

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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FILER

GSRX INDUSTRIES INC.

CIK: **1381240** | IRS No.: **141982491** | State of Incorporation: **NV** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **333-141929** | Film No.: **201252541**
SIC: **5400** Food stores

Mailing Address

*BUILDING NO. 3, P.R. 696,
INT.*

*JOSE EFRON AVE.
DORADO, PR 00646*

Business Address

*BUILDING NO. 3, P.R. 696,
INT.*

*JOSE EFRON AVE.
DORADO, PR 00646
(808) 214-8649*

**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): October 19, 2020

GSRX INDUSTRIES INC.

(Exact name of registrant as specified in its charter)

Nevada	333-141929	14-1982491
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

Building No. 3, P.E. 606, int. Jose Efron Ave.
Dorado, Puerto Rico 00646
(Address of principal executive offices, and zip code)

(214) 808-8649
(Registrant's telephone number, including area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant 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))

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

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

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.



Item 1.01 Entry into a Material Definitive Agreement.

On October 19, 2020, GSRX Industries Inc. (the “Company”) announced it has sold its 95% interest in the Green Room Palm Springs, LLC (the “Dispensary”). The Dispensary was purchased by Seneca Capital Partners, LP for a total of USD\$400,000. The Company will also receive 3% of gross revenue for 60 months from the date the Dispensary begins operations.

Item 7.01. Regulation FD Disclosure.

On October 19, 2020, the Corporation issued a press release announcing the sale of its interest in the Dispensary. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated into this Item 7.01 by reference.

Item 9.01 Financial Statements and Exhibits.**Exhibit**

No.	Description
10.1	Purchase Agreement between Seneca Capital Partners, LP and GSRX Industries Inc.
10.2	Revenue Sharing Agreement between Green Room Palm Springs, LLC and GSRX Industries Inc.
10.3	Security and Pledge Agreement between Green Room Palm Springs, LLC and GSRX Industries Inc.
99.1	Press Release dated October 19, 2020

SIGNATURES

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

GSRX INDUSTRIES INC.

Dated: October 22, 2020

By: /s/ Troy Nihart

Name: Troy Nihart

Title: Interim President and CEO

PURCHASE AGREEMENT

by and between

**GSRX Industries Inc.
("Seller")**

and

**Seneca Capital Partners, LP
("Buyer")**

Dated as of October 6, 2020

PURCHASE AGREEMENT

This Purchase Agreement (“**Agreement**”) is dated as of October 6, 2020, by and between GSRX Industries Inc, a Nevada Corporation (“**Seller**”), and Seneca Capital Partners LP, a Texas limited partnership (“**Buyer**”) - Collectively the Parties.

I. RECITALS

A. Seller has the right title and interest in The Green Room Palm Springs LLC., a California Limited Liability Company (“**LLC**”);

B. Seller’s membership interest is equal to ninety-five percent (95%) ownership in the LLC (the “**Seller’s Membership Interest**”);

C. Seller desires to sell its entire Seller’s Membership Interest in the LLC to Seneca under the terms and conditions set forth in this Agreement;

D. Whereas the LLC maintains an Operating Agreement;

E. Whereas the LLC permits the sale of Seller’s Membership Interest to Buyer;

F. Seller and Buyer agree to complete the sale of the Seller’s Membership Interest through this Agreement, and each abide by the terms and conditions herein;

G. NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows;

II. PURCHASE PRICE

Buyer agrees to purchase the Seller’s Membership Interest for the total sale price of Four Hundred Thousand Dollars (\$400,000) (“**Total Sale Price**”). The Seller shall have no rights in the LLC after this sale other than with respect to 3% of the gross revenue generated for a period of sixty (60) months pursuant to the terms of Revenue Sharing Agreement entered into among Seller, Buyer and the LLC dated October 6, 2020 (the “**Revenue Sharing Agreement**”).

III. PAYMENT

Payment shall be made in one lump sum to Seller in the form of a wire to Seller’s financial institution. Sellers wiring information shall be provided by Seller to Buyer prior to the Closing Date.

IV. CLOSING

4.1 The Total Sales Price shall be paid at closing which shall occur on or before October 9, 2020. (Closing Date)

4.2 All required sale and transfer documentation shall be provided to Buyer by Seller before this transaction may close.

4.3 Seller shall deliver to Buyer a fully executed LLC Membership Interest Assignment and requisite consent certificates, lease approvals for change of control and any other required documentation including a written Managers consent. Once all fully executed documentation is provided, Buyer will wire the Total Sales Price and the sale will be consummated upon confirmation by Seller to Buyer of receipt of the Total Sales Price.

V. VOTING RIGHTS

The Seller's Membership Interest comes with all applicable voting rights in the LLC.

VI. OPERATING AGREEMENT

After completion of the Sale, Buyer agrees at all times to abide by the Green Room Palm Springs LLC Operating Agreement (the "Operating Agreement") Each party, during the sale of the Seller's Membership Interest herein shall ensure that the transfer contemplated herein abides by the requirements of the Operating Agreement. Nothing herein shall restrict Buyer from revising the Operating Agreement upon completion of the sale contemplated herein; provided that, Buyer will not make any change to the Operating Agreement that would affect or change the nature of the security interest taken by Seller pursuant to the Revenue Sharing Agreement and the security and pledge agreement contemplated thereunder and entered into by the Parties.

