclude the sale of intended products containing hemp-derived CBD.***

The interstate shipment of hemp-derived CBD from one state to another is legal only where both states have laws and regulations that allow for the production and sale of such products and that qualify under the 2018 Farm Act. Therefore, the marketing and sale of our intended products containing hemp-derived CBD is limited by such factors and is restricted to such states. Although we believe we may lawfully sell any of our finished products, including those containing CBD, in a majority of states, a repeal or adverse amendment of laws and regulations that are now favorable to the distribution, marketing and sale of finished products we intend to sell could significantly limit, restrict or prevent us from generating revenue related to our products that contain hemp-derived CBD. Any such repeal or adverse amendment of now favorable laws and regulations could have an adverse impact on our business plan with respect to such products.

***Due to recent expansion into the Cannabis industry, we may have a difficult time obtaining the various insurances that are desired to operate our business, which may expose us to additional***

***risk and financial liability.***

Insurance that is otherwise readily available, such as general liability, and directors and officer's insurance, may become more difficult for us to find, and more expensive, due to our intended launch of certain products containing Cannabis. There are no guarantees that we will be able to find such insurances in the future, or that the cost will be affordable to us. If we are forced to go without such insurances, it may prevent us from entering into certain business sectors, may inhibit our growth, and may expose us to additional risk and financial liabilities.

***Our products may not meet health and safety standards or could become contaminated.***

We have adopted various quality, environmental, health and safety standards. We do not have control over all of the third parties involved in the manufacturing of our products and their compliance with government health and safety standards. Even if our products meet these standards, they could otherwise become contaminated. A failure to meet these standards or contamination could occur in our operations or those of our manufacturers, distributors or suppliers. This could result in expensive production interruptions, recalls and liability claims. Moreover, negative publicity could be generated from false, unfounded or nominal liability claims or limited recalls. Any of these failures or occurrences could negatively affect our business and financial performance.

***The sale of our products involves product liability and related risks that could expose us to significant insurance and loss expenses.***

We face an inherent risk of exposure to product liability claims if the use of our products results in, or is believed to have resulted in, illness or injury. Our products contain combinations of ingredients, and there is little long-term experience with the effect of these combinations. In addition, interactions of these products with other products, prescription medicines and over-the-counter drugs have not been fully explored or understood and may have unintended consequences. While our third-party manufacturers perform tests in connection with the formulations of our products, these tests are not designed to evaluate the inherent safety of our products.

Any product liability claim may increase our costs and adversely affect our revenue and operating income. Moreover, liability claims arising from a serious adverse event may increase our costs through higher insurance premiums and deductibles and may make it more difficult to secure adequate insurance coverage in the future. In addition, our product liability insurance may fail to cover future product liability claims, which, if adversely determined, could subject us to substantial monetary damages.

***Confusion between legal Cannabis and illegal Cannabis***

There is risk that confusion or uncertainty surrounding our products with regulated cannabis could occur on the state or federal level and impact us. We may have difficulty with establishing banking relationships, working with investment banks and brokers who would be willing to offer and sell our securities or accept deposits from shareholders, and auditors willing to certify our financial statements if we are confused with businesses that are in the cannabis business. Any of these additional factors, should they occur, could also affect our business, prospects, assets or results of operation could have a material adverse effect on the business, prospects, results of operations or financial condition of the Company.

***There exists U.S. state regulatory uncertainty.***

The rulemaking process for cannabis operators at the state level in any state will be ongoing and result in frequent changes. As a result, a compliance program is essential to manage regulatory risk. All operating policies and procedures implemented in the operation will be compliance-based and derived from the state regulatory structure governing ancillary cannabis businesses and their relationships to state-licensed or permitted cannabis operators, if any. Notwithstanding the Company's efforts, regulatory compliance and the process of obtaining regulatory approvals can be costly and time-consuming. No assurance can be given that the Company will receive the requisite licenses, permits or cards to operate its businesses.

In addition, local laws and ordinances could restrict the Company's business activity. Although legal under the laws of the states in which the Company's business will operate, local governments have the ability to limit, restrict, and ban cannabis businesses from operating within their jurisdiction. Land use, zoning, local ordinances, and similar laws could be adopted or changed, and have a material adverse effect on the Company's business.

