

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): May 13, 2019

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.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered

Section 1 – Registrant’s Business and Operations

Item 1.01. Entry Into a Material Definitive Agreement

On April 23, 2019, GrowGeneration Corp. (the “Company”) entered into an asset purchase agreement (the “Purchase Agreement”) through its wholly-owned subsidiary, GrowGeneration Rhode Island Corp., to purchase the assets of GreenLife Garden Supply Corp. (“GreenLife”), with two store locations in Maine and one in New Hampshire.

The assets subject to the sale under the Purchase Agreement included inventories, fixed assets, tangible personal property, intangible personal property and contracts. As consideration for the assets, the Company agreed to pay GreenLife (i) the actual cost of the inventory as of the closing which was approximately \$1,033,688, (ii) cash payment of \$100,000 for the fixed assets, (iii) cash payment of \$1,500,000 for the intangible assets and goodwill, and (iv) 250,000 shares of restricted common stock of the Company.

In connection with the purchase of the assets, the Company also entered into a five-year commercial lease agreement (the “Lease”), effective from May 9, 2019, to rent the premises in York, Maine where some assets are located, and a month-to-month lease in New Hampshire. The Company will enter into another lease for the other location in Maine.

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 May 14, 2019, the Company published a press release regarding the purchase of assets from GreenLife.

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

<u>Exhibit No.</u>	<u>Description</u>
99.1	Form of Asset Purchase Agreement, dated April 23, 2019, by and among GrowGeneration Corp., GrowGeneration Rhode Island Corp. and GreenLife Garden Supply Corp.
99.2	Form of Commercial Lease, dated May 9, 2019, by and between GrowGeneration Corp. and 611A Route One, LLC
99.3	Press Release, dated May 14, 2019

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: May 14, 2019

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 23rd day of April, 2019 by and among GrowGeneration Rhode Island Corp., a Delaware Corporation ("Buyer") with offices at 1000 W. Mississippi, Denver CO 80223 and, GrowGeneration Corp., a Colorado Corporation ("Issuer") with offices at 1000 W. Mississippi, Denver CO 80223, and GreenLife Garden Supply Corp., a Sub Chapter S Corporation with its address located at 481 Boston Road, Unit 4, Billerica, MA 01821 ("Seller").

RECITALS

- A. Seller is a corporation doing business as "GreenLife Garden Supply" (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 shall not include the Excluded Assets.
 - 1.2 "Closing" shall be as defined in Section 2.3.1.
 - 1.3 "Excluded Assets" shall mean the following assets of the Seller: cash, accounts receivable, 2017 GMC Sierra, 2016 Mercedes-Benz Sprinter, all assets associated with Greenlife Galleries (glass shop) and all rebates from suppliers for purchases made prior to the Closing Date.
 - 1.4 "GAAP" shall mean generally accepted accounting principles in the United States.
 - 1.5 "Indebtedness" means: (i) the unpaid principal amount and accrued interest on all indebtedness of the Business and (ii) all obligations of the Business under leases as required by GAAP to be capitalized on a balance sheet. Notwithstanding the foregoing, "Indebtedness" shall not include (a) any letters of credit to the extent not drawn upon, (b) customer advances or deposits, (c) obligations under operating leases, (d) trade accounts payable, (e) employee benefit and/or wage accruals (f) other current liabilities.
 - 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.

1.9 "Shares" shall mean 250,000 restricted GrowGeneration Corp. common shares, 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 the Securities Act of 1933 ("Securities Act") Rule 144.

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, except for 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. The Assets shall consist of 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, it being expressly agreed that all obsolete inventory, defined as items on hand not sold in 12 rolling months, will not be included. In addition, all Slow-Moving Inventory, defined as inventory on hand in excess of the average number of units sold during the previous 12 months, will be valued at 60 percent of Sellers actual cost (the "Inventories"). A summary of such items on hand as of _____, 2019 is attached hereto as Schedule 2.1.1. Two (2) days prior to Closing, Buyer and Seller shall mutually agree upon the final value of the inventory. To the extent that parties cannot agree, then this Agreement shall be terminated without further recourse to the parties.

2.1.2 Fixed Assets and Tangible Personal Property. 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 2.1.4.1), 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 2.1.4.2 showing, for each Contract, the names of the parties, the subject of the Contract, the basic terms and the consideration involved.

