

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): April 12, 2018

GROWGENERATION CORP  
(Exact Name of Registrant as Specified in its Charter)

Colorado  
(State or other Jurisdiction  
of Incorporation)

333-207889  
(Commission File Number)

46-5008129  
(I.R.S. Employer  
Identification No.)

1000 West Mississippi Avenue  
Denver, Colorado 80223  
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: (303) 386-4796

N/A  
(Former Address of Principal Executive Offices)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation under any of the following provisions ( see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Section 1 – Registrant’s Business and Operations**

**Item 1.01. Entry Into a Material Definitive Agreement**

On April 12, 2018, GrowGeneration Corp. (the “Company”) entered into an asset purchase agreement (the “Purchase Agreement”) through its wholly-owned subsidiary, GrowGeneration Michigan Corp., with Superior Growers Supply, Inc. (the “Seller”), to purchase substantially all of the assets of the Seller’s business located in Michigan.

The assets subject to the sale under the Purchase Agreement included inventories, fixed assets, tangible personal property, intangible personal property and contracts. The Company agreed to pay the Seller approximately a total of \$817,950 and 75,000 shares of common stock of the Company as consideration for the assets.

In connection with the purchase of the assets, the Company also entered into a commercial lease, to be effective from April 12, 2018 to April 11, 2023, to rent the premises where a part of the assets are located. The Company will enter into two additional leases.

The foregoing descriptions of the terms of the Purchase Agreement and the lease do not purport to be complete and are qualified in their entirety by reference to the full text of the forms of them filed herewith as Exhibits 99.1 and 99.2, respectively.

**Section 2 – Financial Information**

**Item 2.01. Completion of Acquisition or Disposition of Assets**

Disclosures under Item 1.01 above are incorporated hereunder in their entirety.

**Section 7 – Regulation FD**

**Item 7.01. Regulation FD Disclosure**

On April 16, 2018, the Company published a press release regarding the purchase of assets from the Seller.

A copy of the press release is attached hereto as Exhibit 99.3. The information contained herein and the exhibit attached herewith shall be deemed furnished and not filed.

**Section 9 – Financial Statements and Exhibits**

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

Exhibit No.	Description
99.1	<a href="#">Form of Asset Purchase Agreement, dated April 12, 2018, by and among GrowGeneration, Corp., GrowGeneration Michigan Corp. and Superior Growers Supply, Inc.</a>
99.2	<a href="#">Form of Commercial Lease Agreement, dated April 12, 2018, by and between GrowGeneration Michigan Corp. and Over The Moon, LLC</a>
99.3	<a href="#">Press Release, dated April 16, 2018</a>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: April 16, 2018

GrowGeneration Corp.

By: /s/ Darren Lampert

Name: Darren Lampert

Title: Chief Executive Officer

## FORM OF ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is made and entered into as of the day of April 12, 2018 by and among GrowGeneration Michigan Corp., a Delaware Corporation ("Buyer") with offices at 1000 W. Mississippi, Denver CO 80223 and a registered office of 40600 Ann Arbor Road East, Suite 200, Canton, Michigan 48170, GrowGeneration Corp., a Colorado Corporation ("Issuer") with offices at 1000 W. Mississippi, Denver CO 80223 and a registered office address of 36 South 18th Avenue, Suite D, Brighton, CO 80601, United States, and Superior Growers Supply Inc., a Michigan Corporation with its address located 5711 Enterprise Drive, Lansing, Michigan 48911 ("Seller").

**RECITALS**

- A. Seller is a corporation doing business as Superior Growers Supply, Inc. (the Business").
- B. The Business consists of sales of hydroponic and garden supplies.
- C. Subject to the terms and conditions of this Agreement, Buyer is willing to purchase, and Seller is willing to sell the assets, rights and properties of the business.
- D. NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**1. DEFINITIONS**

For the purposes of this Agreement, the terms set forth below shall have the following meanings:

- 1.1 "Assets" shall be as defined in Section 2.1 and not including the Excluded Assets.
  - 1.2 "Closing" shall be as defined in Section 2.4.
  - 1.3 "Debt" shall be defined as any monies owed by the Business as enumerated in Schedule A-1.
  - 1.4 "Excluded Assets" means those assets that are not a part of the Assets and which shall remain the property of the Seller and include, but are not limited to the trademark EUROPONIC, U.S. Registration Nos. 1817049 and 1801791 and all Seller's cash and cash equivalents and all amounts held on deposit in all savings, checking, money market, investment and similar accounts, specifically all Seller Fifth Third Bank accounts, and accounts receivable .
  - 1.5 "GAAP" shall mean generally accepted accounting principles in the United States.
  - 1.6 "IRC" shall mean the Internal Revenue Code of 1986, as amended.
  - 1.7 "Liens" shall mean all liens, charges, easements, security interests, mortgages, conditional sale contracts, equities, rights of way, covenants, restrictions, title defects, objections, claims or other encumbrances.
  - 1.8 "Material Adverse Effect" shall mean an event which has a material adverse effect on the condition, financial or otherwise, of the Assets, business, prospects or results of operations the business.
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1.9 "Shares" shall mean 75,000 restricted shares of GrowGeneration Corp. common stock, GrowGeneration Corp being a publicly held Colorado Corporation, symbol (OTCQX: GRWG) whose address is 1000 W. Mississippi, Denver CO 80223 (the "Issuer"). The term "restricted" shall have the same meaning as defined under Rule 144 promulgated under the Securities Act of 1933, as amended (the "Securities Act").

## 2. SALE AND PURCHASE OF ASSETS

2.1 Sale of Assets. On the terms and subject to the conditions of this Agreement and for the consideration set forth herein, Seller shall at the Closing, sell, convey, assign, transfer and deliver to Buyer, and Buyer shall purchase and acquire from Seller, all of the Assets of the business and not including the Excluded Assets. The Assets shall include all assets of the Business identified by the terms of this Agreement or described with particularity in Schedule 2.1 to this Agreement and not including the Excluded Assets. The Assets shall include the following:

2.1.1 Inventories. All inventories of, finished goods, inventory for resale, supplies and repair materials of the Business as of the Closing Date (the "Inventories"). A summary of such items on hand as of March 2018 is attached hereto as Schedule 2.1.1.

2.1.2 Fixed Assets and Tangible Personal Property. To the extent any of the following exists, all fixed assets and tangible personal property of the Business (other than the Inventories) as it relates to this transaction, including all equipment, supplies, furniture, fixtures, hardware. A list of such fixed assets and tangible personal property is attached hereto as Schedule 2.1.2.

2.1.3 Intangible Personal Property. To the extent any of the following exists, all intangible property of the Business including without limitation, software, copyrights software source codes, customer lists, customer files, customer records, trade and other association memberships and rights, and licenses and permits susceptible of transfer under regulatory agency rules. A detailed list of such assets is attached hereto as Schedule 2.1.3.

2.1.4 Contracts. To the extent any of the following exist, all rights in and to the contracts of the Business (other than as described on Schedule 2.2), including license agreements, assignment agreements, distribution agreements and agreements for leased equipment (the "Contracts"). A list of all written Contracts (excluding any Contracts listed on Schedules 2.1.1-3) is attached hereto as Schedule 2.1.4 showing, for each Contract, the names of the parties, the subject of the Contract, the basic terms and the consideration involved.

