

## INTAKE SHEET TERMS AND CONDITIONS

Customer (“Supplier”) to an Intake Sheet (“Agreement”) executed with ArCanna (“Processor”), agrees to the following terms and conditions, as material consideration for the Agreement, and such additional terms and conditions set forth below shall be incorporated by reference into the Agreement.

1. **Term and Termination.** The term of this Agreement shall commence upon delivery of the Marijuana Extract from Customer to Processor and shall end on the completion of the processing and the delivery of the Marijuana.
2. **Payment upon Termination.** Notwithstanding any termination of this Agreement, each Party will remain liable to the other for any amounts owing at the date of termination and such amount owing shall become payable immediately.
3. **Nature of the Relationship.** ArCanna and the Supplier (the “Parties”) acknowledge that Processor is not an agent of Supplier. The relationship between Processor and Supplier under this Agreement is that of independent contractors. Nothing contained in this Agreement will constitute or create, nor will it be construed to have created, any relationship of partner, principal or agent, employee, employer, joint venture, franchisee, legal representative or any other legal relationship. Other than as expressly and specifically provided for in this Agreement or otherwise granted in writing by Processor, Supplier will have no authority to make any representation or give any warranty on behalf of Processor.
4. **Latent Defects and Indemnification.** Supplier will not supply Marijuana to Processor with latent defects. Supplier will reimburse Processor for the cost to Processor for any Latent Products in the Marijuana. Supplier will indemnify and hold harmless Processor for any and all costs, damages, lawsuits, actions (all such terms to be construed broadly) (hereinafter “Actions”) arising from any such latent defects. Latent defect means a defect in the Marijuana, such as, but not limited to, a heavy metal count or pesticides in the Marijuana and caused by Supplier’s growing process or in the Supplier’s design of the seed that renders the Marijuana not useable, as determined in the reasonable discretion of Processor.

Further and beyond indemnification and holding Processor harmless for the Actions above herein this Section, as material consideration for this Agreement, Supplier agrees to indemnify and hold harmless Processor, its officers, directors, agents, affiliates and the like from any and all claims, demands, costs, liability, loss, damage, or judgments (hereinafter “Claims”) threatened, made or entered by any person or entity against Processor as a result of or arising from this Agreement. This inducement to indemnify and hold harmless specifically includes, but is not limited to, the payment of all actual costs and attorneys’ fees incurred by Processor in the processing, handling, and/or defense of the Claims, whether rightfully or wrongfully threatened or made or in the enforcement of any rights of Processor hereunder.

5. **Compliance with Laws.** The Parties will comply with all Applicable Laws in the exercise of their rights and the performance of their obligations under this Agreement. The Parties agree to make any amendments necessary to this Agreement in order to comply with all Applicable Laws. Applicable Law shall mean all applicable provisions of laws, statutes, rules, regulations, published guidelines, standards, codes of practice and orders of all state, municipal and local governmental bodies to which the Parties are bound or apply to the transaction or event in question.

6. **Pick up of Marijuana Extract.** Upon Processor's completion of the Marijuana processing, Processor shall notify Supplier in writing that the Marijuana Extract is ready to be picked up. Supplier shall have ten (10) days from receipt of Processor's written notice, to arrange for the pickup of the Marijuana Extract from Processor's facility. Failure of Supplier to pick up the Marijuana Extract within this ten (10) period shall result in a daily storage fee to be assessed to Supplier of \$250.00, such payment to be made in readily available funds from Supplier to Processor before the Marijuana Extract will be released to Supplier thereafter.
7. **Additional Services and Products.** Supplier may elect the additional services and/or products as are set forth under the attached Exhibit A hereto.
8. **Intellectual Property.** Supplier acknowledges and agrees that upon its delivery of the Marijuana to the Facility, that all intellectual property rights, including, without limitation, copyrights, patents, service marks, trade-mark rights, trade secret rights, logos, insignias, descriptions and any other information or identifiers of the Marijuana that has been processed into Marijuana Extract, shall cease being the property of Supplier, will not be returned to the Supplier with the delivery of the Marijuana Extract from Processor to Supplier, and is and will remain, the sole and exclusive property of Processor.

Further, Processor shall have full, absolute and sole right to prohibit Supplier from using, attaching, identifying, labeling and the like, any Marijuana Extract with Processor's service marks, trademark rights, trade secret rights, logos, insignias, descriptions and any other information or identifiers. By way of example only, if Processor processes 50 pounds of Marijuana Extract for Supplier, Processor may prohibit Supplier from marketing and selling that particular 50 pounds of Marijuana with Processors' logos, insignias, descriptions, service mark, trademark and the like, as may be further set forth herein.

