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Below is a sample “Manufacturing, Packaging, Licensing and Sales Agreement (Pro-Licensor),” which is subject to the following Terms and Conditions of Use. Use at your own risk and according to these binding terms and conditions:

TERMS AND CONDITIONS OF USE

Please read the following carefully. The terms and conditions for use of the following Manufacturing, Packing, Licensing, and Sales Agreement (Pro-Licensor) are binding upon all users:

1. No Legal or Business Advice.

The provision of this sample form document is not legal or business advice, either generally or in connection with any specific issue or case. These materials are intended for general informational and educational purposes only. Users are responsible for obtaining legal or business advice from their own lawyer or other professional and should not rely on the Manufacturing, Packing, Licensing, and Sales Agreement (Pro-Licensor) without seeking such advice. Use at your own risk.

2. No Attorney-Client Relationship

Neither the availability, operation, transmission, receipt nor use of the Manufacturing, Packaging, Licensing and Sales Agreement (Pro-Licensor) is intended to create, nor does it create an attorney-client relationship or any other relationship.

3. Compliance with Laws

You agree to use the Manufacturing, Packing, Licensing, and Sales Agreement (Pro-Licensor) in compliance with all applicable laws, including applicable securities laws, and, to the extent permitted by law, you agree to indemnify Heather L. Burke, P.C. from and against any and all claims, damages, losses or obligations arising from your failure to comply with the law.

4. Disclaimer of Liability

TO THE EXTENT PERMITTED BY LAW, THE MANUFACTURING, PACKING, LICENSING, AND SALES AGREEMENT (PRO-LICENSOR) IS PROVIDED AS-IS WITH NO REPRESENTATIONS OR WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED

WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. TO THE EXTENT PERMITTED BY LAW YOU ASSUME COMPLETE RESPONSIBILITY AND RISK FOR USE OF THE MANUFACTURING, PACKING, LICENSING, AND SALES AGREEMENT (PRO-LICENSOR).

To the extent permitted by law, Heather L. Burke, P.C. disclaims all liability, loss or risk incurred as a direct or indirect consequence of the use of the Manufacturing, Packing, Licensing, and Sales Agreement (Pro-Licensor). To the extent permitted by law, by using the Manufacturing, Packing, Licensing, and Sales Agreement (Pro-Licensor), you waive any rights or claims you may have against Heather L. Burke, P.C. in connection therewith.

The information contained in the Manufacturing, Packing, Licensing, and Sales Agreement (Pro-Licensor) is provided only as general information and may not reflect the most current market and legal developments and may not address all relevant business or legal issues; accordingly, information in the Manufacturing, Packing, Licensing, and Sales Agreement (Pro-Licensor) is not promised or guaranteed to be correct or complete.

Heather L. Burke, P.C. at its sole discretion may choose to change these terms or the terms of the Manufacturing, Packing, Licensing, and Sales Agreement (Pro-Licensor) at any time.

Heather L. Burke, P.C., in its sole discretion, reserves the right to refuse to provide you access to the Manufacturing, Packing, Licensing, and Sales Agreement (Pro-Licensor). To the extent permitted by law, you agree that Heather L. Burke, P.C. is not liable to you for loss or damages that may result from our refusal to provide access to our forms.

5. Use by Agents

You agree that, if an agent (e.g., an attorney, an employee, etc.) uses the Manufacturing, Packing, Licensing, and Sales Agreement (Pro-Licensor) on your behalf, you are nonetheless bound as a principal by all terms and conditions herein.

SCROLL DOWN TO MANUFACTURING, PACKING, LICENSING, AND SALES AGREEMENT (PRO-LICENSOR)

MANUFACTURING, PACKAGING, LICENSING, AND SALES AGREEMENT

This Manufacturing, Packaging, Licensing, and Sales Agreement is made between _____, a [LLC/corp/b corp] formed under the laws of the state of _____ (hereinafter "Licensor") and _____, a [LLC/corp/b corp] formed under the laws of the state of _____ (hereinafter "Licensee").