The Company is aware that multiple states are considering special taxes or fees on businesses in the marijuana industry. It is a potential yet unknown risk at this time that other states are in the process of reviewing such additional fees and taxation. This could have a material adverse effect upon the Company's business, results of operations, financial condition or prospects.

***There is no assurance that the Company will obtain and retain any relevant licenses.***

State licenses in the U.S. are subject to ongoing compliance and reporting requirements. Failure by the Company to comply with the requirements of licenses or any failure to maintain licenses would have a material adverse impact on the business, financial condition and operating results of the Company. Should any state in which the Company considers a license important not grant, extend or renew such license or should it renew such license on different terms, or should it decide to grant more than the anticipated number of licenses, the business, financial condition and results of the operation of the Company could be materially adversely affected.

***The Company is subject to restricted access to banking.***

Because the manufacture, distribution, and dispensation of cannabis remains illegal under the CSA, banks and other financial institutions providing services to cannabis-related businesses risk violation of federal anti-money laundering statutes (18 U.S.C. §§ 1956 and 1957), the unlicensed money-remitter statute (18 U.S.C. § 1960) and the U.S. Bank Secrecy Act. These statutes can impose criminal liability for engaging in certain financial and monetary transactions with the proceeds of a "specified unlawful activity" such as distributing controlled substances which are illegal under federal law, including cannabis, and for failing to identify or report financial transactions that involve the proceeds of cannabis-related violations of the CSA.

In February 2014, the Financial Crimes Enforcement Network ("FinCEN") bureau of the U.S. Treasury Department issued guidance (which is not law) with respect to financial institutions providing banking services to cannabis business, including burdensome due diligence expectations and reporting requirements. This guidance does not provide any safe harbors or legal defenses from examination or regulatory or criminal enforcement actions by the Department of Justice, FinCEN or other federal regulators. Thus, most banks and other financial institutions in the United States do not appear to be

comfortable providing banking services to cannabis-related businesses, or relying on this guidance, which can be amended or revoked at any time by the Trump Administration. In addition to the foregoing, banks may refuse to process debit card payments and credit card companies generally refuse to process credit card payments for cannabis-related businesses. As a result, the Company may have limited or no access to banking or other financial services in the United States. In addition, federal money laundering statutes and Bank Secrecy Act regulations discourage financial institutions from working with any organization that sells a controlled substance, regardless of whether the state it resides in permits cannabis sales. The inability or limitation in the Company's ability to open or maintain bank accounts, obtain other banking services and/or accept credit card and debit card payments may make it difficult for the Company to operate and conduct its business as planned or to operate efficiently.

***The Company is subject to constraints on marketing products.***

The development of the Company's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. The regulatory environment in the United States limits the Company's ability to compete for market share in a manner similar to other industries. If the Company is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Company's sales and operating results could be adversely affected.

***The Company is subject to unfavorable tax treatment of cannabis businesses.***

Under Section 280E ("Section 280E") of the United States Internal Revenue Code of 1986, as amended (the "U.S. Tax Code"), "no deduction or credit shall be allowed for any amount paid or incurred during the taxable year in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of schedule I and II of the Controlled Substances Act) which is prohibited by Federal law or the law of any State in which such trade or business is conducted." This provision has been applied by the U.S. Internal Revenue Service to cannabis operations, prohibiting them from deducting expenses directly associated with the sale of cannabis. Section 280E therefore has a significant impact on the retail side of cannabis, but a lesser impact on cultivation and manufacturing operations. A result of Section 280E is that an otherwise profitable business may, in fact, operate at a loss, after taking into account its U.S. income tax expenses.

***The Company is subject to a risk of civil asset forfeiture.***

Because the cannabis industry remains illegal under U.S. federal law, any property owned by participants in the cannabis industry which are either used in the course of conducting such business, or are the proceeds of such business, could be subject to seizure by law enforcement and subsequent civil asset forfeiture. Even if the owner of the property were never charged with a crime, the property in question could still be seized and subject to an administrative proceeding by which, with minimal due process, it could be subject to forfeiture.