9. **Supplier Representations.** Supplier represents and warrants to Processor and understands and agrees that its representations are material in inducing Processor to enter this Agreement. Supplier represents and warrants to Processor the following:
  - a) That Supplier is a corporation, duly authorized and validly existing under the laws of Michigan.
  - b) That Supplier has the full right and authorization to enter into this Agreement.
  - c) That Supplier has been, is now, and shall be at all times during the duration of this Agreement, in compliance with all Applicable Laws.
  - d) That the Marijuana has no latent defects, nor does it contain any substances considered illegal under state and local laws, ordinances and regulations.
  - e) That Supplier has not granted and will not grant in the future any right to any third party which would prohibit Supplier from entering into this Agreement, nor that would conflict with the rights granted to Processor under this Agreement.
  - f) That Supplier has all necessary permits, certificates, licenses, approvals, registrations and authorizations required in connection with the conduct of its business under all Applicable Laws.

- g) That Supplier will maintain, renew, and comply with, in all material respects, the Applicable Laws during the duration of this Agreement.
  - h) That Supplier, as material consideration for this Agreement, has full understanding that Processor makes no guaranty or warranty of the quantity, quality or value of the Marijuana Extract.
  - i) That Supplier shall have the Marijuana properly laboratory-tested pursuant to Michigan Marijuana Regulatory Agency standards and guidelines and shall have such test results (the “Results”) produced to Processor for Processor’s review prior to Processor’s duty to perform under this Agreement.
  - j) That Supplier understands that Processor may terminate this Agreement upon written notice, with no further liability to Supplier, should Processor, in its sole and absolute discretion, determine that the Results are not satisfactory.
  - k) That Supplier understands due to unknown quality factors, this Agreement may be subject to change by Processor in its sole discretion regarding the final finished product and its labeling.
  - l) That after the Marijuana Extract is loaded onto the transporting vehicle after the processing is completed, Processor shall have no further responsibility for the Marijuana Extract.
10. **No Amendment Except In Writing.** This Agreement may be amended only by written instrument executed by both Parties.
11. **Assignment.** Neither Party may assign its interest in or under this Agreement without the prior written consent of the other Party.
12. **Independent Legal Advice.** Each Party has been provided with an opportunity to consult with their own legal counsel with respect to this Agreement.
13. **Invalidity of Provisions.** If any of the provisions of this Agreement are determined to be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions will not in any way be affected or impaired thereby.
14. **Successors and Assigns.** This Agreement will be binding upon and will ensure to the benefit of the Parties hereto and their respective successors and permitted assigns.
15. **Counterpart Execution.** This Agreement may be executed in any number of counterparts (including counterparts by email) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed electronic copy of this Agreement, and such executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

**16. Jurisdiction and Venue.** The terms and conditions of this Agreement shall be governed by the laws of the State of Michigan, and any legal action brought as a result of this Agreement shall be commenced in the County of Ionia.

**17. Whole Agreement.** This Agreement constitutes the entire agreement between the Parties and is deemed to supersede and cancel any other agreement between the Parties relating to the transaction contemplated in this Agreement. None of the prior and contemporaneous negotiations, preliminary drafts, or prior versions of this Agreement leading up to its signing and not set forth in this Agreement shall be used by any of the parties to construe or affect the validity of this Agreement.

PROCESSOR DISCLAIMS ALL WARRANTIES IN CONNECTION WITH THE MARIJUANA, EXTRACT EXPRESS OR IMPLIED, REGARDING ANY MATTER WHATSOEVER, INCLUDING WITHOUT LIMITATION DESCRIPTION, QUALITY, DESIGN, PERFORMANCE, SPECIFICATIONS, CONDITION, MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT.

PROCESSOR HAS MADE NO AFFIRMATION OF FACT AND HAS MADE NO PROMISE RELATING TO THE MARIJUANA EXTRACT THAT HAS BEEN PART OF THE BASIS OF THE BARGAIN MADE OR HAS CREATED OR AMOUNTED TO AN EXPRESS WARRANTY THAT THE MARIJUANA EXTRACT WOULD CONFORM TO ANY SUCH AFFIRMATION OR PROMISE.

THIS AGREEMENT IS MADE ON THE EXPRESS UNDERSTANDING THAT THERE IS NO IMPLIED WARRANTY THAT THE MARIJUANA EXTRACT IS MERCHANTABILITY OR FIT FOR ANY PARTICULAR PURPOSE. SUPPLIER ACKNOWLEDGES THAT IT IS NOT RELYING ON PROCESSOR'S SKILL OR JUDGMENT TO SELECT OR FURNISH MARIJUANA EXTRACT SUITABLE FOR ANY PARTICULAR PURPOSE AND THAT THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE DESCRIPTION OF THE MARIJUANA EXTRACT IN THIS AGREEMENT.