2.2 Asset Purchase Price. Subject to the terms and conditions of this Agreement, and in full consideration for the transfer of such Assets, and not including the Excluded Assets at Closing, Buyer shall pay the Seller an aggregate purchase price equal to (i) the actual cost of Seller's inventory at Closing estimated to be \$750,000; plus (ii) the sum of \$50,000 for Seller's fixed assets; plus (iii) the sum of \$250,000 for Seller's intangible assets and goodwill, and (iv) a delivery of a Stock Certificate representing the Shares (all to be delivered upon the closing of the Transaction (the "Closing)).

## 2.3 Closing.

2.3.1 Closing Date. The closing of the purchase and sale of the Assets shall take place, on or before April 30, 2018, provided all conditions to the closing shall have been satisfied or waived, or at such other place, date or time as Buyer and Seller may agree in writing. The date of the Closing shall constitute the "Closing Date."

2.3.2 Seller's Deliveries at Closing. At the Closing, Seller will deliver or cause to be delivered to Buyer:

- (a) Bill of Sale of Seller authorizing consummation of the transaction contemplated by this Agreement in the form attached as **Exhibit A**,
- (b) A compliance certificates in the form as indicated in the attached **Exhibit B**;
- (c) A Non-Disclosure and Non-Compete Agreement executed at Closing in the form indicated in the attached **Exhibit C**;
- (d) An Assignment of Trademarks Form in a form indicated in the attached **Exhibit D**;
- (e) An assignment of the URL, website content and all copyright therein for the website [www.SuperiorGrowersSupply.com](http://www.SuperiorGrowersSupply.com), in the form indicated in the attached **Exhibit E**;
- (f) Such other documents and instruments as may be reasonably requested to affect the transactions contemplated hereby.

Simultaneously with such deliveries, Seller shall take such steps as are necessary to put Buyer in actual possession and control of the Assets.

2.3.3 Buyer's Deliveries at Closing. At the Closing, Buyer shall deliver or cause to be delivered to or for the benefit of Seller the following instruments:

- (a) A certified check or wire transfer in the amount of Two Hundred Thousand Dollars (\$250,000) plus Fifty Thousand Dollars (\$50,000) plus the actual cost of Sellers Inventory, estimated to be Seven Hundred Fifty Thousand Dollars (\$750,000) payable to Seller;
- (b) A Resolution from the Buyer and Issuer authorizing consummation of the transactions contemplated by the Agreement in the form indicated in the attached **Exhibit F**;
- (c) Such other documents and instruments as may be reasonably requested to affect the transactions contemplated hereby.
- (d) A stock certificate to be held in the name of Jeffrey A. Gibson representing the Shares in the form indicated in the attached **Exhibit G**;
- (e) Buyer and Issuer Charter Documents as defined in Section 4.1.1 attached as **Exhibit H**; and
- (f) A Lease in the form indicated in the attached **Exhibit I**, with such Lease being for a term of five (5) years with two (2) additional five (5) terms for the location located at 29220 Seven Mile West, Livonia, MI 48152. The lease shall carry yearly rent of \$84,000 and monthly rent of \$7,000. In addition, the lease shall have a provision that includes a yearly increase of 2 percent.

### 3. REPRESENTATIONS AND WARRANTIES OF SELLER

Seller, to the best of its knowledge, hereby represents and warrants to Buyer the following, except as set forth in the Disclosure Schedule attached hereto as Schedule 3:

3.1 Organization and Authority. Seller is a Corporation doing business as “Superior Growers Supply, Inc.”.

3.1.1 Authority Relating to this Agreement; No Violation of Other Instruments.

3.1.2 The execution and delivery of this Agreement and the performance hereunder by Seller have been duly authorized by all necessary actions on the part of Seller and, assuming execution of this Agreement by Buyer, this Agreement will constitute a legal, valid and binding obligation of Seller.

3.2 Capitalization. All of the debts or other obligations of the Business are set forth in the schedules hereto

3.3 Ownership and Delivery of Assets. The Assets comprise all of the assets, material rights and all of the business of the Business. Seller is the true and lawful owner of the Assets and has all necessary power and authority to transfer the Assets to Buyer free and clear of all liens and encumbrances. No other person will have on the Closing Date, any direct or indirect interest in any of the Assets. Upon delivery to Buyer of the Bill of Sale attached as **Exhibit A**, and other instruments of conveyance with respect to the Assets as indicated in Section 2.3.2 on the Closing Date, Buyer will acquire good and valid title to the Assets free and clear of all liens.

3.4 Compliance with Law. The Seller holds and has at all times since inception of the Business held, all licenses, permits and authorizations necessary for the lawful conduct of the Business pursuant to all applicable statutes, laws, ordinances, rules and regulations of all governmental bodies, agencies and subdivisions having, asserting or claiming jurisdiction over the Business or over any part of the Business’ operations, and Seller knows of no violation thereof. The Seller is not in violation of any decree, judgment, order, law or regulation of any court or other governmental body, which violation could have a Material Adverse Effect on the Business.

3.5 Investments in Others. The Seller does not conduct any part of the Business through any other entity in which such Seller has an equity investment.

3.6 Financial Statements. Seller has delivered unaudited consolidated financial statements of the Business (the “Financial Statements”) to Buyer.

3.7 Absence of Undisclosed Liabilities. The Business does not have outstanding on the date hereof, any indebtedness or liability (fixed or contingent, known or unknown, accrued or unaccrued) other than those enumerated in the schedules hereto.

3.8 Tax Returns and Payments. Schedule 3.9 constitutes a true and complete list of all types of taxes paid or required to be paid in connection with the Business. All tax returns and reports with respect to the Business required by law to be filed under the laws of any jurisdiction, domestic or foreign, have been duly and timely filed and all taxes, fees or other governmental charges of any nature which were required to have been paid have been paid or provided for. Seller has no knowledge of any unpaid taxes or any actual or threatened assessment of deficiency or additional tax or other governmental charge or a basis for such a claim against Seller. Seller has no knowledge of any tax audit of Seller by any taxing or other authority in connection with the Business. Sellers has no knowledge of any such audit currently pending or threatened, and there are no tax liens on any of the properties or assets of the Business, nor have any such liens been threatened.

3.9 Absence of Certain Changes or Events. Since January 1, 2018, there has been no events or changes giving rise to a Material Adverse Effect.

3.10 Litigation. Seller is not a party to any pending or, to the knowledge of Seller, threatened action, suit, proceeding or investigation, at law or in equity or otherwise in, for or by any court or other governmental body which could have a Material Adverse Effect on: (i) the condition, financial or otherwise, Assets, liabilities, business, prospects or results of operations of the Business; or (ii) the transactions contemplated by this Agreement ; nor, to the knowledge of the Business, does any basis exist for any such action, suit, proceeding or investigation. The Business is not subject to any decree, judgment, order, law or regulation of any court or other governmental body which could have a Material Adverse Effect, or which could prevent the transactions contemplated by this Agreement or the continuation of the business conducted by the Business.

3.11 Negotiations with Other Parties. Neither Seller nor any other person on his behalf is presently conducting or contemplating negotiations with any other party regarding any acquisition, merger or similar transaction.