2.1.5 Except for the Assumed Liabilities set forth on Schedule 2.1.5, the Buyer shall not assume any liabilities of the Seller

2.2 Asset Purchase Price. Subject to the terms and conditions of this Agreement, and in full consideration for the transfer of such Assets at Closing, Buyer shall pay the Seller an aggregate purchase price equal to (i) the actual cost of Seller's Inventory at Closing as calculated pursuant to Section 2.1.1 (estimated as of the date hereof to be \$1,500,000); plus (ii) the sum of \$100,000 for Seller's fixed assets; plus (iii) the sum of \$1,500,000 for Seller's intangible assets and goodwill, and (iv) a delivery of a Stock Certificate issued to Seller, individually, representing the Shares (all to be delivered upon the closing of the Transaction (the "Closing"). The parties agree that they shall, prior to, contemporaneous, or subsequent, to the Closing Date, prorate all prepaid expenses (e.g., insurance, rent, etc.) to the extent the Buyer receives a benefit of an expense that was paid by the Seller.

2.3 Closing.

2.3.1 Closing Date. The closing of the purchase and sale of the Assets shall take place on May 6, 2019, 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.GreenLife Garden Supply.com](http://www.GreenLifeGardenSupply.com), in the form indicated in the attached **Exhibit E**;

(f) The Employment Agreement duly executed by GrowGeneration Management Corp., a Delaware corporation, in the form attached hereto as **Exhibit F** (the "Employment Agreement").

(g) 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 the sum of: One Million Five Hundred Thousand Dollars (\$1,500,000) ~~plus~~ One Hundred Thousand Dollars (\$100,000); ~~plus~~ the actual cost of Seller's Inventory as determined pursuant to Section 2.1.1 (estimated as of the date hereof to be One Million Five Hundred Thousand Dollars (\$1,500,000)) 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 G**;

(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 Seller representing the Shares in the form indicated in the attached **Exhibit H**;

(e) Buyer and Issuer Charter Documents as defined in Section 4.1.1 attached as **Exhibit I**; and

(f) The Employment Agreement duly executed by Sean Reardon.

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 Sub Chapter S Corporation doing business as "Green Life Garden Supply Corp."

3.1.1 Authority Relating to this Agreement; No Violation of Other Instruments. 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 or the Indebtedness of the Business are set forth in the Schedule 3.2 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 compiled financial statements of the Business for 2016, 2017 and internally prepared for the 3 month period ending March 31, 2018 (the "Financial Statements") to Buyer.

3.7 Absence of Undisclosed Liabilities. The Business does not have outstanding on the date hereof, any Indebtedness other than those enumerated in the schedules hereto.

3.8 Tax Returns and Payments. Schedule 3.8 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, 2019, 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 in no event will Seller dispose of any of the Shares (other than pursuant to Rule 144 or any similar or analogous rule), without the prior written consent of Issuer, which shall not unreasonably be withheld. 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.

3.13 Accredited Investor. Seller hereby warrants that it is an Accredited Investor.

3.14 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 Maine Massachusetts and New Hampshire, 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 I; 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 Brokers and Finders. Each of the Buyer and Issuer represents that no Broker is entitled to compensation in connection with this Transaction.

4.6 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.

4.7 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.

4.8 Personal Guarantees. The principal of the Seller, Sean Reardon, has personally guaranteed the Assumed Liabilities. The Buyer will use commercially reasonable efforts to remove Sean Reardon as a guarantor post-Closing. To the extent a creditor makes a claim against Sean Reardon under any personal guaranty in connection with the Business, based upon actions or omissions of the Buyer, then the Buyer shall indemnify Sean Reardon in accordance with the terms and provisions set forth in Section 8.2.

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, 2019 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, defend 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 based upon employment law claims, wages or benefits all for the period prior to Closing. 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, defend 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 Form 8594 attached as **Exhibit K**.

9.2 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.

9.3 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.

9.4 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

GreenLife Garden Supply Corp
481 Boston Road, Unit 4
Billerica, MA
Billerica, MA 01821

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.

9.5 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.

9.6 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.

9.7 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.

9.8 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.

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

9.10 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.

9.11 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.

9.12 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.

9.13 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.

9.14 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.

9.15 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:

GREENLIFE GARDEN SUPPLY CORP.

By: _____
Sean Reardon, President

BUYER:

GROWGENERATION RHODE ISLAND CORP.

By: _____
Darren Lampert, CEO

ISSUER:

GROWGENERATION CORP.

By: _____
Darren Lampert, CEO

Schedule 2.1

Assets

2.1.1 Inventories.

\$1,500,000 of finished goods, inventory for resale, supplies and repair materials

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 "GreenLife Garden Supply Corp." and good will associated therewith.

2.1.4.1 Contracts Not Assumed: [to be completed]

2.1.4.2 Contracts. - Lease

2.1.5 Assumed Liabilities: all vehicle loans and/or leases (except for loans associated with the Excluded Assets) and real estate leases, Schedule 3

Disclosures - No Litigation

Sch. 2.1

FORM OF COMMERCIAL LEASE

THIS LEASE, between 611A Route One, LLC, a Maine limited liability company, of Brunswick, Maine (hereinafter called "Landlord" and sometimes referred to by the pronoun "it") and GrowGeneration Corp., a Colorado corporation, of Denver, Colorado (hereinafter called "Tenant").