VII. SELLERS REPRESENTATIONS AND WARRANTIES

7.1 Seller hereby represents and warrants that Seller has good title to the Seller's Membership Interest conveyed herein and that seller has no limitations on making such sale and assignment, such as any security interest, lien or encumbrance. Seller has the requisite power to enter into and carry out its obligations under this Agreement. The execution and delivery of this Agreement to be entered into by Seller in connection with this Agreement and the performance of Seller's obligations under this Agreement have been duly authorized in accordance with the laws governing Seller, and no other proceedings on the part of Seller is necessary to authorize their execution, delivery, and performance.

7.2. Seller hereby represents and warrants that this Agreement has been duly and validly executed and delivered by the Seller, and constitutes a legal, valid and binding obligation of the Seller, legally enforceable against it in accordance with its terms.

7.3 Seller has the consent of all required members of the LLC as evidenced by the Consent to Sale of Seller's Membership Interest to Buyer.

7.4 Seller represents and warrants that the Operating Agreement in no way restricts or invalidates the sale of the Seller's Membership Interest to Buyer.

7.5 Seller further represents and warrants that it will take any steps necessary to perfect Buyer's receipt of the Seller's Membership Interest as maybe required.

VIII. BUYER REPRESENTATION AND WARRANTIES

8.1 Buyer hereby represents and warrants to Seller that it has the requisite power to enter into and carry out its obligations under this Agreement. The execution and delivery of this Agreement to be entered into by Buyer in connection with this Agreement and the performance of Buyer's obligations under this Agreement have been duly authorized in accordance with the laws governing Buyer, and no other proceedings on the part of Buyer is necessary to authorize their execution, delivery, and performance.

8.2 Buyer hereby represents and warrants that this Agreement has been duly and validly executed and delivered by the Buyer, and constitutes a legal, valid and binding obligation of the Buyer, enforceable against it in accordance with its terms.

8.3 Buyer hereby represents and warrants that there are no suits, actions or legal proceedings of any sort are pending or are threatened which would restrain or otherwise prevent, in any manner, the Buyer from fulfilling any of his obligations set out in this Agreement or arising from this Agreement.

IX. NO PUBLIC INTEREST

Seller represents that the Seller's Membership Interest that is being sold herein is not registered under the Federal Securities Act of 1933, nor any state security laws. The Seller's Membership Interests will not be registered under the Federal Securities Act of 1933, nor any state securities laws. The sale of the Seller's Membership Interest does not involve any public offering, and Buyer and Seller may complete the sale in reliance upon federal and state exemptions for public transactions.

X. EXPENSES

Each Party is responsible for its own costs and expenses incurred in connection with this Agreement.

XI. INDEMNITY

All representations and warranties in this Agreement will survive the Closing for their applicable statute of limitations. Seller agrees to indemnify and hold Buyer harmless from any losses, claims or demands for any breach of any representation or warranty made by Seller or breach of any covenant or obligation of Seller in this Agreement.

XII. GENERAL PROVISIONS

Notices. All notices, Consents, waivers and other communications required or permitted by this Agreement shall be in writing and shall be deemed given to a party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (b) sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment; or (c) received or rejected by the addressee, if sent by certified mail, return receipt requested, in each case to the following addresses, facsimile numbers or e-mail addresses and marked to the attention of the person (by name or title) designated below (or to such other address, facsimile number, e-mail address or person as a party may designate by notice to the other Parties):

If to Seller: GSRX Industries
1301 E Debbie Lane 102-160 Mansfield, TX 76063

Attn: Tom Gingerich
E-mail: tom@gsrxindustries.com

If to Buyer: Seneca Capital Partners, LP
330 Franklin Road
Suite 135A-386
Brentwood, TN 37027

Attn: Christian Briggs
E-mail: cinsay@gmail.com

12.2 Jurisdiction and Venue. Jurisdiction shall be the State of California in the county of Orange.

12.3 Governing Law. This Agreement will be governed by and construed under the laws of California without regard to any conflict of law principle that may cause the substantive law of another jurisdiction to apply.

12.4 Assignment. This Agreement of the grants hereunder may not be assigned, sold, leased or otherwise transferred in whole or in part by either party, without the written consent of the other.

12.5 Severability. If any provision of this Agreement is held invalid or unenforceable by any court or authority of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

12.6 Agency. No agency, partnership or joint venture has been created between the Parties as a result of this Agreement.

12.7 This Agreement may not be amended, supplemented, or otherwise modified except by written mutual consent of the Parties hereto.

12.8 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence

12.9 Further Assurances. Each party shall execute and deliver such other documents and take such other action as may be reasonably necessary to consummate the transactions contemplated by this Agreement.

12.10 Attorneys' Fees. If any action of whatsoever kind is taken by any party to interpret or enforce any provision of this Agreement (whether or not arbitration or litigation is commenced), each party will bear its on legal costs, subject to any re-allocation of such fees by the court or arbitrator, as applicable.

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

SELLER:
GSRX INDUSTRIES INC.

By: /s/ Troy Nihart
Troy Nihart - Interim CEO
October 16, 2020 (date)

BUYER:
SENECA CAPITAL PARTNERS, LP

By: /s/ Christian Briggs
Christian Briggs - Manager
October 9, 2020 (date)

REVENUE SHARING AGREEMENT

THIS REVENUE SHARING AGREEMENT (this “Agreement”) is entered into by and between Green Room Palm Springs, LLC, a California limited liability company (the “Company”), Seneca Capital Partners, LP (“Seneca”) and GSRX Industries Inc., a Nevada Corporation (“GSRX”), dated October 6, 2020.