1. **THE SERVICES.** Licensor hereby engages Licensee to manufacture, package, label, store, transfer and sell certain goods which bears Licensor's marks, name, and/or logo ("the Services"). Licensee will provide the Services in a workman-like and timely manner.
2. **GRANTS OF LICENSE.** Licensor hereby grants to Licensee a limited, non-exclusive, non-transferable, non-assignable, non-royalty bearing license to Licensor's mark, name or logo (the "Marks") in connection with the Services in the Territory during the Term.
3. **DEAL STRUCTURE.** The parties agree as follows:
 - a. At Licensor's expense, Licensor shall deliver to Licensee all Packaging Material prior to Licensee's commencement of the Services.
 - i. "Packaging Material" is defined as any boxes, jars, labels, stickers, materials, substances, or items not part of the Goods itself, including but not limited to containers, conveyances, bags, boxes, wrappers, labels, and individual piece coverings, which may be required to in any form suitable for final sale.
 - ii. The parties shall meet and confer in good faith prior to the delivery of the Packaging Material to confirm all Packaging Materials meet state law and applicable regulations for packaging cannabis for commercial sale.
 - b. Licensee shall provide the Goods required to perform the Services at the rate of \$_____ per Net Weight gram. The payment to Licensee for provision of the Goods is a Cost subject to Section 4 (Profit Share).
 - i. "Goods" is defined as cannabis that has undergone a process to concentrate one or more active cannabinoids. Resin from granular trichomes from a cannabis plant is included in this definition.
 - ii. "Net Weight" is defined as the weight of the Goods excluding all Packaging materials, as documented by track-and-trace transfer documents, invoices, receipts, or similar document.
 - c. Using the packaging delivered by Licensor, Licensee shall package and label the Goods into the Final Product. The costs for packaging and labeling the Goods (excluding the Packaging Material) are not considered Costs, as defined herein.
 - i. "Final Product" is defined as the Goods in their final packaged form and bearing Licensor's marks, name, and/or logo.
 - d. The packaging will be branded with Licensor's marks, name, and/or logo in substantially the form identified in Schedule 2, Sample Packaging. The parties may amend the Sample Packaging

from time to time in writing. For the purposes of this Section 3 (d), email or text (SMS) communications are sufficient writings.

- e. Licensee shall store the Goods until such time the Goods are transferred or shipped from Licensee's premises.
- f. The parties agree to jointly engage distribution and laboratory testing services pursuant to a separately negotiated agreement. Distribution and testing costs are Costs subject to Section 4 (b).
- g. Licensee shall sell the Goods in a manner that reflects favorably on the Goods and on the good name, goodwill and reputation of the parties and consistent with good business practice, using best efforts to maximize the sale of the Goods, and consistent with industry standards. The parties acknowledge that \$_____ per Net Weight gram is the industry standard for wholesale sale of the Goods to an arms-length third-party purchaser at the time this agreement is signed by the parties.
- h. Title to the Goods and title to the Finished Product remains with Licensee until Sale.
 - i. "Sale" is defined as the transfer of title from Licensee to a third-party purchaser for consideration.

4. REVENUE SHARE; SECURITY INTEREST. The parties shall split the Revenue for the Project in the following manner: _____

- a. "Costs" is defined as those costs set forth in Schedule 1 or otherwise agreed by the parties in writing. For this purposes of this Section 4 (a), email or text (SMS) communications are sufficient writings.
- b. "Revenue" is defined as all proceeds received by Licensee from the Sale of the Finished Product, less Costs.
- c. "Project" is defined as the provision of the Services in exchange for the Revenue Share.
- d. SECURITY INTEREST. To ensure full payment of all amounts due to Licensor under this agreement, Licensee hereby grants Licensor a security interest in the Goods and to the proceeds therefrom. To perfect this security interest, Buyer hereby consents and authorizes Seller to file a UCC-1 Financing Statement with the California Secretary of State. Buyer shall execute any statements or necessary to file the UCC-1 Financing Statement.