3.12 Limitations on Transferability. Seller acknowledges that the Shares are being issued pursuant to exemption from registration as securities under applicable federal and state law. Seller covenants that within twelve (12) months from the date of this Agreement in no event will Seller dispose of any of the Shares (other than the assignment of the Shares to Jeffrey A. Gibson) without the prior written consent of the Issuer. The stock certificate representing the Shares shall display the following legend:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (“ACT”). SUCH SECURITIES MAY NOT BE TRANSFERRED UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER OR IN THE OPINION OF COUNSEL FOR THE COMPANY, SUCH TRANSFER MAY BE MADE PURSUANT TO RULE 144 OR REGISTRATION UNDER THE ACT IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT.

THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO THE LIMITATIONS ON TRANSFERABILITY AS PROVIDED UNDER SECTION 3.12 OF THAT CERTAIN ASSET PURCHASE AGREEMENT DATED APRIL 12, 2018 ENTERED INTO BY THE HOLDER AND THE COMPANY.”



3.13 Accredited Investor. Seller hereby warrants that it is an Accredited Investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act. Seller acknowledges that the ownership of the Shares involves a high degree of risk in that (i) an investor may not be able to liquidate its investment in such securities; (ii) transferability of the Shares is extremely limited; (iii) an investor could sustain the loss of its entire investment in such securities; and (iv) the Issuer is and will be subject to numerous other risks and uncertainties, including without limitation, significant and material risks relating to the Issuer's business and operations, and the industries, markets and geographic regions in which the Issuer competes. Seller agrees to the filing of a Form D by the Issuer with the SEC to disclose the offering and issuance of the Shares hereunder and the filing of a blue sky notice with the state where it resides. Seller understands that the information disclosed in the Form D will become public information.

3.14 Contracts. To the extent any of the following exist, Seller has delivered to Buyer copies of all Contracts. A list of the delivered Contracts is attached hereto as Schedule 3.23.

3.15 Full Disclosure. The representations and warranties of Buyer contained in this Agreement and the schedule hereto, when read together, do not contain any untrue statement of a material fact or omit any material fact necessary to make the statements contained therein or herein in view of the circumstances under which they were made not misleading.

#### 4. REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer and Issuer hereby represents and warrants to Seller which shall be true and correct as of the date of this Agreement and will be true and correct as of the Closing, that:

##### 4.1 Corporate Organization and Authority. Buyer and Issuer:

4.1.1 Are a Delaware and Colorado Corporations, respectively duly organized, validly existing, authorized to exercise all its corporate powers, rights and privileges in Colorado, Delaware and Michigan, and in good standing in the State of Colorado, Delaware and Michigan, and the Buyer and the Issuer have delivered to Seller, true, complete and correct copies of Articles of Incorporation and Bylaws (collectively the "Buyer and Issuer Charter Documents"), attached as Exhibit H; and

4.1.2 has the corporate power and corporate authority to own and operate its properties and to carry on its business now conducted and as proposed to be conducted.

4.2 Authorization. All corporate action on the part of Buyer and Issuer, its officers, directors, and unit holders necessary for the authorization, execution, delivery, and performance of all obligations under this Agreement and for the issuance of the Shares has been taken, and this Agreement constitutes a legally binding and valid obligation of Buyer enforceable in accordance with its terms.

4.3 Corporate Power. Buyer and Issuer has all requisite legal and corporate power and authority to execute and deliver this Agreement and Exhibits, to sell and issue the Shares, and to carry out and perform its obligations under the terms of the Agreement.

4.4 Litigation. There is no action, proceeding, or investigation pending or threatened, or any basis therefor known to Buyer or Issuer, that questions the validity of the Agreement and Exhibits or the right of Buyer or Issuer to enter into the Agreement and the Exhibits or to consummate the transactions contemplated by the Agreement and the Exhibits.

4.5 Full Disclosure. The representations and warranties of Buyer and Issuer contained in this Agreement, schedule hereto, and Exhibits, when read together, do not contain any untrue statement of a material fact or omit any material fact necessary to make the statements contained therein or herein in view of the circumstances under which they were made not misleading.

4.6 No Conflicts. The execution, delivery and performance of this Agreement and its Exhibits, the consummation of the transactions contemplated hereby and the fulfillment of the terms hereof will not: (a) conflict with, or result in a breach or violation of the Buyer and Issuer Charter Documents; (b) conflict with, or result in a default (or would constitute a default but for a requirement of notice or lapse of time or both) under any document, agreement or other instrument to which Buyer and Issuer or are a party or result in the creation or imposition of any lien, charge or encumbrance on any of Buyer's or Issuer's properties pursuant to (i) any law or regulation to which the Buyer or Issuer or any of their property is subject, or (ii) any judgment, order or decree to which Buyer or Issuer is bound or any of its property is subject; or (c) violate any law, order, judgment, rule, regulation, decree or ordinance to which Buyer or Issuer is subject, or by which Buyer or Issuer is bound.

4.7 Awareness of Buyer. Buyer acknowledges the following:

- (a) During the negotiations prior to the execution of this Agreement, Buyer has been furnished such financial data and other data that Buyer considers necessary or advisable to enable Buyer to form a decision concerning the purchase of the Assets.
- (b) Buyer has had an opportunity to examine the Assets and agree to accept the same "As Is," subject to the remaining conditions and other provisions of this Agreement.
- (c) Buyer has, either individually or through agents or employees of Buyer, sufficient knowledge, expertise, and financial capacity to operate the Business; and, further, Buyer is capable of evaluating the merits and risks of the purchase of the Business set forth in this Agreement.

**5. CONDITIONS TO THE OBLIGATIONS OF BUYER**

Except as otherwise specifically set forth herein or as contemplated by this Agreement, all obligations of Buyer under this Agreement are subject to the fulfillment, prior to or at the Closing Date, of each of the following conditions:

5.1 Covenants Performed by Seller. Each of the obligations of Seller to be performed on or before the Closing Date pursuant to the terms of this Agreement shall have been duly performed in all material respects.

5.2 Material Changes in Business of Company. Between January 1, 2018 and the Closing Date there shall have been no Material Adverse Effect.

5.3 No Action to Prevent Completion. There shall not have been instituted and be continuing or threatened any claim, action or proceeding which could have a Material Adverse Effect, nor shall there have been instituted and be continuing or threatened any such claim, action or proceeding to restrain, prohibit or invalidate, or to obtain damages in respect of, the transactions contemplated by this Agreement or which might affect the right of Buyer after the Closing Date to own the Assets or to operate the Business.

5.4 Delivery of Closing Documents. Seller shall have delivered to Buyer the closing documents required by Section 2.3.2 of this Agreement.

## 6. CONDITIONS TO THE OBLIGATIONS OF SELLER

Except as otherwise specifically set forth herein, all obligations of Seller under this Agreement are subject to the fulfillment and satisfaction, prior to or at the Closing, of each of the following conditions:

6.1 Representations and Warranties True at the Closing. The representations and warranties of Buyer and Issuer contained in this Agreement shall be deemed to have been made again at and as of the Closing Date and shall then be true in all material respects.