***The Company is subject to proceeds of crime statutes.***

The Company will be subject to a variety of laws and regulations domestically and in the United States that involve money laundering, financial recordkeeping and proceeds of crime, including the Currency and Foreign Transactions Reporting Act of 1970 (commonly known as the Bank Secrecy Act),



as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), as amended and the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States.

In the event that any of the Company's license agreements, or any proceeds thereof, in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could be materially adverse to the Company and, among other things, could restrict or otherwise jeopardize the ability of the Company to declare or pay dividends.

***The Company is subject to product liability.***

The Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the sale of the Company's products would involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Company's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the Company's products caused injury or illness or death, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on the business, results of operations and financial condition of the Company. There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Company's potential products.

***The Company is subject to product recalls.***

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the Company's products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Company has detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Company's significant brands were subject to recall, the image of that brand and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Company's products and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the Company's operations by the U.S. Food and Drug Administration, or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

***Controlled substance legislation differs between countries and legislation in certain countries may restrict or limit our ability to sell hemp-based consumer products.***

Most countries are parties to the Single Convention on Narcotic Drugs 1961, which governs international trade and domestic control of narcotic substances, including cannabis extracts. Countries may interpret and implement their treaty obligations in a way that creates a legal obstacle to our obtaining regulatory approval for our hemp-based consumer products in those countries. These countries may not be willing or able to amend or otherwise modify their laws and regulations to permit our hemp-based consumer products to be marketed, or achieving such amendments to the laws and regulations may take a prolonged period of time. In the case of countries with similar obstacles, we would be unable to market our hemp-based consumer products in countries in the near future or perhaps at all if the laws and regulations in those countries do not change.

***Owners of properties located in close proximity to our properties may assert claims against us regarding the use of the property as a marijuana dispensary or marijuana cultivation and processing facility, which if successful, could materially and adversely affect our business.***

Owners of properties located in close proximity to our properties may assert claims against us regarding the use of our properties, including assertions that the use of the property constitutes a nuisance that diminishes the market value of such owner's nearby property. Such property owners may also attempt to assert such a claim in federal court as a civil matter under the Racketeer Influenced and Corrupt Organizations Act. If a property owner were to assert such a claim against us, we may be required to devote significant resources and costs to defending ourselves against such a claim, and if a property owner were to be successful on such a claim, our tenants may be unable to continue to operate their business in its current form at the property, which could materially adversely impact the tenant's business and the value of our property, our business and financial results and the trading price of our securities.

***Laws and regulations affecting the regulated cannabis and marijuana industry are constantly changing, which could materially adversely affect our operations, and we cannot predict the impact that future regulations may have on us.***

Local, state and federal marijuana laws and regulations are broad in scope and subject to evolving interpretations, which could require us to incur substantial costs associated with compliance or alter our business plan. In addition, violations of these laws, or allegations of such violations, could disrupt our business and result in a material adverse effect on its operations. In addition, it is possible that regulations may be enacted in the future that will be directly applicable to our proposed business. We cannot predict the nature of any future laws, regulations, interpretations or applications, nor can we determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on our business.

### **Risks Related to this Offering and the Common Stock**

***There is no minimum Offering size required to be raised by the Company in order to conduct a closing, and the Company may not receive or accept sufficient subscriptions to undertake its business.***

This Offering is not subject to any minimum amount required to be subscribed for by investors in order for Shares to be sold to any investors or for the Company to access or receive and use such funds. Therefore, there is no assurance that the Company will raise sufficient funds to commence or continue

operations. If the Company is not able to raise sufficient funds to commence operations and undertake its business plan, investors may lose all of their investment.

***This private placement of Shares is being made in reliance on an exemption from registration requirements, and there is no guarantee that it will comply with the regulatory requirements for such exemption.***

This private placement of Shares will not be registered with the Securities and Exchange Commission (the “SEC”). The Shares are being offered in reliance on an exemption from the registration provisions of the Securities Act and state securities laws applicable to offers and sales to investors meeting the investor suitability criteria set forth in this Term Sheet. If the Company should fail to comply with the exemption, investors may have the right to rescind their purchases of Shares. This might also occur under the applicable state securities or “Blue Sky” laws and regulations in states where the Shares will be offered without registration or qualification pursuant to a private offering or other exemption. Such claims, if brought, would be disruptive and could force a sale of the Company’s assets to satisfy the claims of the claimants.