5. PAYMENT TERMS; REPORTING.

- a. Licensee will collect the proceeds from the Sale of the Goods and will distribute any funds due to Licensor on a monthly basis unless otherwise agreed by the parties. Payments must be in U.S. dollars and may be in any form mutually agreeable to the parties. Licensee is authorized to withhold and deduct Costs. Licensor shall notify Licensee of any question or discrepancies within 30 days of payment.
- b. With any payments to Licensor. Licensee will provide the Licensor with a reporting of all proceeds from Sales, all Costs withheld, the total amount due to Licensor, and the total amount that has been

paid to Licensor as of the date of the report. If no funds are due to Licensor during any month, then Licensor is not required to provide any reporting.

6. RECORDKEEPING. During the Term, Licensee shall properly maintain any required records relating to the provision of the Services, including but not limited to regulatory track-and-trace records, sales contracts, receipts, invoices, bills, bills of lading and all other similar documents. The parties will jointly engage and pay for a qualified bookkeeper to perform the bookkeeping for the Project who the parties shall task with maintaining such records separately from Licensee's other accounts or lines of business or general accounts and for updating the same with all receipts or sales related information at no less than a weekly basis ("The Project Bookkeeper"). The parties are not prohibited from engaging their own bookkeeper or accountant to maintain such information for their respective records at their own costs.
7. INSPECTION RIGHTS. Licensee authorizes Licensor to enter Licensee's premises during business hours upon two (2) business days' written notice for (1) quality assurance purposes and (2) to conduct inventory review procedures (an "Inspection"). For the purposes of this Section 7, email or text (SMS) communications are sufficient writings.
8. CONFIDENTIAL INFORMATION. Licensor acknowledges that, during an Inspection, Licensor might receive information that is considered by Licensee to be confidential or proprietary. Licensor agrees to (1) protect and safeguard the confidentiality of all confidential information with the highest degree of care, and (2) to not use Licensee's confidential information for any purpose other than for Licensor's inspection under Section 7 (Inspection Rights).
9. REGULATORY DISCLOSURES.
 - a. Licensor authorizes Licensee to disclose to the California Department of Public Health (1) Licensor's legal business name and (2) Licensor's federal taxpayer identification number in a form substantially similar to Exhibit A hereto.
 - b. Licensee agrees to promptly disclose to the California Department of Public Health (1) Licensor's legal business name and (2) Licensor's federal taxpayer identification number in a form substantially similar to Exhibit A hereto.

INTELLECTUAL PROPERTY

10. INTELLECTUAL PROPERTY. The parties agree as follows:
 - a. Licensor retains all right, title, and ownership in and to its Marks.
 - b. Nothing in this agreement may be construed as granting a license or right to the Licensor's Marks (nor as permission to exploit or otherwise use Licensor's Marks), except as required for Licensee's provision of the Services described herein. Any rights not expressly granted herein are hereby reserved.
 - c. Licensee shall not use, disseminate or distribute Licensor's Marks, whether electronically or otherwise, without Licensor's prior written permission. For the purposes of this Section 10 (c), email or text (SMS) communications are sufficient writings.
 - d. Licensee will not directly or indirectly attack or contest the validity of Licensor's ownership of or rights to the Marks. This Section 10 (d) will survive the expiration or termination of this agreement.
 - e. All use of the Marks shall inure to the benefit of Licensor.

- f. Each party shall promptly advise the other if it becomes aware of any unauthorized use of Licensor's Marks or any claim that the Final Product or Packaging Materials infringe upon the intellectual property rights of any third-party.
- g. Licensor shall have absolute control over any such actions, claims, or proceedings arising out of claims of unauthorized use of Licensor's Marks. Licensee shall take no action in relation to such unauthorized use of Licensee's Marks, except that Licensee shall cooperate with all reasonable requests made by Licensor in relation to the unauthorized use or claim. Licensor shall be entitled to retain any monetary recovery obtained from any infringer upon Licensor's Marks.