6.2 Covenants Performed by Buyer and Issuer. Each of the obligations of Buyer and Issuer to be performed on or before the Closing Date pursuant to the terms of this Agreement shall have been duly performed in all material respects.

6.3 Authority Relating to this Agreement. All corporate and other proceedings required to be taken by or on behalf of Buyer and Issuer to authorize Buyer and Issuer to execute, deliver and carry out this Agreement, have been duly and properly taken.

6.4 No Action to Prevent Completion. There shall not have been instituted and be continuing or threatened any action or proceeding by or before any court or other governmental body to restrain, prohibit or invalidate, or to obtain damages in respect of, the transactions contemplated by this Agreement.

6.5 Delivery of Closing Documents. Buyer and Issuer shall have delivered to Seller the closing documents required to be delivered pursuant to Section 2.3.3, in form and substance reasonably satisfactory to Seller and its counsel.

## 7. EMPLOYMENT MATTERS

7.1 Independent Contractors and Employees. Buyer shall have no liability for accrued wages (including salaries and commissions), severance pay, accrued vacation, sick leave or other benefits, or employee agreements of any type or nature on account of Seller, retention of or termination of independent contractors or employment of or termination of employees, and Seller shall indemnify Buyer and hold Buyer harmless against liability arising out of any claims for such pay or benefits or any other claims arising from Seller's retention of or employment of or termination of such independent contractors or employees, resulting from Seller's acts or omissions.

## 8. INDEMNITY

8.1 Seller's Indemnity. The Seller shall indemnify and hold harmless Buyer from and against any and all losses, costs, expenses, liabilities, obligations, claims, demands, causes of action, suits, settlements and judgments of every nature, including the costs and expenses associated therewith and reasonable attorneys' fees ("Buyer's Damages") which arise out of: (i) the breach by Seller of any representation or warranty made pursuant to this Agreement; (ii) the non-performance, partial or total, of any covenant made pursuant to this Agreement; (iii) claims of any type or nature relating to the retention of the Business' independent contractors or employment of the Business' employees by Seller or any termination of such independent contractors or employees. Notwithstanding the terms and conditions of this Article 8, the Seller liability arising or related to this Agreement, its Exhibits and specifically, without limitation, this Article 8 Indemnification) shall not exceed the Asset Purchase Price.

8.2 Buyer's Indemnity. Buyer shall indemnify and hold harmless Seller from and against any and all losses, costs, expenses, liabilities, obligations, claims, demands, causes of action, suits, settlements and judgments of every nature, including the costs and expenses associated therewith and reasonable attorneys' fees ("Seller's Damages", which arise out of: (i) the breach by Buyer of any representation or warranty made by Buyer pursuant to this Agreement and its Exhibits and (ii) the non-performance, partial or total, of any covenant made by Buyer pursuant to this Agreement and its Exhibits; or (iii) the ownership of the Assets or in connection with the Business activities of Buyer related to the Assets subsequent to the Closing Date.

#### 9. MISCELLANEOUS

9.1 Allocation of Purchase Price. Schedule 9.1 constitutes the allocation agreed to by Seller and Buyer of the Purchase Price among the various items included in the assets and business being transferred by Seller to Buyer. Buyer and Seller shall file all tax returns and reports in a manner consistent with Schedule 9.2. Schedules based upon and contains the information to be delivered by Buyer and Seller to the IRS on Form 8594 in the form as attached as **Exhibit J**.

9.2 Brokers and Finders. The parties represent that New Leaf Capital is the only broker entitled to compensation in connection with this transaction. The Seller hereby agrees to compensate New Leaf Capital the sum of \$50,000 in connection with the closing of this transaction.

9.3 Confidentiality. No party hereto shall issue a press release or otherwise publicize the transactions contemplated by this Agreement or otherwise disclose the nature or contents of this Agreement until the transaction is completed.

9.4 Expenses. Each party will pay its own costs and expenses, including legal and accounting expenses, related to the transactions provided for herein, irrespective of when incurred. In the event of any legal action to enforce any of the obligations set forth in the Agreement, the prevailing party shall be entitled to recover costs and reasonable legal fees.

9.5 Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be deemed to have been duly given on the date of service if served personally or by email, or five days after the date of mailing if mailed, by first class mail, registered or certified, postage prepaid. Notices shall be addressed as follows:

GrowGeneration Corp. and GrowGeneration  
Michigan Corp.  
1000 W. Mississippi Ave.  
Denver, CO 80223

Superior Growers Supply, Inc.  
5711 Enterprise Drive  
Livonia, Michigan 48152

or to such other address as a party has designated by notice in writing to the other party in the manner provided by this section.

9.6 Survival of Terms. All warranties, representations, indemnification obligations, and covenants contained in this Agreement and any certificate or other instrument delivered by or on behalf of the parties pursuant to this Agreement shall be continuous and shall survive the Closing for a period of one year.

9.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado applicable to contracts entered into and wholly to be performed in the State of Colorado by Colorado residents.

9.8 Successors and Assigns. This Agreement and Exhibits and the rights of the parties hereunder may not be assigned and shall be binding upon and shall inure to the benefit of the parties hereto, the successors of Buyer and the Seller, and the heirs and legal representatives of the shareholders of the Seller.

9.9 Entire Agreement. This Agreement, together with the schedules, exhibits and other documents referenced herein, sets forth the entire understanding of the parties hereto with respect to the transactions contemplated hereby. Any and all previous agreements and understandings between or among the parties regarding the subject matter hereof, whether written or oral, are superseded and replaced by this Agreement.

9.10 Amendment. This Agreement shall not be amended or modified except by a written instrument duly executed by each of the parties hereto.

9.11 Waiver. Any extension or waiver by any party of any provision hereto shall be valid only if set forth in an instrument in writing signed on behalf of such party.

9.12 Schedules and Exhibits. Each of the Schedules and Exhibits to this Agreement is incorporated herein by this reference and expressly made a part of this Agreement.

9.13 Partnership. The relationship of the parties is that of "buyer" and "seller," and nothing contained herein shall be deemed to create a partnership or joint venture between the parties.

9.14 Counterparts. This Agreement may be executed in any number of counterparts and any party hereto may execute any such counterpart, which counterparts may be sent by telecopy (with originals to follow) or .PDF attached to an confirmed e-mail of a signature page signed by that party and shall be valid and acceptable, each of which when executed and delivered shall be deemed to be an original, and all of which counterparts taken together shall constitute but one and the same instrument.

9.15 Specific Performance; Remedies. Each party hereto acknowledges that the other parties will be irreparably harmed and that there will be no adequate remedy at law for any violation by any of them of any of the covenants or agreements contained in this Agreement and its Exhibits, including the confidentiality obligations set forth in this Agreement or in any other agreement between any of the parties hereto. It is accordingly agreed that, in addition to any other remedies which may be available upon the breach of any such covenants or agreements, each party hereto shall have the right to obtain injunctive relief to restrain a breach or threatened breach of, or otherwise to obtain specific performance of covenants and agreements of other parties contained in this Agreement.

9.16 Severability. If any provision of this Agreement or Exhibit or the application thereof to any person or circumstances is held invalid or unenforceable in any jurisdiction, the remainder hereof, and the application of such provision to such person or circumstances in any other jurisdiction, shall not be affected thereby, and to this end the provisions of this Agreement shall be severable.