WITNESSETH:

WHEREAS, Landlord owns a commercial building located at 611 US Route One, York, Maine, and Landlord and Tenant desire to enter into a lease for a portion of said building labeled areas "A", "B", and "D" on the attached **Exhibit A**, subject to the conditions, covenants and agreements set forth below. The Tenant shall also be entitled to the use of 35 parking spaces as shown on the attached **Exhibit B**.

NOW THEREFORE, Landlord and Tenant, for good and valuable consideration, receipt of which is hereby acknowledged, do hereby agree as follows:

1. EFFECTIVE DATE. This lease shall be effective as of 9 May 2019.

2. PREMISES LEASED. Landlord does hereby lease, demise and let unto Tenant three portions of the building and land located at 611 US Route One, York, Maine, totaling approximately 7,768 square feet. Area "A" consists of approximately 2,574 square feet, area "B" consists of approximately 3,194 square feet, and area "D" consists of approximately 2,000 square feet. These portions of the building and all of such equipment, fixtures, and personal property therein are hereinafter sometimes referred to as the "Leased Premises" or the "Premises." **The Premises are being leased in their current, "AS IS," condition for commercial purposes, and the Tenant covenants, agrees and acknowledges that it has inspected the Premises or caused the same to have been inspected by a person or persons with the training and knowledge to discover and identify defects or conditions on and within the Premises, the structure and the fixtures, equipment and personal property; or, to the extent that the Tenant has not inspected the Premises, Tenant has waived the right to do so.**

3. TERMS OF LEASE.

A. **Initial Term.** The initial term of this lease shall be approximately five (5) years commencing on 9 May 2019 and ending at midnight on 30 April 2024.

B. **Renewal Term.** So long as Tenant is not in default under any terms of this Lease, this Lease will automatically renew for one (1) additional term of five (5) years, under the same terms and conditions agreed to herein for the original five year term, except rent, which shall be described below in section 4.A., unless the Tenant delivers notice to the Landlord of its intent not to renew this Lease, in the manner described below in Section 25 and no later than three (3) months prior to the expiration of the initial term.

4. RENT.

A. **Base Rent.** The Tenant covenants and agrees to pay for the Initial Term of this Lease a monthly "base rent" of \$89,000.00 per year, payable in equal consecutive monthly installments of **\$7,416.67** each, in advance due and payable on the first day of each month of this lease. The Tenant's first rent payment will be due on 1 June 2019, as the rent for May 2019 has been paid by the previous tenant. Monthly base rent for each succeeding year of the initial term and any extension term, if applicable, shall increase from the previous lease year by whichever is greater than five percent (5%) and the most current 12-month Consumer Price Index.

B. **Additional Rent.** Any items owed by Tenant hereunder, other than Base Rent, shall be termed "Additional Rent," and shall be due to the Landlord or such other appropriate third party immediately upon receipt of notice by the Tenant of any such amount owed by Tenant.

5. **UTILITIES.** Effective the first day of this Lease, Tenant shall have all separately metered utility accounts serving the Lease Premises transferred to Tenant's name. During the term of this Lease, Tenant shall pay all such utility charges, including, but not limited to, electricity, propane, cable television, internet access, and telephone used on the Premises by Tenant.

6. COMMON AREA MAINTENANCE.

A. In addition to the fixed monthly rent amount noted in Section 4, above, Tenant shall also pay monthly Common Area Maintenance Charges ("CAM Charges") in the amount of 40.70% of the total charges for the maintenance of the property at 611 US Route One, York, Maine, based on a calendar year budget prepared by the Landlord and as allocated to the various tenants of the property in the attached **Exhibit C**. The Tenant shall be responsible for the three areas labelled on Exhibit C as "Greenlife - new", "Greenlife 3", and "Greenlife - old," CAM Charges include all taxes, common utilities, insurance, costs of maintenance, plowing, mowing, maintaining and striping the parking lot, and other similar common area expenses.

B. The Landlord shall prepare an estimated budget for CAM Charges for each succeeding year, and the Tenant shall pay its proportionate share of the estimated CAM Charges in equal monthly installments, without demand, notice, or set-off, on the first day of each month during each year of the term of the Lease, whether part of the Initial Term or a Renewal Term. At the end of each calendar year, but not later than February of the following year, the Landlord shall provide the Tenant with an account of the actual CAM Charges for the year, and the Tenant's pro-rata share thereof.