***If investors successfully seek rescission, we would face severe financial demands that we may not be able to meet.***

We represent that this Term Sheet and its exhibits do not contain any untrue statements of material fact or omit to state any material fact necessary to make the statements made, in light of all the circumstances under which they are made, not misleading. However, if this representation is inaccurate with respect to a material fact, if this Offering fails to qualify for exemption from registration under the federal securities laws, or if we fail to register the Shares or find an exemption under the securities laws of each state in which we offer the Shares, each investor may have the right to rescind his, her or its purchase of the Shares and to receive back from the Company his, her or its purchase price. Such investors, however, may be unable to collect on any judgment, and the cost of obtaining such judgment may outweigh the benefits. If investors successfully seek rescission, we would face severe financial demands and may not be able to meet our capital needs, which may adversely affect any non-rescinding investors.

***We may invest or spend the proceeds of this Offering in ways with which you may not agree or in ways which may not yield a return.***

At present, the net proceeds of the Offering are expected to be used for the following purposes in the following order: (a) first towards the fees and expenses associated with this Offering, expected to be up to approximately \$25,000, including legal, auditing, accounting, transfer agent, and other professional fees; (b) second towards the costs as described above; and (c) the balance towards working capital and general corporate purposes, including selling, general and administrative expenses. The failure by the Company’s management to apply these funds effectively could have a material adverse effect on the Company and the value of the Shares.

While we have provided guidance on priorities for the use of proceeds, the timing and amount of sales will impact our actual use of proceeds within the uses identified. Our management will have broad discretion in determining how the proceeds of the Offering will be used in each of the identified use categories.

You will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. Investors in this Offering will need to rely upon the judgment of our management with respect to the use of proceeds. If we do not use the net proceeds that we receive in this Offering effectively, our business, financial condition, results of operations and prospects could be harmed, and the market price or value of the Shares could decline.

***This is a private offering, and as such investors will not have the benefit of review of this Term Sheet by the SEC or any other agency.***

Since this Offering is a private placement of securities and, as such, is not registered under federal or state securities laws, potential investors will not have the benefit of review of this Term Sheet by the SEC or any state securities commission. The terms and conditions of this private placement may not comply with the guidelines and regulations established for offerings that are registered and qualified with those agencies.

***Without obtaining advice from their personal advisors, potential investors may not be aware of the legal, tax or economic consequences of an investment in the Shares.***

The Company has not arranged for potential investors in this Offering to be separately represented by independent counsel. The legal counsel who has performed services for the Company has not acted as if it had been retained by the potential investors. Potential investors should not construe the contents of this Term Sheet or any prior or subsequent communication from the Company, its affiliates or any professional associated with this Offering, as legal or tax advice. Potential investors should consult their own personal counsel, accountant and other advisors as to legal, tax, economic and related matters concerning the investment described herein and its suitability.

***There is no assurance that the Company will be profitable, and there is no assurance of any returns.***

There is no assurance as to whether the Company will be profitable, or earn revenues, or whether the Company will be able to meet its operating expenses. The initial expenses the Company incurs could result in operating losses for the Company for the foreseeable future. No assurance can be made that a subscriber for the Shares offered hereby will not lose his or her entire investment.

***Prospective investors must undertake their own due diligence.***

This Term Sheet and its exhibits include limited information regarding the Company, our current and future business and operations, our management and our financial condition. While we believe the information contained in this Term Sheet is accurate, such document is not meant to contain an exhaustive discussion regarding the Company. We cannot guarantee a prospective Investor that the abbreviated nature of this Term Sheet will not omit to state a material fact which a prospective Investor may believe to be an important factor in determining if an investment in the Shares offered hereby is appropriate for such Investor. As a result, prospective Investors are required to undertake their own due diligence of the Company, our current and proposed business and operations, our management and our financial condition to verify the accuracy and completeness of the information we are providing in this Term Sheet. **This investment is suitable only for investors who have the knowledge and experience to independently evaluate the Company, our business and prospects.**

***Limited marketability may adversely affect your ability to transfer and pledge the Shares.***

Investors must represent that they are purchasing the Shares for their own account for investment purposes and not with a view to resale or future distribution.