RECITALS

- A. The Company operates, or intends to operate, a cannabis dispensary in Palm Springs, California.
- B. GSRX was the former majority interest member of the Company.
- C. Under a Purchase Agreement dated October 6, 2020 (the “Purchase Agreement”), GSRX sold its 95% majority membership interest in the Company to Seneca (the “Membership Interest”).

In connection with the purchase and sale pursuant to the Purchase Agreement, the Company agrees, and its majority member

- D. Seneca agrees to cause the Company, to pay 3% of all monthly revenue generated by the Company by its Palm Springs location to GSRX as further described in this Agreement.
- E. This agreement is made as an addendum to that Purchase Agreement between Seneca and GSRX.

Section 1. Certain Defined Terms

For the purposes of this Agreement, certain capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them on Exhibit A attached hereto and incorporated herein by reference.

Section 2. Recitals Incorporated Into Agreement

Each of the Company, Seneca and GSRX hereto acknowledge and agree that the foregoing Recitals are accurate and form part of this Agreement.

Section 3. Term and Termination

This Agreement shall commence immediately upon the official retail storefront opening to the public, which shall occur after receipt of all local and state required permits and licensing including occupancy readiness as determined by the City of Palm Springs and will terminate on the date the last Monthly Revenue Share payment is paid to GSRX, unless otherwise terminated as provided herein (the “Term”).

The Company shall notify GSRX within five (5) calendar days of the official retail storefront opening to the public. The parties expressly agree that email notification from Company addressed to Tom Gingerich at tom@gsrxindustries.com or Troy Nihart at troynihart@gmail.com constitutes adequate notification under this notification requirement.

Section 4. Payments of Monthly Revenue Share Amount; Late Payments

Commencing with the calendar day on the opening of the retail storefront and each subsequent month to include a full sixty (60) calendar months of revenues, GSRX shall be entitled to receive a payment from the Company for each calendar month in an amount equal to the Monthly Revenue Share Amount and an unaudited statement of Monthly Net Revenues applicable to the payment being made prepared by the Company; provided that, if during the Term the Company ceases operations and is not generating revenue for any reason whatsoever for a period of 30 consecutive calendar days (the "Carve-Out Period"), the Carve-Out Period will not constitute and count as a calendar month for the purpose of GSRX's right to receive the Monthly Revenue Share Amount for the sixty (60) calendar months contemplated herein. All payments of the Monthly Revenue Share Amount shall be paid by wire (to an account as directed by GSRX), money order or cash, at the discretion of the Company. Company shall provide an accompanying attachment of the revenues or sales as reported to the State of California's official track-and-trace system) within fifteen (15) calendar days after the last day of each the calendar month.

All payments to GSRX pursuant to this Agreement shall be reduced by any cash refunds paid and sales discounts (or properly accrued as payable under the Company's financial reporting policies) with respect to amounts previously reported to GSRX as monthly gross revenue and should such cash refunds paid or sales discounts not be fully processed and discoverable in one particular month, those discounts may be rolled over into the calculation of the next month's Monthly Revenue Share Amount; provided that, any cash refunds paid and sales discounts must be reflected in the State of California's official track-and-trace system for any reduction in payment to GSRX.

To the extent that any payment of the Monthly Revenue Share Amount is not paid within the required fifteen (15) calendar days after the last day of each the calendar month, and the delay is not reasonably excused, the Company may be assessed a late payment charge at an annual rate equal to five percent (5%) based on the number of days elapsed out of a 365 day calendar year. A delay shall be excused, but the obligation will not be terminated, under this paragraph if the delay is due to events outside of the reasonable control of the Company, including without limitation an act of God, an act of force majeure, or local, state or federal shut down mandate. This late payment charge shall be cumulative and assessed once per quarter against the unpaid amounts due to GSRX from the Company from the due date until the date of payment thereof and shall accrue and be added to any balance of unpaid amounts subject to late payment.

Section 5. No Guarantees.

Nothing in this Agreement guarantees any particular opening date of the retail store front, when revenues will be begin being received by Company or how much revenue will be received by Company. GSRX acknowledges that the regulatory climate and current economic and political environment pose a unique landscape for operations in California and as such fully acknowledges that these challenges may significantly impact revenue expectations.

Section 6. Inspection Rights

The Company shall maintain books, records, documents and other written evidence, consistent with its normal accounting procedures and practices, sufficient to reasonably and accurately reflect the performance of its obligations under this Agreement and the determination of the Monthly Revenue Share Amount (collectively, the "Records"). Prior to the fulfillment of this Agreement, GSRX, at GSRX's expense, shall have access, semi-annually, upon reasonable prior notice, during regular business hours so as to not interfere with the regular business activities of the Company (including providing access simultaneously to other Investors), to the Revenue Records and any ancillary records necessary for confirming, checking, reviewing, examining or verifying the accuracy of the amounts paid to GSRX under this Agreement.