C. By 1 March of the following year, any adjustments for overpayment or underpayment of CAM Charges will be determined and the Landlord will then refund to the Tenant by check, or the Tenant will pay the Landlord by check, such amounts corresponding to any CAM Charge adjustment.

7. **USE OF THE PREMISES.** The Premises may be used only for activities related to the retail operation of GrowGeneration and uses that are customarily incidental thereto. At all times during the term of this Lease, the use of the Premises shall be in compliance with all federal, state and local laws and regulations.

8. ALTERATIONS AND IMPROVEMENTS

A. **Tenant's Alterations.** The Tenant shall not alter, improve, or change the Premises except as expressly provided herein without written consent of Landlord. All alterations, improvements, or changes to the Premises, whether permitted by the Landlord or not, shall be done in a good and workmanlike manner and the Tenant shall indemnify and hold the Landlord harmless from and against any and all liens, encumbrances, fees, fines and assessments against the lease Premises or the land and the building of which they are a part resulting directly or indirectly from the alterations, improvements or changes to the Premises made by Tenant or the work or materials incorporated therein.

B. **Landlord's Alterations.** The Landlord will make no alterations to the Premises during the Lease term, except as agreed to in writing by the Tenant and the Landlord.

9. **SIGNAGE.** The Tenant may erect such signage related to the operation of GrowGeneration as is permitted under applicable local ordinances.

10. MAINTENANCE.

A. **Landlord's Obligation.** The Landlord will maintain the exterior of the Premises in good and reasonable condition and shall protect it from conditions caused by natural wear. The Landlord shall also maintain the structural elements of the Premises in good and reasonable condition. Natural wear includes, but is not limited to, ice, flooding, and heavy winds. Landlord will ensure that the parking lot is clear of ice and snow. Tenant shall be responsible for snow removal around any doors, as needed.

B. **Tenant's Obligation.** Tenant will keep all non-structural portions of the Premises and exterior portions which have been installed by the Tenant, including, but not limited to, interior walls, interior and exterior doors and windows, floors, ceiling, glass, plumbing, lighting, electrical equipment, and any HVAC equipment, in good and clean condition and repair at Tenants' expense, reasonable wear and tear, fire, casualty, eminent domain and act of God only excepted.

C. **Condition of Premises.** Tenant represents it has fully inspected the Premises and all fixtures, equipment and personal property and finds them to be in a tenable and acceptable condition as is.

11. **ACCESS TO PREMISES BY LANDLORD** Landlord, at reasonable times and frequencies with at least 24 hour notice to tenant, shall have the right to enter the Premises to examine the same and to show them to prospective purchasers, mortgagees or Tenants.

12. CASUALTY INSURANCE.

A. Landlord shall carry fire and casualty insurance on the building and improvements on the Premises, as it deems appropriate in its sole discretion. Any such casualty insurance coverage by Landlord shall not include Tenant's merchandise, fixtures, trade fixtures, furnishings, equipment and all other personal property of Tenant and in the event of damage to or loss of any such items, Landlord will have no obligation to repair or replace same.

B. Tenant covenants and agrees with Landlord to make no use of the Premises which voids or makes voidable any casualty insurance coverage held by Landlord.

13. LIABILITY AND PUBLIC LIABILITY INSURANCE. Tenant agrees to save Landlord harmless from and indemnify Landlord against any and all injury, loss or damage of whatever nature to persons or property arising directly or indirectly from acts of Tenant or Tenant's occupancy or use of the leased Premises or out of any act, omission or negligence of Tenant, his agents or employees or anyone claiming under Tenant. Tenant shall maintain and keep in effect during the entire term of this lease, including any renewal terms, public liability and property damage insurance in which the limits of public liability shall be One Million Dollars (\$1,000,000.00) combined single limit coverage and shall cause Landlord to be named as a party insured, to the extent of Landlord's interest. Tenant's public liability insurance shall be maintained through and issued by a responsible insurance company authorized to do business in the State of Maine. Within ten (10) days of execution hereof and each insurance renewal date, Tenant shall deliver to Landlord certificates of such insurance certifying that the same is in full force and effect. Landlord shall not be liable to Tenant's employees, agents, patrons or visitors, for any loss or damage to persons or property caused by any act, omission or neglect of Tenant, against his agents or employees.

14. DAMAGE.

A. In the event the leased Premises or any material portion thereof is damaged by fire or other casualty during the term hereof so as to render the Premises untenable, Landlord or Tenant each has the right to elect to terminate the Lease by notice to the other within fifteen (15) days of occurrence of the damage. In the event of complete or partial destruction of the Premises, if neither the Landlord nor the Tenant terminates the Lease the Landlord shall promptly restore the same to its previous condition, but only to the extent of the proceeds of insurance, and a just proportion of the rent herein reserved, shall abate until the Premises shall have been restored and put in proper condition for use and occupancy by Tenant. Provided, however, if the damaged Premises cannot be made tenantable within one hundred fifty (150) days after the occurrence of such damage, Tenant or Landlord each shall have a second right to terminate this Lease forthwith by serving written notice thereof on the other party, not less than thirty (30) days following the occurrence of such damage, and any rent paid in advance of such termination by Tenant shall forthwith be refunded to him.