9.17 Further Representations. Each party to this Agreement acknowledges and represents that it has been represented by its own legal counsel in connection with the transactions contemplated by this Agreement, with the opportunity to seek advice as to its legal rights from such counsel. Each party further represents that it is being independently advised as to the tax consequences of the transactions contemplated by this Agreement and is not relying on any representation or statements made by the other party as to such tax consequences.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

SELLER:

SUPERIOR GROWERS SUPPLY, INC.

By: \_\_\_\_\_  
Jeffrey A. Gibson, President

BUYER:

GROWGENERATION MICHIGAN CORP.

By: \_\_\_\_\_  
Darren Lampert, CEO

ISSUER:

GROWGENERATION CORP.

By: \_\_\_\_\_  
Darren Lampert, CEO

**Schedule 2.1**

Assets

2.1.1 Inventories.

\$517,951 of finished goods

2.1.2 Fixed assets and tangible personal property. Racks, shelves, cash register, computers, furniture.

2.1.3 Intangible Personal Property. Software including Point of Sale System, the Lease, the name "Superior Growers Supply, Inc." and good will associated therewith.

2.1.4 Contracts. - Lease

**Schedule 3**

Disclosures- No Litigation

**Schedule 3.7**

Financial Statements 2016 Tax returns  
2017 Financial Statements

**Schedule 3.9**

Taxes

**Schedule 3.13**

Employees and Consultants

**Schedule 9.2**

Allocation of Purchase Price  
See Attached  
Schedule IRS Form 8594

FORM OF COMMERCIAL LEASE AGREEMENT

This **LEASE AGREEMENT**, entered into this 12<sup>th</sup> day of April, 2018 by and between Over The Moon, LLC, a Michigan limited liability company, located at 5711 Enterprise Drive, Lansing, MI 48911, herein after referred to as "Landlord", and GrowGeneration Michigan Corp., a Delaware Corporation, with offices at 1000 W. Mississippi, Denver CO 80223 and a registered office of 40600 Ann Arbor Road East, Suite 200, Canton, Michigan 48170, hereinafter referred to as "Tenant". The parties mutually agree as follows:

**WITNESSETH:**

1. **PREMISES.** Landlord, in consideration of the rents to be paid and the covenants and agreements to be performed by Tenant, hereby leases to Tenant and Tenant leases from Landlord the following premises situated in the City of Livonia, Wayne County, Michigan, more particularly described as: 29220 W. Seven mile Road, Livonia, MI, containing approximately 11,200 square feet, (which premises are hereinafter referred to as the "premises"), together with the nonexclusive right and easement to use the parking and common facilities which may from time to time be furnished by Landlord in common with Landlord and tenants and occupants (their agents, employees, customers and invitees) of the building in which the premises are located. Tenant shall not permit its employees to use said parking areas for the purpose of overnight or weekend storage of any automobiles, trucks or other vehicles owned or used by Tenant or its employees, except as may be approved and designated in writing by Landlord. Landlord reserves the right to designate specific parking areas for employee parking.
2. **TERM.** The term of this Lease shall be for a period of five (5) years, commencing on April 12, 2018, to be fully completed and ended on April 11, 2023.



3. **RENTAL AMOUNT.** Tenant agrees to pay to Landlord or to such other person or persons or at such other place as Landlord shall designate in writing, rental for said premises without deduction or offset, pursuant to the following schedule:

<b>Year</b>	<b>Price Per Square Foot</b>	<b>Monthly Rent</b>	<b>Annual Rent</b>
1	\$ 7.50	\$ 7,000	\$ 84,000
2	\$ 7.65	\$ 7,140	\$ 85,680
3	\$ 7.80	\$ 7,280	\$ 87,360
4	\$ 7.96	\$ 7,429	\$ 89,152
5	\$ 8.12	\$ 7,579	\$ 90,944

4. (a) **RENT DUE.** Rent is due in twelve (12) equal monthly payments per year as outlined above. The first payment will be due upon signing, the balance of payments due on or before 1st of the month. Rental and all other charges hereunder shall promptly be paid without prior demand therefore and without deductions of set-offs for any reason whatsoever, and overdue rent shall bear interest at rate of fifteen percent (15%) per annum for any unpaid balance that is received ten (10) days past the due date. In no event shall the late fee be less than fifty dollars (\$50.00).
- (b) **SECURITY DEPOSIT.** Tenant herewith deposits, on the date this Lease is executed by the parties, with Landlord Seven Thousand and 00/100 (\$7,000.00) Dollars as security for the performance by Tenant of every covenant and condition of this Lease.
5. **JANITORIAL SERVICE, SNOW, LAWN SERVICES.** Tenant shall arrange at its own expense janitorial, snow removal and lawn services for the premises.
6. **USE AND OCCUPANCY.** During the term of this Lease, the premises shall be used and occupied for gardening supply retail and warehousing use and for no other purpose without the written consent of the Landlord, nor shall Tenant conduct its business in a manner which will cause an increase in fire insurance and extended coverage insurance premiums for the premises or building. Tenant shall not use the premises for any purpose in violation of any law, municipal ordinance, or regulation, nor shall Tenant perform any acts or carry on any practices which may injure the premises or the building in which the premises are located or be a nuisance, disturbance or menace to the other tenants of said building. Upon breach of this agreement, Landlord shall have the right to terminate this Lease forthwith and to reenter and repossess the premises, and Landlord's right to damages will survive.

7. **UTILITIES AND TAXES.** (a) Tenant shall, at its own cost and expense, furnish the premises with water, heat, air condition, electricity and sewage. Landlord shall not be liable or responsible for any interruption in such utilities or other services due to causes beyond Landlord's reasonable control or for interruptions in connection with the making of repair or improvements to the premises or the building in which the premises are located, nor shall such interruption be deemed an actual or constructive eviction or partial eviction or result in an abatement of rental.

(b) **REAL ESTATE AND PERSONAL PROPERTY TAXES.** Tenant shall during the term of this Lease, pay all the real estate and property taxes associated with the rental and use of the premises, which shall include all real estate taxes, personal property taxes and assessments both general and special imposed by federal, state or local governmental authority, or any other taxing authority having jurisdiction over the premises, against the land, buildings, personal property and all other improvements within the premises. Such taxes shall include the face amount of real estate and personal property taxes without regard to discounts earned by the Landlord due to early payment of real estate taxes, and further shall not include any additional charges or penalties incurred by Landlord due to late payment of real estate taxes. Landlord will invoice Tenant for these charges as the costs are incurred.

In the event that the increase in the amount of such tax payable is because of an increase in assessed valuation, Tenant shall have the right to appeal or contest such increased assessment if it should desire to do so. Landlord agrees to execute any and all documents necessary to authorize Tenant to take any such action to appeal or contest the assessed valuation placed upon the Landlord's property in the premises in the name of the Landlord.