RISK ALLOCATION

- 11. **RISK OF LOSS.** Licensee bears the risk of loss to the Goods at all times. Upon Licensee's receipt of the Packaging Materials, Licensee bears the risk of loss to the Packaging Materials. Until Licensee's receipt of the Packaging Materials, Licensor bears the risk of loss to the Packaging Materials.
- 12. **INSURANCE.** Licensee shall obtain and maintain a commercial general liability insurance policy and an errors and omissions liability insurance policy during the Term in commercially reasonable amounts. Licensee shall obtain and maintain a products liability insurance policy during the Term. Licensee shall cause Licensor to be named as an additional insured on the commercial general liability, errors and omissions policy, and product liability policy prior to Licensee's commencement of the Services. Any failure to name or maintain Licensor as an additional insured is deemed an indemnity and, in such a situation, Licensee hereby indemnifies and agrees to defend Licensor for any Losses (as defined in Section 14) which Licensor suffers as a result of Licensee's failure to name Licensor as an additional insured, without limitation.
- 13. **INDEMNITY FOR FAILURE TO COMPLY WITH INSURANCE REQUIREMENTS.** Failure to obtain or maintain the insurance policies or failure to name Licensor (the "Indemnified Party") as an additional insured as described in Section 15 ("Insurance") is deemed an indemnity from Licensee (the "Indemnifying Party") to defend and pay for the Indemnified Party in any actions and for any losses which the Indemnified Party may incur as a result of the Indemnifying Party's default under Section 15. This indemnity is not a sole or exclusive remedy for the Indemnifying Party's default under Section 15.
- 14. **MUTUAL INDEMNITIES.** Each party shall indemnify and defend the other party, its affiliates, officers, directors, agents, volunteers and employees, from all claims, suits, actions, or liens of any nature ("Losses") under this agreement resulting from or arising out of that party's breach of this agreement, including but not limited to Section 17 (Strict Compliance). The indemnity includes the duty to investigate and defend against all Losses, even if the claim, suit, action, or lien is groundless, false or fraudulent.
- 15. **PRODUCT LIABILITY INDEMNITY.** Licensee shall indemnify and defend Licensor, its affiliates, officers, directors, agents, volunteers and employees, from all claims, suits, actions, or liens of any nature under this agreement resulting from or arising out of the performance of Licensee's services under this agreement, including but not limited to any products liability.
- 16. **INTELLECTUAL PROPERTY INDEMNITY.** Licensee shall indemnify and defend Licensor, its affiliates, officers, directors, agents, volunteers and employees, from all claims, suits, actions, or liens of any nature under this agreement resulting from or arising out of Licensor's grant of the intellectual property license.
- 17. **STRICT COMPLIANCE REPRESENTATION.** The parties shall at all times use best efforts and to the best of their respective ability comply with all applicable laws and applicable regulations. Best efforts, as used herein, means strict compliance with the plain language terms of each applicable law and applicable

regulation. The parties each represent and warrant to the other that they will perform all duties required under this agreement in strict compliance with applicable law and applicable regulation.

18. **FORCE MAJEURE.** If a Force Majeure Event occurs, the party that is prevented by that Force Majeure Event from performing one or more obligations under this agreement (the “Non-Performing Party”) will be excused from performing those obligations on the condition it complies with its remaining obligations under this agreement.
- a. “Force Majeure Event” refers to any event or circumstance, regardless of whether it was foreseeable, which was not caused by the Non-Performing Party, including but not limited to fire, flood, act of nature, or a change of law or California state law or regulation which render this agreement illegal under California law to perform. The Parties agree an inability to fulfill an obligation to pay does not constitute a Force Majeure Event.
 - b. During a Force Majeure Event, the Non-Performing Party shall use reasonable efforts in good faith to limit damages to the performing party and to resume its performance under this agreement without delay.