B. **Subrogation.** The Tenant and the Landlord hereby release the other from any and all liability or responsibility (to the other or anyone claiming through or under them by way of subrogation or otherwise) for any loss or damage to property caused by fire or any of the extended coverage or supplementary contract casualties, even if such fire or other casualty shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible, provided, however, that this release shall be applicable and in force and effect only with respect to loss or damage occurring during such time as the releaser's policies shall contain a clause or endorsement to the effect that any such release shall not adversely affect or impair said policies or prejudice the right of the releaser to recover thereunder. Both the Landlord and Tenant agree that their policies will include such a clause or endorsement so long as the same shall be obtainable without additional premium, or if extra premium cost shall be charged therefore, so long as the other party pays such additional cost. If an additional premium cost shall be chargeable therefore, each party shall advise the other thereof and of the amount of the additional premium cost, and the other party, at its election, may pay the same, but shall not be obligated to do so.

15. EMINENT DOMAIN

A. If any portion of the building or more than twenty-five percent (25%) of the parking area shall be taken by or conveyed to any public authority under the power of eminent domain or by private purchase in lieu thereof, this Lease shall automatically terminate and all rent paid in advance shall be prorated and the unused portion thereof shall be refunded to the Tenant.

B. The entire award for any taking shall belong to the Landlord except that Tenant shall be entitled to such portion of the award attributable to the value of any leasehold improvements made on the demised Premises by, or at the expense of, Tenant, depreciated from the date of installation at the rate of five percent (5%) per annum. Despite anything herein to the contrary, Tenant shall not be prevented from taking a claim in its own name against any such condemning authority with respect to any furniture, trade fixtures, trade equipment, merchandise or personal property of any kind belonging to Tenant and not forming part of the real estate, or for the cost of moving all of the same, then any such award made directly to Tenant shall belong entirely to Tenant.

16. COVENANTS OF TENANT. Tenant covenants and agrees with Landlord as follows:

A. To pay when due all rent, adjusted rent and additional rent at the times and in the manner provided above.

B. To procure any licenses and permits required for any use made of the Premises by Tenant; and, upon expiration or termination of this lease, to remove his goods and effects and all those of persons claiming under them and to yield up peaceably to Landlord the Premises in good order, repair and condition, in all respects, damage by fire, taking casualty, structural defects and reasonable wear and tear only excepted.

C. To keep and maintain the leased Premises clean and free of rubbish, trash and garbage.

D. Not to make any use of the Premises which is improper, offensive or illegal, nor to permit any act or thing to be done on the Premises which shall constitute a nuisance and which may make void or voidable any insurance on the Premises or the building of which they are a part.

E. To pay promptly when due the entire cost of any work to the Premises undertaken by the Tenant or otherwise to procure such bonds as may be required in order that the Premises shall at all times be free of liens for labor and materials; and, to procure all necessary permits before undertaking such work and to do all of such work in a good and workmanlike manner; and, to save Landlord harmless indemnified from all injury, loss, claims or damage to any persons or property occasioned by or growing out of such work.

F. To adhere to all requirements under federal, state, and local laws, regulations, rules, and ordinances for the operation of a Retail business.

G. That Tenant is, on the date of execution of this Lease, the holder of a valid full license for the operation of (type of business) from the appropriate body if such exists and will maintain that license at all times during the terms of this lease. Within ten (10) days of receipt of the renewal of Tenant's full license, Tenant shall provide a copy of that license to the Landlord.

17. ASSIGNMENT AND SUBLETTING. Tenant is prohibited from assigning this lease or subletting all or any part of the leased Premises without first obtaining the prior written consent of Landlord, which consent the Landlord may not unreasonably withhold, and, in the event Landlord consents to an assignment or subletting of all or part of the lease Premises, the Tenant shall remain primarily responsible to the Landlord according to the provisions of this lease during the term of any such assignment or sublease. Landlord may, without notice to or agreement of Tenant, assign its interest in the lease to an entity in which Frank Goodwin and/or Christopher Goodwin own a controlling interest.

18. SUBORDINATION AND MORTGAGE.

A. Tenant at Landlord's request, shall subordinate Tenant's interest hereunder in writing, to any lien or mortgage now or hereafter placed on the Premises and to all advances made or hereafter to be made upon the security thereof, provided that such mortgagee shall agree, in writing, that Tenant's rights hereunder shall not be diminished in any way because of such lien or mortgage.