8. **MAINTENANCE AND REPAIR.** Tenant shall make all necessary repairs and replacements to the building in which the premises are located, and to the common areas, including parking areas, heating and air conditioning and electrical systems located therein. Landlord, however, shall make repairs to the premises which are structural in nature (e.g. walls and roof) or required due to fire, casualty, or other act of God; provided, however, that Tenant shall make all repairs and replacements arising from its act, neglect or default. Except as provided above, Tenant shall keep the premises in good repair, and Tenant shall upon the expiration of the terms of this Lease, yield and deliver up the premises in like condition as when taken reasonable use and wear thereof and repairs required to be made by Landlord excepted. In the event Tenant fails to make any of the repairs which it is obligated to make with reasonable dispatch, Landlord shall be entitled to enter the premises and make or cause the same to be made, and the amount or amounts expended by Landlord for such repairs shall be due and payable by Tenant to Landlord as so much additional rent hereunder.

9. **ALTERATIONS.** Tenant shall not make any alterations, additions or improvements to the premises (whether or not the same may be structural in nature) without Landlord's prior written consent, and all alterations, additions or improvements made by either party hereto to the premises, except movable office furniture and equipment installed at Tenant's expense, shall be the property of Landlord and remain upon and be surrendered with the premises at the expiration of the term hereof; provided, however, the Landlord may require Tenant to remove any additions made by Tenant to the premises and to repair any damage caused by such removal, and provided further, that if Tenant has not removed its property and equipment within ten (10) days after the expiration or termination of this Lease, Landlord may elect to retain the same as abandoned property. Tenant shall only use contractors approved by Landlord for the permitted alterations to the premises and shall not permit any mechanics liens to be placed or remain upon the premises.
10. **ASSIGNMENT AND SUBLETTING.** Tenant covenants not to assign or transfer this Lease or hypothecate or mortgage the same or sublet the premises or any part thereof without the prior written consent of Landlord, which consent shall not be unreasonably withheld, but in the event of any such assignment or transfer, Tenant shall remain fully liable to perform all of the obligations under the Lease. Any assignment, transfer (including transfers by operation of law or otherwise), hypothecation, mortgage or subletting without such written consent shall give Landlord the right to terminate this Lease and to reenter and repossess the premises, and Landlord's right to damages shall survive.
11. **INDEMNIFICATION AND INSURANCE.** Tenant shall indemnify and hold harmless Landlord and Landlord's agents, directors, officers employees, invitees, and contractors from all claims losses, costs, damages, or expenses (including, but not limited to, attorney's fees) resulting from or arising from any and all injuries, or death of any person or damage to any property caused by an act, omission, or neglect of Tenant or Tenant's directors, officers, employees, agents, invitees, or guests, or any parties contracting with Tenant relating to the premises.

Landlord shall not be liable for any damage of any kind or for any damage to property, death, or injury to persons from any cause whatsoever by reason of the use and occupancy of the premises by Tenant, and Tenant shall keep in full force and effect during the term hereof, a policy of public liability and property damage insurance, naming the Landlord as an additional insured and protecting Tenant from all causes including their own negligence with public liability limits of not less than Two Million and No/100 (\$2,000,000.00) Dollars as to any one occurrence for bodily injury and Two Million and No/100 (\$2,000,000.00) Dollars for property damages. Tenant shall deliver policies of such insurance or certificates thereof to Landlord and shall not be cancelable without thirty (30) days written notice to Landlord and in the event Tenant shall fail to procure such insurance, Landlord may at its option procure the same for the account of Tenant, and the cost thereof shall be paid to Landlord as an additional charge upon receipt by Tenant of bills therefore.

12. **FIRE OR OTHER CASUALTY.** If the building is damaged or destroyed by fire or other casualty, the Landlord shall have the right to terminate this Lease, provided it gives written notice thereof to the Tenant within ninety (90) days after such damage or destruction. If a portion of the premises is damaged by fire or other casualty, and this Lease is not hereby terminated, the Landlord shall, at its expense, restore the premises, exclusive of any improvements or other changes made to the premises by the Tenant, to as near the condition which existed immediately prior to such damage or destruction, as reasonably possible, and rent shall abate during such period of time as the premises are untenantable, in the proportion that the untenantable portion of the premises bears to the entire premises. The Landlord shall not be responsible to the Tenant for damage to, or destruction of, any furniture, equipment, improvements, or other changes made by the Tenant in, on, or about the premises regardless of the cause of the damage or destruction.
13. **WAIVER OF SUBROGATION.** Notwithstanding anything in this Lease to the contrary, if the premises is damaged or destroyed by fire or an extended coverage risk, the Tenant, its agents, employees, representatives, and invitees are hereby released from liability by reason thereof to the extent of insurance proceeds realized by the Landlord as a result of such damage or destruction. In no event shall any such release be applicable if doing so would work in contravention of any requirement in an applicable policy of insurance to the effect that if the insured waives subrogation, coverage is or may be void.

14. **EMINENT DOMAIN.** If a part of the premises shall be taken by any public authority under the power of eminent domain, then the term of this Lease shall cease on the part taken from the date of possession, and rent shall be paid up to that date. In the event that all the premises amounting to fifty percent (50%) or more thereof is taken, Tenant shall have the right either to cancel this Lease and declare the same null and void or to continue in possession of the remainder of the premises under the terms herein provided, except that the rent shall be reduced in proportion to the amount of the premises taken. All damages awarded for such taking shall belong to and be the property of Landlord, whether such damage shall be awarded as compensation of diminution in the value of the leasehold or of the fee of the premises herein leased provided, however, that the Landlord shall not be entitled to any portion of the award made to the Tenant for losses of business, relocation expenses, or loss to Tenant's trade, fixtures or personal property.
15. **BANKRUPTCY.** In the event the estate created hereby shall be taken in execution or by other process of law, or if Tenant shall be adjudicated insolvent or bankrupt pursuant to the provisions of any state or federal insolvency or bankruptcy law, or if a receiver or trustee of the property of Tenant shall be appointed, or if any assignment shall be made of Tenant's property for the benefit of creditors, then and in any of such events, Landlord may terminate this Lease by written notice to Tenant; provided, however, if the order of court creating any of such disabilities shall not be final by reason of pendency of such proceedings, or appeal from such order, then Landlord shall not have the right to terminate this Lease so long as Tenant performs its obligations hereunder.
16. **DEFAULT/LANDLORD'S REMEDIES.**
- a. In the event Tenant shall fail to pay the rent or any other obligation involving the payment of money reserved herein when due, Landlord shall give Tenant written notice of such default and if Tenant shall fail to cure such default within ten (10) days after receipt of such notice, Landlord shall, in addition to its other remedies provided by law, and in this Lease, have the remedies set forth in subparagraph (c) below.
  - b. If Tenant shall be in default in performing any of the terms of this Lease other than the payment of rent or any other obligation involving the payment of money, Landlord shall give Tenant written notice of such default, and if Tenant shall fail to cure such default within twenty (20) days after the receipt of such notice, or if the default is of such a character as to require more than twenty (20) days to cure, then if Tenant shall fail within said twenty (20) day period to commence and thereafter proceed diligently to cure such default, then and in either of such events, Landlord may (at this option and in addition to its other legal remedies) cure such default for the account of Tenant and any sum so expended by Landlord shall be additional rent for all purposes hereunder, including without limitation, reasonable attorneys fees and collection costs, and also including subparagraph (a) above and shall be paid by Tenant with the next monthly installment of rent.