Section 7. Events of Default; Remedies

Each of the following events constitutes an "Event of Default" for purposes of this Agreement:

(a) if two (2) consecutive payments of the Monthly Revenue Share Amount due to GSRX are not paid by the Company to GSRX on or prior to the due date, to the extent the delay is not excused pursuant to Section 5, regardless of whether any previous payments remain outstanding;

(b) an involuntary proceeding has been commenced or an involuntary petition has been filed seeking (i) liquidation, reorganization or other relief in respect of the Company or any of its debts, or of a substantial part of its assets, under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, conservator or similar official for the Company or for a substantial part of its assets, and, in any such case, such proceeding or petition has continued un-dismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing has been entered;

(c) the Company has (i) voluntarily commenced any proceeding or filed any petition seeking liquidation, reorganization or other relief under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (c) immediately above, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, conservator or similar official for the Company or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(d) if (i) the Company breaches any other covenant of the Company contained in this Agreement, and such breach continues for a period of fifteen (15) business days after GSRX delivers written notice of the breach to the Company, or (ii) any representation or warranty made in this Agreement by the Company shall be materially incorrect when made or deemed made.

If an Event of Default occurs under Section 7(a), Section 7(b), or Section 7(d) and is continuing, then an amount equal to the outstanding and unpaid Monthly Revenue Share including all applicable interest shall, at the option of GSRX and, in the case of an Event of Default pursuant to Section 7(c) automatically, become immediately due and payable by the Company to GSRX.

Section 8. Secured Obligations of the Company

Notwithstanding anything contained herein to the contrary, the obligations of the Company to GSRX under this Agreement shall be secured obligations of the Company.

GSRX will be entitled, only during the Term of this Agreement, to hold as security until completion and fulfillment of the payment obligations under this Agreement by the Company, and shall have the right to, and the Company will do all things necessary to assist GSRX to, register in the name of GSRX a security interest in all of Company's right, title and interest in and to its inventory and supplies ("Collateral"), and any documents of title representing any of the foregoing.

In connection with the foregoing, the Company agrees to enter into the pledge and security agreement in the form attached as Exhibit B hereto and the filing of a UCC financing statement in connection hereto. It is expressly agreed to by the parties that such Collateral may only be used as payment for actual amounts outstanding pursuant to Section 4 of this Agreement. Within thirty (30) days after the termination or expiration of this Agreement, GSRX agrees to perform all actions necessary to terminate the UCC financing statement in accordance with Section 9-513 of the Uniform Commercial Code.

Section 9. Notices

All notices and other communications hereunder shall be in writing and shall be deemed duly delivered if delivered personally (upon receipt), or one (1) business day after being delivered by a recognized overnight delivery service, or upon transmission, if sent via electronic mail (with confirmation of receipt). Notices to each party shall be addressed as follows:

If to the Company, to:	Green Room Palm Springs, LLC Attn: Christian Briggs 330 Franklin Road Suite 135A-386 Brentwood, TN 37027
If to Seneca	Seneca Capital Partners, LP Attn: Christian Briggs 330 Franklin Road Suite 135A-386 Brentwood, TN 37027
If to GSRX:	GSRX Industries Inc. Attn: Tom Gingerich 1301 E Debbie Lane 102-160 Mansfield, TX 76063

Either party may specify a different address for notices to be sent by providing at least five (5) days' prior written notice of such change in address to the other party.

Section 10. Consent to Electronic Delivery

GSRX hereby agrees that the Company deliver all notices, financial documents, statements, or other materials, and any and all other documents, information and communications concerning the affairs of the Company, including, without limitation, information about this agreement, required or permitted to be provided to GSRX under this agreement or hereunder by means of e-mail or by posting on an electronic message board or by other means of electronic communication.

Section 11. Entire Agreement and Amendments

This Agreement may not be modified or amended except pursuant to a written instrument signed by the Company. Except as otherwise expressly provided herein, this Agreement with respect to the Company and GSRX, represent(s) the entire agreement between the relevant parties regarding the subject matter hereof and supersedes all prior or contemporaneous communications, promises, and proposals, whether oral, written, or electronic, between them.

Section 12. Severability

In case any provision contained in this Agreement should be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

Section 13. Successors and Assigns

The rights and benefits of this Agreement shall inure to the benefit of, and be enforceable by, the parties' successors and assigns. Neither this Agreement nor any of the rights, interests or obligations under this Agreement may be assigned or delegated, in whole or in part, by operation of law or otherwise by any of the Parties hereto without the prior written consent of the other Parties hereto, and any such assignment without such prior written consent shall be null and void.

Section 14. Governing Law

This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of California, without giving effect to the principles of conflicts of law.

Section 15. Counterparts

This Agreement may be executed in three or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute one instrument, and shall become effective when one or more counterparts have been signed by each party hereto and delivered to the other party.

Section 16. Indemnification

GSRX agrees to indemnify and reimburse the Company, from and against any and all actual liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever, which may be imposed on, incurred by, or asserted against the Company in any way relating to or arising out of this Agreement or any action taken or omitted under this Agreement, provided that GSRX shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Company's gross negligence or willful misconduct.