B. In the event the Premises are sold by foreclosure or power of sale under any lien or mortgage of Landlord, Tenant, at the option and request of the purchaser shall attorn to the purchaser and recognize such purchaser as the Landlord under this lease provided the Tenant's rights hereunder shall be acknowledged and agreed to in writing by such purchaser.

19. SELF-HELP. If Tenant shall default in the performance or observance of any agreement or condition in this Lease contained on its part to be performed or observed, other than an obligation to pay money, and shall not cure such default within fifteen (15) days after notice from Landlord specifying the default or shall not within such period commence to cure such default and thereafter prosecute the curing of such default to completion with due diligence, Landlord may, at its option, without waiving any claim for damages for breach of agreement, at any time thereafter cure such default for the account of the Tenant, and any amount paid or any contractual liability by Landlord in so doing shall be deemed paid or incurred for the account of the Tenant, Tenant agreeing to reimburse therefore or save Landlord harmless therefrom. Landlord may cure any such default as aforesaid prior to the expiration of said fifteen-day waiting period, but after notice to Tenant, if the curing of such default prior to the expiration of said waiting period is reasonably necessary to protect the real estate of Landlord's interest therein or to prevent injury or damage to persons or property. If Tenant shall fail to reimburse Landlord upon demand for any amount paid for the account of Tenant hereunder, such amount shall be added to and become due as a part of the next payment of rent due hereunder.

20. DEFAULT.

A. If any one or more of the following events (herein sometimes called "events of default") occurs:

(1) If Tenant defaults in the due and punctual payment of any installment of the rent or additional rent payable under this Lease when it becomes due, and such default continues for a period of five (5) days after written notice from Landlord to Tenant specifying the items in default; or

(2) If Tenant defaults in the performance of or compliance with any of the agreements, terms, covenants or conditions in this Lease, other than the payment of rent and additional rent, and such default continues for a period of fifteen (15) days after written notice from Landlord to Tenant specifying the items in default, or in case of a default or contingency which cannot with due diligence be cured within the fifteen (15) day period, Tenant fails to proceed within the fifteen (15) day period to commence to cure the same and thereafter to prosecute the curing of the default diligently; or

(3) If Tenant files a voluntary petition in bankruptcy or is adjudicated a bankrupt or insolvent, or files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal, state, or other bankruptcy or insolvency statute or law, or seeks or consents to or acquiesces in the appointment of any bankruptcy or insolvency trustee, receiver or liquidator of Tenant or of all or any substantial part of its properties; or

(4) If within sixty (60) days after the commencement any proceeding against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy act or any other present or future federal, state or other bankruptcy or insolvency statute or law, such proceeding has not been dismissed, or if, within sixty (60) days after the appointment, without the consent or acquiescence of Tenant, of any trustee, receiver or liquidator of Tenant or of all or substantially all of its properties, such appointment has not been vacated or stayed on appeal or otherwise, or if within sixty (60) days after the expiration of any such stay, such appointment has not been vacated; then Landlord, at any time thereafter, may give written notice to Tenant specifying the event(s) of default and stating that this lease and its term shall terminate on the date specified in the notice. If one of the events of default is the untimely payment or failure of payment of rent, the date specified shall be at least seven (7) days after the giving of such notice, and at least ten (10) days for all other events of default. Upon the date specified in such notice, this Lease and its term and all rights of Tenant under this Lease, including any renewal privileges whether or not exercised, shall terminate and Tenant shall remain liable as provided herein.

B. Upon any such termination or expiration of this Lease, Tenant shall quit and peacefully surrender the Premises to Landlord, and Landlord, upon or at any time after any such termination or expiration, may without further notice, enter upon the Premises and take possession thereof, by force, summary proceedings or otherwise, and may dispossess Tenant and remove Tenant and all other persons and property from the Premises without being liable to prosecution therefore, and may have, hold and enjoy the Premises and the rights to receive all rental income therefrom.

C. Upon termination of this Lease in any manner above provided in this Section 19, or by summary proceedings or otherwise, Tenant shall pay to Landlord forthwith without demand or notice the sum of the following:

(1) All rent, additional rent and other payments accrued to the date of such termination and a proportionate part of the rent otherwise payable for the month in which such termination occurs;

(2) The cost of making all repairs, alterations and improvements required to be made by the Tenant hereunder, and of completing any such work begun but left uncompleted, and performing all covenants of the Tenant relating to the condition of the Premises during the term and upon expiration or sooner termination of this Lease, such cost to be deemed to be the cost estimated by a reputable architect or contractor selected by the Landlord or the amounts actually expended or incurred thereafter by the Landlord; and

(3) An equal amount to "liquidation damages" or "indemnity payments", whichever is larger, determined and payable as set forth below:

"Liquidation damages" means an amount equal to the excess of the rent, additional rent and other payments required herein for the portion of the term remaining after termination of the Lease (hereinafter referred to as the "unexpired term"), over the then fair and reasonable rental value of the Premises for such period of the term.