- c. If any rent or any other obligation involving the payment of money shall be due and unpaid or Tenant shall be in default upon any of the other terms of the Lease, and such default has not been cured after notice and within the provided in subparagraphs (a) and (b) above, or, if the premises are abandoned or vacated, then Landlord, in addition to its other remedies, shall have the immediate right of re- entry. Should Landlord elect to re-enter or take possession pursuant to legal proceedings or any notice provided for by law, Landlord may either terminate this Lease or from time to time, without terminating this Lease, relet the premises or any part thereof on such terms and conditions as Landlord shall in its sole discretion deem advisable. The avails of such reletting shall be applied first, to the payment of any indebtedness of Tenant to landlord other than rent due hereunder; second, to the payment of any reasonable costs of such reletting, including the cost of any reasonable alterations and repairs to the premises; third, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be held by Landlord and applied in payment of future rent as the same may become due and payable hereunder. Should the avails of such reletting during any month be less than the monthly rent reserved hereunder, then Tenant shall during each such month pay such deficiency to the Landlord.
  - d. Tenant shall be in default whenever tenant shall vacate, abandon, or fail to occupy the premises and leave same vacated, abandoned or unoccupied for a period of fifteen (15) days.
  - e. All rights and remedies of Landlord hereunder shall be cumulative and none shall be exclusive of any other rights and remedies allowed by law.
17. **NON-LIABILITY.** Landlord shall not be responsible or liable to Tenant for any loss or damage that may be occasioned by or through the acts or omission of persons occupying adjoining premises or any part of the premises adjacent to or connected with the premises or any part of the building of which the premises are a part or for any loss or damage resulting to Tenant or his property from burst, stopped or leaking water, gas, sewer pipes, or for any damage or loss of property within the premises from any cause whatsoever excepting that caused by the negligence of the Landlord, his agents or employees and no such occurrence shall be deemed to be an actual or constructive eviction from the premises or result in any abatement of rental. In the event of any sale or transfer (including any transfer by operation of law) of the premises Landlord (and any subsequent owner of the premises making such a transfer) shall be relieved from any and all obligations and liabilities as shall have arisen during Landlord's (or such subsequent owner's) respective period of ownership, provided that the transferee assumes in writing all of the obligations of the Landlord under this Lease.

18. **SUBORDINATION.** Landlord reserves the right to subject and subordinate this Lease at all times to the lien of any mortgage(s) or ground or underlying lease(s) now or hereafter placed upon Landlord's interest in the premises or on the land and buildings of which the premises are a part, or upon any buildings hereafter placed upon the land parcel of which the premises are a part, and Tenant agrees upon request to execute an agreement subordinating its interest and/or attornment agreement to such mortgagees and lessors and appoints Landlord its attorney-in-fact to execute and deliver any such instruments; provided, however, that no default by Landlord under such mortgage or ground lease shall affect Tenant's rights hereunder so long as Tenant shall not be in default.
19. **COVENANT OF TITLE AND QUIET POSSESSION.** Landlord covenants that it has the right to make this Lease for the term aforesaid and that it will put Tenant into possession of the premises, free from all encumbrances, liens and defects in the title for the full term of this Lease. Landlord further covenants that there are no restrictive covenants or other ordinances or regulations which will prevent Tenant from conducting its usual business or any department thereof in the premises.
20. **LANDLORD'S ACCESS.** Landlord, its agents, or mortgagee(s), shall have the right at all times during the term to enter the premises to inspect the condition thereof, to show the premises to prospective new Tenants, to determine if Tenant is performing its obligations under this Lease, and to perform the services or to make repairs to adjoining space, to cure any defaults of Tenant hereunder that Landlord elects to cure, and to remove from the premises any improvements thereto or property placed therein in violation of this Lease.
21. **HOLDING OVER.** It is hereby agreed that in the event of Tenant holding over after the termination of this Lease, thereafter the tenancy shall be from month to month in the absence of a written agreement to the contrary, and Tenant shall pay to the Landlord a daily occupancy charge equal to ten percent (10%) of the monthly rental under Paragraph 3 (plus all other charges payable by Tenant under this Lease) for each day from the expiration or termination of this Lease until the date the premises are delivered to landlord in the condition required herein, and Landlord's right to damages for such illegal occupancy shall survive.
22. **SUCCESSORS AND ASSIGNS.** The covenants and agreements of this Lease shall be binding upon and for the benefit of the successors and assigns of the parties hereto.

23. **NOTICE.** Whenever under the Lease a provision is made for notice of any kind it shall be deemed sufficient notice and service thereof if such notice to Tenant is in writing addressed to Tenant at its last known post office address, or at the premises, and deposited in the mail, certified or registered mail, with postage prepaid, and if such notice to Landlord is in writing addressed to the last known post office address of Landlord and deposited in the mail, certified or registered mail, with postage prepaid. Notice need be sent to only one Tenant or Landlord where Tenant or Landlord is more than one person.
24. **ENTIRE AGREEMENT.** This Lease and the Exhibits and Addenda, if any, attached hereto and forming a part hereof, set forth all the covenants, promises, agreements, conditions and understandings between Landlord and Tenant concerning the premises and there are no covenants, promises, agreements, conditions or understandings either oral or written, between Landlord and Tenant other than are herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by them.
25. **FORCE MAJEURE.** In the event either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, civil disturbances, picketing, demonstrations, insurrections, war or other reason of the like nature not the fault of the party delayed in performing work or doing acts required under the term of this Lease, then performance of such act shall be excused for the period of such delay. The provisions of this section shall not operate to excuse Tenant from prompt payment of rent, additional rent or any other payments required by the terms of this Lease.
26. **CIVIL DISTURBANCE, DEMONSTRATIONS, PICKETING, RIOT.** It is expressly covenanted and agreed that Landlord may exercise his discretion in determining what measures, if any, are to be taken in the event any civil disturbance, demonstration, picketing or riot takes place on or about the property and Landlord shall not be liable for any interruption of business or any injuries or damages to persons or property on or in the premises resulting from said civil disturbance, demonstration, picketing or riot or the measures taken by Landlord to control said civil disturbance, demonstration, picketing or riot.



27. **PARTIAL INVALIDITY.** If any term, covenant or condition of this Lease or the application thereof, to any person or circumstance shall, to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

28. **HAZARDOUS SUBSTANCES.** Tenant shall not cause or permit any Hazardous Substance to be used, stored, generated, or disposed of on or *in* the premises by Tenant, Tenant's agents, employees, contractors, or invitees. If Hazardous Substances are used, stored, generated, or disposed of on or in the premises, or if the premises become contaminated in any manner for which Tenant is legally liable, Tenant shall indemnify and hold harmless the Landlord from any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses (including, without limitation, as decrease in value of the premises, damages caused by loss or restriction of rentable or usable space, or any damages caused by adverse impact on marketing of the space, and any and all sums paid for settlement of result of that contamination by Tenant. This indemnification includes, without limitation, any and all costs incurred because of any investigation of the site or any cleanup, removal, or restoration mandated by a federal, state, or local agency or political subdivision. Without limitation of the foregoing, if Tenant causes or permits the presence of any Hazardous Substance on the premises and that results in contamination, Tenant shall promptly, at its sole expense, take any and all necessary actions to return the premises to the condition existing prior to the presence of any such Hazardous Substance on the premises. Tenant shall first obtain Landlord's approval for any such remedial action.