Section 17. Mandatory Binding Arbitration

Each party hereto hereby mutually agrees that (i) the sole and exclusive forum and remedy for resolution of a Claim be final and binding arbitration pursuant to this Section 17 (this "Arbitration Provision"), and (ii) shall be conducted by an arbitrator with relevant commercial expertise for the type of transaction contemplated by this Agreement. The arbitration shall be conducted in Palm Springs, California. As used in this Arbitration Provision, "Claim" shall include any past, present, or future claim, dispute, or controversy involving GSRX (or persons claiming through or connected with GSRX), on the one hand, and the Company (or persons claiming through or connected with the Company), on the other hand, relating to or arising out of this Agreement, and/or the activities or relationships that involve, lead to, or result from any of the foregoing, including the validity or enforceability of this Arbitration Provision, any part thereof, or the entire Agreement. Claims are subject to arbitration regardless of whether they arise from contract; tort (intentional or otherwise); a constitution, statute, common law, or principles of equity; or otherwise. Claims include (without limitation) matters arising as initial claims, counter-claims, cross-claims, third-party claims, or otherwise. The scope of this Arbitration Provision is to be given the broadest possible interpretation that is enforceable.

Section 18. Waiver of Court Rights

The parties acknowledge that they will not have a right to litigate claims through a trial pursuant to the Arbitration Provision. The parties hereby knowingly and voluntarily waive their rights to litigate such claims in a court.

[Signatures Begin on Following Page]

IN WITNESS WHEREOF, this Agreement has been duly executed as of the date first written above.

GREEN ROOM PALM SPRINGS, LLC

By: /s/ Christian Briggs

Printed: Christian Briggs

Title: Manager, Seneca Capital Partners, LP

SENECA CAPITAL PARTNERS, LP

By: /s/ Christian Briggs

Printed: Christian Briggs

GSRX INDUSTRIES INC.

By: /s/ Tom Gingerich

Printed: Tom Gingerich

Title: Chief Financial Officer

EXHIBIT A

Definitions

“Confidential Information” means, whether or not such information is designated or marked by the Company as confidential, proprietary or secret, (a) any and all financial, technical and other information regarding the Company and its business, products, assets or properties; and (b) any and all proprietary information, materials, know-how and trade secrets of the Company with regard to the ideas, technology, products, business or business methods (whether or not in written, electronic, machine readable or other tangible form) of the Company, any parent, subsidiary or affiliate of the Company, or any of their respective officers, directors, members, managers, employees or agents.

“Monthly Net Revenue” means all gross revenues generated and collected specifically and solely by the Company’s Palm Springs location, less refunds and discounts by the Company during the Monthly Revenue Sharing Period reflected in the State of California’s official track-and-trace system.

“Monthly Revenue Share Amount” means an amount determined pursuant to the following formula: “Revenue Percentage x Monthly Net Revenue” for the applicable calendar month.

“Monthly Revenue Sharing Period” means for (i) the first month the period commencing on the first day of the beginning of operations and ending the last calendar day of such month, and (ii) each subsequent month thereafter, beginning on the first calendar day and ending on the last calendar day of such month for the duration of the Agreement.

“Revenue Percentage” is 3% for each Monthly Revenue Sharing Period.

EXHIBIT B

Pledge and Security Agreement

SECURITY AND PLEDGE AGREEMENT

This **SECURITY AND PLEDGE AGREEMENT** (this “Agreement”), dated as of the 6th day of October, 2020, entered into by Green Room Palm Springs, LLC, a California limited liability company (the “Company”) in favor of GSRX Industries Inc, a corporation organized and existing under the laws of the State of Nevada (the “GSRX”).

WITNESSETH:

WHEREAS, the Company, Seneca Capital Partners, LP (“Seneca”), a limited partnership formed under the laws of Tennessee (“Seneca”) and GSRX have entered into that certain Revenue Sharing Agreement of even date herewith (as the same may be amended or otherwise modified from time to time, the “Revenue Sharing Agreement”) pursuant to which the Company and Seneca have agreed to pay 3% of all monthly revenue generated by the Company to GSRX as further described in the Revenue Sharing Agreement.

WHEREAS, the execution and delivery of this Agreement by Company is required under the Revenue Sharing Agreement.

NOW, THEREFORE, in consideration of the premises and the agreements herein, Company hereby agrees with GSRX, as follows:

Section 1. **Definitions**. Reference is hereby made to the Revenue Sharing Agreement for a statement of the terms thereof. All capitalized terms used herein that are not otherwise defined shall have the meanings set forth in the Revenue Sharing Agreement.

Section 2. **Pledge and Grant of Security**. Effective only during the term of the Revenue Sharing Agreement, Company hereby assigns and pledges to GSRX, and hereby grants to GSRX a security interest in, all of Company’s right, title and interest in and to the following (the “Collateral”): all of its inventory and supplies, and any documents of title representing any of the foregoing. It is expressly agreed to by the parties that such Collateral may only be used as payment for actual amounts outstanding pursuant to Section 4 of the Revenue Sharing Agreement.

Section 3. **Security for Obligations**. This Agreement secures the indefeasible payment of the Company under the Revenue Sharing Agreement as it may hereafter be amended, restated, extended or otherwise modified from time to time.

Section 4. **Company Remains Liable**.