"Indemnity payments" means all the rent, additional rent, and other payments required herein which would have become due and owing hereunder from time to time during the unexpired term less, to the extent not previously deducted or credited, the rent, additional rent and other payments actually collected and allocable to the Premises or to the portions hereof re-let by the Landlord and less, to the extent not previously deducted or credited, the cost of expenses, including but not limited to reasonable attorney's fees and broker's fees and expenses, paid or incurred by Landlord in connection with:

- (a) Obtaining possession of the Premises
- (b) Removal and storage of Tenant's or others' property;
- (c) Care, maintenance and repair of the Premises while vacant;

(d) Reletting the whole or part of the Premises (which reletting may be for a period or periods of time less than the unexpired term hereof or extending beyond the term thereof; and

(e) Repairing, refitting, altering, renovating, enlarging, remodeling or otherwise putting the Premises, either separately or as part larger Premises, into such condition as is acceptable to, and reasonably necessary to obtain, new tenants.

Such costs and expenses shall be deemed to be the amounts thereof invoiced to the Landlord or actually expended or incurred therefore by the Landlord.

The Tenant shall, without prior demand or notice, make indemnity payments of the amounts in arrears monthly with respect to such portion thereof as includes rent (as distinguished from additional rent and other payments), and upon the respective dates provided therefore in the Lease with respect to additional rent and other payments. The Landlord may sue for all such indemnity payments as they accrue without waiting until the date fixed in the Lease as the expiration date thereof. Any action or proceeding to recover liquidated damages shall not be a waiver of Landlord's right to recover indemnity payments and vice versa but in any action or proceeding to recover indemnity payments to the extent that they include rent (as distinguished from additional rent and other payments), brought contemporaneously with or after an action or proceeding to recover liquidated damages which has not been discontinued, there shall be deducted from the claim for indemnity payments (to the extent not previously deducted or credited) such portion of the liquidated damages as in the same proportion to such liquidated damages as the portion of the unexpired term for which monthly indemnity payments have accrued bears to the unexpired term.

(4) Tenant agrees to pay any and all costs or expenses, including reasonable attorney's fees, incurred by Landlord in the enforcement of any of its rights herein, in any court, including all state courts and federal bankruptcy courts.

21. WAIVER. The acceptance of rent by the Landlord or failure of either party to insist upon the strict performance of any of the terms of this lease shall not be deemed a waiver of any rights or remedies of such party nor a waiver of any prior or subsequent breach or default.

22. WAIVER OF TRIAL BY JURY. The parties hereto, for themselves and their personal representatives, successors, heirs and assigns, as the case may be, expressly and voluntarily waive any and all rights, whether arising under the Constitution of the United States of America or any state, rules of civil procedure, common law or otherwise, to demand a trial by just in any legal action, law suit, proceeding, claim, counterclaim or any other litigation proceeding based upon, or arising out of, this Lease or an event of default hereof or otherwise between the parties hereto and their personal representatives, successors, heirs and assigns, as the case may be, as a consequence of this Lease. No party shall seek a jury trial in any such action or proceeding. No Party to this lease or their personal representatives, successors, heirs and assigns, shall consolidate any such action or proceeding with any other action or proceeding wherein the right to a trial by just has not been waived. The parties to this Lease have not, in any way, agreed with, or represented to, the other that the provisions of this WAIVER OF TRIAL BY JURY will not be fully enforced in all instances.

23. QUIET ENJOYMENT. Landlord covenants that when possession of the Premises is taken by Tenant, (i) Landlord shall have good and marketable title to same in its own name and full and absolute right to lease and demise the same to Tenant, and (ii) the same shall be free from any and all encumbrances, attachments, liens or other interests claiming rights of possession, excepting, however, utility easements of record which are necessary for, or a convenience to, Tenant's occupancy and use, and any mortgage given, or to be given to any lending institution by Landlord to which this Lease shall be subordinated. Landlord covenants that so long as Tenant pays the rent and any additional payments required under this Lease, and performs its covenants and according to its tenor, Tenant shall peacefully and quietly have, hold, and enjoy the Premises for the term provided, subject to the provisions of this Lease.

24. SUCCESSORS AND ASSIGNS. The provisions of this Lease shall be binding upon, and inure the benefit of, the personal representative, administrators, successors, heirs and assigns of the Landlord and Tenant.