As used herein, "Hazardous Substance" means any substance that is toxic, ignitable, reactive or corrosive and that is regulated by any local government, the State of Michigan, or the United States Government. "Hazardous Substance" includes any and all material or substances that are defined as "hazardous waste," extremely hazardous waste," or a "hazardous substance" pursuant to state, federal, or local governmental law. "Hazardous Substance" includes but is not restricted to asbestos, polychlorobiphenyls ("PCBs"), and petroleum.

29. **TITLE III.** Tenant agrees not to use the premises in any manner which would result in the use of the premises or the premises itself becoming a "public accommodation" as that term is defined in the American with Disabilities Act ("ADA") of 1990, as amended, 42 USC Section 12.101 et seq and hereby agrees to and does indemnify and hold Landlord from any and all claims, liabilities, losses, damages, costs and expenses including reasonable attorney's fees incurred as a result of any breach by Tenant of this provision. Further, Tenant agrees to undertake and complete, at its sole expense, all obligations Tenant may have from time to time under the ADA relative to alterations or additions to the premises, including those for which Tenant and Landlord may be jointly responsible.

30. **TENANT DEFINED, USE OF PRONOUN.** The word "Tenant" shall be deemed and taken to mean each and every person or party mentioned as Tenant herein, be the same one or more; and if there shall be more than one Tenant, and notice required or permitted by the terms of the Lease may be given by or to any one thereof and shall have the same force and effect as if given by or to all thereof. The use of the neuter singular pronoun to refer to Landlord to Tenant may be an individual, partnership, a corporation, or a group of two or more individuals or corporations. The necessary grammatical changes required to make the provisions of this Lease apply in the plural sense where there is more than one Landlord or Tenant and to either corporations, associations, partnerships or individuals, males or females, shall in all instances be assumed as though in each case fully expressed.
31. **OPTION TO RENEW.** So long as Tenant has not been in default of any terms or conditions of this Lease and upon the mutual consent of the both parties to this Lease, Tenant shall have the right to extend the term of this Lease for one additional period of five (5) years in duration commencing upon the expiration of the original or applicable renewal term of this Lease. All terms and conditions of the Lease shall remain the same except rental, which shall be the last rental paid plus six percent (6%) and then increased for inflation for each year of the renewal term.
32. **SUPERCESSION OF PREVIOUS LEASE AGREEMENTS.** This Lease Agreement supersedes any existing Lease Agreement and constitutes all agreements and understandings of the parties, and all prior understandings and negotiations are merged into this Lease Agreement.

**IN WITNESS WHEREOF**, the parties, Over The Moon, LLC, as Landlord, and GrowGeneration Michigan Corp., Tenant, hereto have caused this Lease to be signed in their respective names by their respective officers and sealed with their respective seals the day and year first written.

**Witness to Landlord:**

\_\_\_\_\_  
\_\_\_\_\_

**Witness to Tenant:**

\_\_\_\_\_  
\_\_\_\_\_

**Over The Moon, LLC**

By: \_\_\_\_\_  
Jeffrey A. Gibson  
Its: Authorized Manager

**GrowGeneration Michigan Corp.**

By: \_\_\_\_\_  
Darren Lampart, CEO

**GrowGeneration Purchases All the Assets of Superior Growers Supply****Michigan Purchase to add \$4M in Revenue**

DENVER, CO, April 16, 2018 /PRNewswire/ - GrowGeneration Corp. (OTCQX: [GRWG](#)), ("GrowGen" or the "Company"), one of the largest specialty retail hydroponic and organic gardening store chains, today announced that it has purchased all the assets of Superior Growers Supply (SGS). The Company will consolidate an estimated \$4.0 Million in revenue post the transaction. With over 20,000 sq. ft. of warehouse and retail space, SGS is a destination location, servicing growers in the state of Michigan. Headquartered in Michigan, SGS has retail stores in Lansing, South Lansing, and Livonia, with distribution facilities in the Lansing area.

**GrowGeneration Michigan**

GrowGen continues the execution of its acquisition plans to acquire the leading hydroponic stores in key markets. In 2017, Michigan generated approximately \$711 million in medical marijuana sales a year and \$21 million in tax revenue. If full legalization happens, that number is expected to surpass \$1 billion in sales a year. Roughly 277,000 patients are registered with the state to grow their own cannabis or obtain it from 43,000 registered caregivers who can supply a limited number of people. The Michigan patient count is only 2<sup>nd</sup> to California.

**GrowGen CEO Comments:**

**Commenting on GrowGen's purchase of Superior Growers Supply, Darren Lampert, Co-Founder and CEO, said** "SGS, one of the original hydroponic retailers, strongly positions GrowGen in the Michigan market and will add \$4 Million to our top line revenue to our consolidated financial statements. Adding the team at SGS and its iconic stores, is a major win for GrowGen's portfolio. We have a strong acquisition pipeline and look forward to continuing our rapid expansion plans in 2018."

**SGS CEO Comments:**

**Commenting on the sale of SGS, Jeffrey Gibson, CEO and Founder said,** "In November of 1983, Superior Growers Supply (SGS) started as a mail order business operating out of a small barn. The first, and only, product available for sale was a 1000-watt metal halide light kit. Since that time SGS has become one of the leading retail hydroponic and indoor gardening supply merchants in the USA. We feel GrowGen is the company to continue our long-standing tradition of serving the growers in the Michigan market."

**About GrowGeneration Corp.:**

GrowGeneration Corp. ("GrowGen") owns and operates specialty retail hydroponic and organic gardening stores. Currently, GrowGen has 17 stores, which includes 7 locations in Colorado, 3 locations in Michigan, 3 locations in California, 2 locations in Nevada, 1 location in Rhode Island and 1 location in Washington. GrowGen carries and sells thousands of products, including organic nutrients and soils, advanced lighting technology and state of the art hydroponic equipment to be used indoors and outdoors by commercial and home growers. Our mission is to own and operate GrowGeneration branded stores in all the major legalized cannabis states. Management estimates that roughly 1,000 hydroponic stores are in operation in the U.S. By 2020 the market is estimated to reach over \$23 billion with a compound annual growth rate of 32%.

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**Forward Looking Statements:**

This press release may include predictions, estimates or other information that might be considered forward-looking within the meaning of applicable securities laws. While these forward-looking statements represent our current judgments, they are subject to risks and uncertainties that could cause actual results to differ materially. You are cautioned not to place undue reliance on these forward-looking statements, which reflect our opinions only as of the date of this release. Please keep in mind that we are not obligating ourselves to revise or publicly release the results of any revision to these forward-looking statements in light of new information or future events. When used herein, words such as "look forward," "believe," "continue," "building," or variations of such words and similar expressions are intended to identify forward-looking statements. Factors that could cause actual results to differ materially from those contemplated in any forward-looking statements made by us herein are often discussed in filings we make with the United States Securities and Exchange Commission, available at: [www.sec.gov](http://www.sec.gov), and on our website, at: [www.growgeneration.com](http://www.growgeneration.com).

## Connect:

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