(a) Nothing set forth in this Agreement (i) shall relieve Company from the performance of any term, covenant, condition or agreement on Company’s part to be performed or observed under or in respect of any of the Collateral or from any liability to any Person under or in respect of any of the Collateral or (ii) shall impose any obligation on GSRX to perform or observe any such term, covenant, condition or agreement on Company’s part to be so performed or observed or (iii) shall impose any liability on GSRX for any act or omission on the part of Company relating thereto or for any breach of any representation or warranty on the part of Company contained in this Agreement or the Revenue Sharing Agreement or under or in respect of the Collateral or made in connection herewith or therewith. The exercise by GSRX of any of the rights hereunder shall not release Company from any of its duties or obligations under the Collateral, and GSRX shall not have any obligation or liability under the Collateral by reason of this Agreement, nor shall GSRX be obligated to take any action to collect or enforce any claim for payment assigned hereunder. The obligations of Company contained in this Section 4 shall survive the termination of this Agreement and the discharge of the obligations of Company under this Agreement and the Revenue Sharing Agreement.

(b) While the Company possesses or controls the Collateral, Company shall bear all risk of loss or damage as to the Collateral, and shall not use the Collateral illegally or in a manner that would cause a lapse, denial or termination of any insurance coverage thereon.

Section 5. **Representations, Warranties and Covenants.** Company represents, warrants and covenants to GSRX as follows:

(a) Company is a limited liability company, duly formed, validly existing and in good standing under the laws of the State of California and is duly qualified to do business in each other jurisdiction where its ownership of property or where the conduct of its business requires such qualification. The execution, delivery and performance of this Agreement are within Company's powers and have been duly authorized and are not in contravention of any law or the terms of Company's operating agreement or other organizational papers or any indenture, agreement or undertaking to which Company is a party or by which it is bound.

(b) Upon the completion of the deliveries, filings and other actions contemplated in Section 6 hereof, the pledge and security interest granted to GSRX pursuant to this Agreement in and to the Collateral will constitute a perfected security interest therein, superior and prior to the rights of all other Persons therein.

(c) Company is, as of the date hereof the sole, direct legal and beneficial owner of all Collateral pledged by it hereunder free from any lien or other right, title or interest of any Person, and Company shall defend the Collateral pledged by it hereunder against all claims and demands of all Persons at any time claiming any interest therein adverse to GSRX. There is no agreement, and Company shall not enter into any agreement or take any other action, that would result in the imposition of any other lien, restrict the transferability of any of the Collateral or otherwise impair or conflict with Company's obligations or the rights of GSRX.

(d) There is no financing statement (or similar statement or instrument or registration under the law of any jurisdiction) covering or purporting to cover any interest of any kind in the Collateral, and so long as any of the obligations remain unpaid, Company shall not execute, authorize or permit to be filed in any public office any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) or statements relating to the Collateral, except (i) financing statements filed or to be filed in respect of and covering the security interests granted by Company in favor of GSRX pursuant to this Agreement.

(e) All information set forth herein, and all information contained in any documents, schedules and lists heretofore delivered to GSRX in connection with this Agreement, in each case relating to the Collateral, is accurate and complete in all material respects. The Collateral described on the schedules attached hereto constitutes all of the property of such type of Collateral owned or held by Company.

(f) Company shall not (i) sell, convey, assign or otherwise dispose of, or grant any option with respect to, any of the Collateral pledged by it hereunder except as expressly permitted by the Revenue Sharing Agreement, or (ii) create or permit to exist any lien upon or with respect to any of the Collateral pledged by it hereunder.

(g) Company shall continuously take all steps that are necessary or prudent to protect the security interest of GSRX in the Collateral. Without limiting the generality of the foregoing, the Company will (i) not create, grant or permit to exist any security interest or lien in or on any of the Collateral other than that already of public record and the security interest granted herein, (ii) maintain, preserve and protect all Collateral, and keep all Collateral in good condition and prevent any waste or damage thereof, (iii) promptly notify GSRX of any change in location of the Collateral and the existence of any claims, liens, security interests, rights, attachments or other encumbrances that may be or become adverse to the interest of GSRX in or to the Collateral, and (iv) defend the Collateral against all claims, liens, security interests, demands and other encumbrances of third parties at any time claiming an interest in any of the Collateral and reimburse GSRX for any expenses it may incur in satisfying any of the foregoing.

(h) Company shall have and maintain so-called “all risk” insurance coverage at all times with respect to the Collateral, including insurance against risks of fire, theft and such other risks as GSRX may require, containing such terms, in such form, in such an amount, for such periods and written by such companies as may be satisfactory to GSRX (the “Insurance”), and such Insurance shall be payable to GSRX as an additional insured thereof.

(i) All Insurance policies shall name GSRX as a loss payee and shall provide for thirty (30) days written minimum cancellation notice to GSRX.

(j) GSRX shall deliver the Insurance policies to or furnish GSRX with certificates or other evidence satisfactory to GSRX of compliance with the foregoing Insurance provisions.

Section 6. Perfection; Supplements; Further Assurances.

(a) Company agrees that at any time and from time to time, it will execute and, the cost and expense of which will be shared equally by Company and GSRX, file and refile, or permit GSRX to file and refile, such financing statements, continuation statements and other documents (including, without limitation, this Agreement), in form and substance reasonably acceptable to GSRX, in such offices as GSRX may reasonably deem necessary or appropriate in order to perfect, continue and maintain a valid, enforceable, first priority lien in the Collateral and to preserve the other rights and interests granted to GSRX hereunder with respect to the Collateral. Company authorizes GSRX to file any such financing or continuation statement or other document without the signature of Company where permitted by law, and will provide to Company a copy of all such documents within five business days of filing. A photocopy or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(b) Company agrees to do such further acts and things, and to execute and deliver to GSRX such additional assignments, agreements, supplements, powers and instruments, as GSRX may reasonably deem necessary or appropriate in order to perfect, preserve and protect the security interest in the Collateral as provided herein and the rights and interests granted to GSRX hereunder, to carry into effect the purposes of this Agreement or better to assure and confirm unto GSRX or permit GSRX to exercise and enforce its respective rights, powers and remedies hereunder with respect to the Collateral.