***The Shares constitute restricted securities and are subject to limited transferability.***

The Shares should be considered a long-term, illiquid investment. The Shares have not been registered under the Securities Act, and cannot be sold without registration under the Securities Act or any exemption from registration. In addition, the Shares are not registered under any state securities laws that would permit their transfer. Because of these restrictions and the absence of an active trading market for our securities, a holder of shares of Common Stock will likely be unable to liquidate an investment even though other personal financial circumstances would dictate such liquidation.

***There is no material public trading market for our Common Stock.***

There is no material established public trading marketing for the shares of Common Stock and there can be no assurance that one will ever develop. Consequently, investors may not be able to liquidate their investment or liquidate it at a price that reflects the value of the Common Stock. As a result, Investors may not find purchasers for their Common Stock. Only accredited investors with no need for immediate short-term liquidity should purchase the Shares.

***The market value of the Common Stock may decrease due to factors beyond our control.***

Broad market fluctuations may adversely affect the market value of our Common Stock. The market value of our Common Stock may also fluctuate significantly in response to the following factors, most of which are beyond our control:

- variations in our quarterly operating results,
- changes in general economic conditions,
- changes in market valuations of similar companies selling similar products
- announcements by us or our competitors of significant acquisitions, strategic partnerships or joint ventures, or capital commitments,
- poor reviews;
- loss of a major customer; and
- the addition or loss of key managerial and collaborative personnel.

Any such fluctuations may adversely affect the market value of our Common Stock, regardless of our actual operating performance. As a result, shareholder may be unable to sell their shares Common Stock (even if permitted by applicable securities laws), or may be forced to sell them at a loss.

***We have not retained independent professionals for investors.***

We have not retained any independent professionals to comment on or otherwise protect the interests of potential investors. Although we have retained our own counsel, neither such counsel nor any other independent professionals have made any examination of any factual matters herein, and potential investors should not rely on our counsel regarding any matters herein described.

*We have no firm commitments to purchase any Shares.*

We have no firm commitment for the purchase of any Shares. The Company may be unable to identify investors to purchase the Shares and as a result may have inadequate capital to support its ongoing business obligations.

*This Term Sheet contains forward-looking statements.*

Certain information contained in this Term Sheet constitutes “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “project,” “estimate,” “intend,” “continue” or “believe” or the negatives thereof or other variations thereon or similar terminology. Due to various risks and uncertainties, actual events or the actual performance of the Company may differ materially from those reflected or contemplated by such forward-looking statements. Investors are cautioned not to place undue reliance on such statements.

### **Tax Risks**

This Term Sheet and its exhibits do not address any tax considerations that may be relevant to you. You are urged to consult your own tax advisors as to the specific tax consequences of purchasing, owning and disposing of any Shares, including any federal, state or local tax consideration.

**WE URGE YOU TO CONSULT AND RELY UPON YOUR OWN TAX ADVISOR WITH RESPECT TO YOUR OWN TAX SITUATION, POTENTIAL CHANGES IN APPLICABLE LAWS AND REGULATIONS AND THE FEDERAL AND STATE CONSEQUENCES ARISING FROM AN INVESTMENT IN THE SHARES. THE COST OF THE CONSULTATION COULD, DEPENDING ON THE AMOUNT CHARGED TO YOU, DECREASE ANY RETURN ANTICIPATED ON YOUR INVESTMENT. NOTHING IN THESE OFFERING DOCUMENTS IS OR SHOULD BE CONSTRUED AS LEGAL OR TAX ADVICE TO ANY SPECIFIC INVESTOR, AS INDIVIDUAL CIRCUMSTANCES MAY VARY. YOU SHOULD BE AWARE THAT THE INTERNAL REVENUE SERVICE MAY NOT AGREE WITH ALL TAX POSITIONS TAKEN BY US AND THAT LEGISLATIVE, ADMINISTRATIVE OR COURT DECISIONS MAY REDUCE OR ELIMINATE ANY ANTICIPATED TAX BENEFITS OF AN INVESTMENT IN THE SHARES.**

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