25. NOTICES. All notices and requests for written consent of Landlord and other communications authorized or required hereunder shall be in writing and shall be sent by regular United States mail and shall be effective when mailed. All notices to the Tenant shall be at the business address at:

GrowGeneration Corp.
Attn: Darren Lampert
1000 W. Mississippi Ave.
Denver, CO 80223

All notices to the Landlord shall be sent to:

611A Route One, LLC
Attn: Chris Goodwin
P.O. Box 160
Brunswick, Maine 04011

Provided, however, the notice from Tenant to Landlord to decline automatic renewal of the lease shall be sent to Landlord at the above address by Certified United States mail, return receipt requested, and shall be effective only upon receipt within the period herein specified.

26. RECORDATION OF LEASE. Tenant shall not record this Lease without the written consent of Landlord, however, Landlord may, at its option record a Memorandum of Lease in the appropriate registry of deeds.

27. **ENTIRE AGREEMENT**. This written lease represents the entire agreement of the parties hereto and may not be modified, amended, or changed without an agreement in writing signed by the parties hereto.

28. **LAW**. This Lease shall be considered a Maine Lease and shall be construed in accordance with the laws of the State of Maine.

29. **SEVERABILITY**. If any provision, term, paragraph or portion of this Lease, or the application hereof, to any person or circumstance shall be deemed invalid or unenforceable, the remainder of this Lease shall not be affected thereby and each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

[the remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals on the day and year first above written.

WITNESS

LANDLORD - 611A ROUTE ONE, LLC

By: _____

Its: _____

TENANT - GROWGENERATION CORP.

By: _____

Its: _____

**GrowGeneration Purchases GreenLife Garden Supply
Creates Northeast Hydroponic Supply Operations in Excess of \$15 Million**

DENVER, CO, May 14, 2019 - GrowGeneration Corp. (OTCQX: GRWG), (“GrowGen” or the “Company”), the largest chain of specialty retail hydroponic and organic garden centers, with 21 locations serving both commercial and home growers, today announced that it has purchased the assets of GreenLife Garden Supply, with 2 locations in Maine and 1 location in New Hampshire. Following the acquisition, GrowGen now has 5 retail and warehouse locations servicing the growing number of commercial cultivators in the New England market.

GrowGen CEO Comments:

“GreenLife marks our 5th acquisition in 2019, adding \$7 Million in revenue to our Company. GreenLife, strategically located in the heart of New England, adds one of the largest and highest volume hydroponic chains in the country. Further, this acquisition positions the Company well to service the adjacent states, New York and New Jersey, that have been actively moving towards adult-use legalization. GreenLife has a seasoned team and we are excited that the founder, Sean Reardon will be continuing in an executive sales and business development role for GrowGen.”

Northeast Market Overview:

Maine

National marijuana consultants estimate that the size of the total marijuana market in Maine could grow to \$325 million by 2020.

Massachusetts

With a total of 100 recreational marijuana business licenses, recreational marijuana sales in Massachusetts have topped \$100 million, according to new sales data from the Cannabis Control Commission. As of April 30th, 2019, the industry reported selling \$104 million worth of products since the first store opened for recreational sales in November 2018.

New York

New York could raise about \$300 million in annual revenue from recreational marijuana, according to Gov. Andrew M. Cuomo. Cuomo estimated that nearly 1.3 million New Yorkers would initially access the legal market, generating state and local tax revenues between \$248.1 million and \$677.7 million, based on tax rates between 7 percent and 15 percent.

New Jersey

Marijuana Business Daily projects a legal recreational industry in New Jersey could potentially generate \$1.2 billion-\$1.5 billion in annual retail sales by 2023. With 9 million people, and 100 million visitors annually, New Jersey is an extremely attractive state for a robust legal market.

About GrowGeneration Corp.:

GrowGen owns and operates specialty retail hydroponic and organic gardening stores. Currently, GrowGen has 24 stores, which include 5 locations in Colorado, 6 locations in California, 2 locations in Las Vegas, 1 location in Washington, 3 locations in Michigan, 1 location in Rhode Island, 2 locations in Oklahoma, 3 locations in Maine, and 1 location in New Hampshire. GrowGen also operates an online superstore for cultivators, at HeavyGardens.com. 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 GrowGen branded stores in all the major legalized cannabis states in the U.S. and Canada. 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%.

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, and on our website, at: www.growgeneration.com.

Connect:

- Website: www.GrowGeneration.com
- Facebook: [GrowGenerationCorp](https://www.facebook.com/GrowGenerationCorp)
- Twitter: [@GrowGenOK](https://twitter.com/GrowGenOK)
- Instagram: [growgen](https://www.instagram.com/growgen)

SOURCE GrowGeneration