(c) Time is of the essence in this Agreement. Unless, and until there has been a breach of the payment obligations of the Company under the Revenue Sharing Agreement, Company may have possession of the Collateral and use the same in any lawful manner not inconsistent with this Agreement. Upon the occurrence of a breach of the payment obligations of the Company under the Revenue Sharing Agreement, GSRX may at its option (a) declare all of the outstanding payment obligations of Company to it to be immediately due and payable and shall then have all rights and remedies of a secured party under the Uniform Commercial Code and other applicable law, including without limitation, the right to take possession of an amount of Collateral (based on the actual purchase wholesale price paid by the Company) that represents the actual then current outstanding payment obligation of the Company under the Revenue Sharing Agreement, and for that purpose GSRX may enter upon any premises on which the Collateral or any records relating thereto may be situated and take possession thereof and remove the same therefrom; and (b) exercise any or all other rights and remedies available to GSRX at law or at equity. GSRX may require Company to make the Collateral and all records relating thereto available to GSRX at a place designated by GSRX which is reasonably convenient to both parties. To the extent GSRX is acting in accordance with the terms and conditions contained herein, Company hereby expressly waives any action or right of action of any kind whatsoever against GSRX because of the removal, possession or retention of the Collateral by GSRX or any entity or person designed by GSRX to act on behalf of GSRX. Company expressly authorizes GSRX to enter the premises and properties of Company, without force, to assemble, or take possession of the Collateral or any records or documents related thereto. GSRX may also, without prior notice or hearing, which notice or hearing is hereby expressly waived, sell the Collateral and credit the proceeds of such sale against the amount of the unpaid obligations under the Revenue Sharing Agreement, after deducting from said proceeds the actual proven costs and expenses of collecting the same (including reasonable attorneys’ fees). In case of any deficiency, Company shall remain responsible for the payment of same together with statutory interest as may be allowed by law.

Section 7. **Intentionally Omitted**

Section 8. **Intentionally Omitted**

Section 9. **Intentionally Omitted**

Section 10. **Intentionally Omitted.**

Section 11. **Investor May Perform.** If Company fails to perform any agreement contained herein, GSRX may itself perform, or cause the performance of, such agreement or obligation, and the expenses of GSRX incurred in connection therewith shall be payable Company pursuant to Section 14 hereof and shall constitute obligations secured hereby.

Section 12. **GSRX' Duties.** The powers conferred on GSRX under this Agreement are solely to protect the interest of GSRX in the Collateral and shall not impose any duty or obligation of any kind upon it or any of them to exercise any such powers. GSRX shall not have any liability or duty as to the Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any rights pertaining to the Collateral. Neither GSRX, nor any of its directors, officers, employees, attorneys, agents, advisors, attorneys-in-fact, experts and Affiliates shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so nor shall be under any obligation to sell or otherwise dispose of the Collateral upon the request of Company or otherwise.

Section 14. **Expenses.** Company will upon demand pay to GSRX the amount of any and all reasonable proven out-of-pocket costs and expenses, including the reasonable fees and expenses of their respective counsel and of any experts and agents, which GSRX may incur in connection with (i) the exercise or enforcement of any of the rights of GSRX or GSRX hereunder, or (ii) the failure by Company to perform or observe any of the provisions hereof. Such costs, expenses and fees shall be secured by this Agreement.

Section 15. **Pledge and Security Interest Absolute.** To the extent permitted by applicable law, all rights of GSRX hereunder and the pledge, assignment and security interest created hereunder, and all obligations of Company hereunder, shall be absolute and unconditional during the term of the Revenue Sharing Agreement, and shall not be affected or released in any way, irrespective of:

(a) any change in the time, manner or place of payment of, or in any other term of, all or any of the obligations, or any other amendment or waiver of, or any mutual consent to departure from, this Agreement, the Revenue Sharing Agreement, or any other agreement or instrument, including, but not limited to, (i) any increase or decrease in any such obligations and (ii) any amendment of the Revenue Sharing Agreement; or

(b) any taking and holding of collateral (which term for purposes of this Agreement includes but is not limited to the Collateral) or additional guaranties for all or any of the obligations; or any amendment, alteration, exchange, substitution, transfer, enforcement, waiver or subordination of any collateral or such guaranties; or the termination, release or non-perfection of any collateral (other than with respect to the Collateral expressly released by GSRX) or such guaranties or any consent to departure from any security agreement or guaranty with respect thereto.

Without limiting the generality of the foregoing, Company hereby consents to, and hereby agrees, that the rights of GSRX hereunder, and the liability of Company hereunder, shall not be affected by any and all releases of any collateral (other than Collateral expressly released by GSRX) from the liens created by the Revenue Sharing Agreement or any other agreement or instrument.

Section 16. **Notices.** All notices and other communications provided for hereunder shall be in writing and shall be given in the manner, and shall be effective, as provided in the Revenue Sharing Agreement.

Section 17. **Miscellaneous.** (a) No amendment of any provision of this Agreement shall be effective unless it is in writing and signed by Company and GSRX, and no waiver of any provision of this Agreement, and no consent to any departure by Company therefrom, shall be effective unless it is in writing and signed by GSRX and then such waiver or consent shall be effective only in the specific instance and for the specific purposes for which given.

(b) No failure on the part of GSRX to exercise, and no delay in exercising, any right hereunder, under the Revenue Sharing Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The rights of GSRX hereunder and under the Revenue Sharing Agreement against any party are not conditional or contingent on any attempt by GSRX to exercise any of its rights under the Revenue Sharing Agreement against such party or against any other Person.

(c) Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

(d) This Agreement creates a continuing lien and security interest in the Collateral and shall (i) remain in full force and effect until the completion of the transactions set forth in the Revenue Sharing Agreement, (ii) be binding upon Company, its successors and assigns, and (iii) inure, together with the rights and remedies of GSRX hereunder, to the benefit of GSRX and its successors, transferees and assigns.

(e) This Agreement shall be governed by and construed in accordance with the laws of the State of California, except to the extent that the validity or perfection of the liens hereunder, or remedies hereunder, in respect of any particular Collateral, are governed by the laws of a jurisdiction other than the State of California. Unless otherwise defined herein or in the Revenue Sharing Agreement, the terms used in Chapter 9 of the UCC are used herein as therein defined.

(f) Notwithstanding anything in this Agreement to the contrary, in the event of any inconsistency between the terms of this Agreement and the terms of the Revenue Sharing Agreement, the terms hereof shall be controlling as necessary to create, preserve and/or maintain a valid, enforceable and perfected lien upon the Collateral, but, otherwise, the provisions of the Revenue Sharing Agreement shall be controlling and the provisions hereof shall be subject or subordinate to those of the Revenue Sharing Agreement.

(g) COMPANY AND GSRX EACH HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE REVENUE SHARING AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY.

(h) ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT MAY BE TRIED AND LITIGATED IN, AND COMPANY HEREBY SUBMITS TO THE EXCLUSIVE JURISDICTION OF, THE COURTS OF THE STATE OF CALIFORNIA, UNLESS SUCH ACTIONS OR PROCEEDINGS ARE REQUIRED TO BE BROUGHT IN ANOTHER COURT TO OBTAIN SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY. COMPANY WAIVES ANY RIGHT IT MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS, TO ASSERT THAT IT IS NOT SUBJECT TO THE JURISDICTION OF SUCH COURTS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION.

(i) The Recitals set forth in the Preamble to this Agreement are hereby incorporated herein and made to form an integral part hereof.

[SIGNATURE PAGE FOLLOWS; REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

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

GREEN ROOM PALM SPRINGS, LLC

By: /s/ Christian Briggs

Name: Christian Briggs

Title: Manager

ACKNOWLEDGED AND ACCEPTED,

as of the date first set forth above:

GSRX INDUSTRIES INC.

By: /s/ Troy Nihart

Name: Troy Nihart

Title: Interim CEO



GSRX Industries Inc. Announces the Sale of its Green Room Palm Springs Dispensary and Revenue Share Agreement

October 19, 2020

Dorado, Puerto Rico – GSRX Industries Inc. (OTCQB: GSRX) (“GSRX” or, the “Company”), is pleased to announce it has sold its 95% interest in the Green Room Palm Springs, LLC. (“Dispensary”). The Dispensary was purchased by Seneca Capital Partners, LP for a total of USD \$400,000. The Company will also receive 3% of gross revenue for 60 months from the date the Dispensary begins operations.

“With the sale of this dispensary, GSRX continues to be fiscally responsible as we navigate the COVID-19 pandemic,” said Interim Chief Executive Officer, Troy Nihart.

About GSRX Industries Inc.

GSRX Industries Inc. (OTCQB: GSRX), through its subsidiaries, is in the business of acquiring, developing, and operating retail cannabis dispensaries and non-THC CBD retail stores. GSRX also is in the process of expanding its business to include distribution, extraction and light manufacturing, and delivery of cannabis and cannabinoid products. Currently, GSRX operates five cannabis dispensaries in Puerto Rico under the name Green Spirit RX, one dispensary in California under the name The Green Room. GSRX also owns and operates the e-commerce site GetPureAndNatural.com, which offers a broad range of premium hemp extract products.

Forward-Looking Statements

This press release contains forward-looking statements. Such statements include statements regarding our expectations, hopes, beliefs or intentions regarding the future, including but not limited to statements regarding our market, strategy, competition, development plans (including acquisitions and expansion), financing, anticipated revenues, operations, and compliance with applicable laws. Forward-looking statements involve certain risks and uncertainties, and actual results may differ materially from those discussed in any such statement. Factors that could cause actual results to differ materially from such forward-looking statements include the risks described in greater detail in the following paragraphs. All forward-looking statements in this document are made as of the date hereof, based on information available to us as of the date hereof, and we assume no obligation to update any forward-looking statement except where applicable law requires us to update these statements. Market data used throughout this prospectus is based on published third party reports or the good faith estimates of management, which estimates are based upon their review of internal surveys, independent industry publications and other publicly available information.

Contact:

ir@gsrxindustries.com