TERM, TERMINATION, REMEDIES

19. **TERM; AMENDMENT.** This agreement will expire **THREE YEARS** from the date the last party signs this agreement, unless terminated.
- a. Within five (5) business days from the expiration or termination of this agreement, the parties will meet and confer in good faith regarding the disposition of remaining Final Product (if any) and the timing and method of outstanding payments (if any).
 - b. The parties may amend this agreement, provided such amendment is in writing and signed by both parties.
20. **TERMINATION.**
- a. Either party may terminate this agreement upon other Party’s material breach of a provision of this agreement and failure to cure such breach within ten (10) calendar days of written notice of breach. The Parties may agree in writing to extend the cure period. Unless waived in writing by the Party providing notice, the failure to cure the default(s) within such time period shall result in the automatic termination of this agreement. The parties agree that failure to maintain strict compliance with applicable laws and regulations is a material breach.
 - b. The parties may terminate this agreement upon their mutual agreement in writing.
 - c. **LOSS OF LICENSEE’S PERMIT OR LICENSE.**
 - i. **NO FAULT LOSS.** Should the County of _____ or the State of California irrevocably rescind, revoke or otherwise terminate any of Licensee’s permits or licenses required to effectuate the purpose of this agreement through no fault of Licensee, either party may terminate this agreement upon 30 days’ notice.
 - ii. **LOSS BY FAULT.** Should the County of _____ or the State of California irrevocably rescind, revoke or otherwise terminate any of Licensee’s permits or licenses required to effectuate the purpose of this agreement due to Licensee’s own

fault, Licensee will be subject to the Liquidated Damages described in Section 21 (a) (“Remedies: Liquidated Damages”).

21. REMEDIES.

- a. **LIQUIDATED DAMAGES.** Licensee acknowledges the regulated cannabis market is in its infancy and subject to volatile market fluctuations. Calculating Licensor’s damages for Licensee’s loss of license during the Term in light of the volatility of the market would be unreasonably expensive, difficult, and burdensome. As such, if this agreement is terminated due to Licensee’s loss of permit or license pursuant to Section 10 (c)(ii) (“Termination of Agreement: Loss of Licensee’s Permit or License: Loss by Fault”), Licensee will pay to Licensor \$_____ USD. Licensee acknowledges these fees reasonably estimate the actual damages to Licensor for Licensee’s loss of any required permit or license as of the date the last party signs this agreement.
- b. **LICENSOR OPTION TO CURE LICENSEE DEFAULT.** In the event of a default by Licensee, Licensor has the option to cure Licensee's default. Should Licensor exercise this option, Licensee shall reimburse Licensor for Licensor's actual costs for curing Licensee's breach within sixty (60) calendar days unless otherwise agreed by the parties in writing. Licensee will issue a promissory note to Licensor for any costs exceeding \$2,500.00 under this Section 21 (b) which must be subject to the lesser of 10% interest from the date Licensor incurred the cost(s) or the maximum amount permitted by law.

22. **NON-EXCLUSIVE REMEDIES.** No remedy authorized herein is intended to be exclusive of any other remedy and each remedy is cumulative and in addition to every other remedy existing at law or in equity by statute or otherwise. The election of one or more remedies does not constitute a waiver of the right to pursue other remedies.

MISCELLANEOUS

23. **RELATIONSHIP OF THE PARTIES.** The relationship between the parties is that of independent contractors. The parties are not joint venturers, nor are they partners, principal and agent, employer and employee, and have no relationship other than independent contractors. Licensee reserves the right to utilize subcontractors in the performance and fulfillment of the Services. Licensor reserves the right to utilize subcontractors in the promotion of the Final Product.
24. **SEVERABILITY.** If any provision of this agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if this agreement did not contain the particular provision held to be invalid.
25. **WAIVER.** Failure of either party to enforce any provision of this agreement shall not constitute a waiver or relinquishment by that party of the right to such performance in the future, nor of the right to enforce any other provision of this agreement.
26. **DISPUTE RESOLUTION; ATTORNEYS FEES.** The parties shall attempt to resolve disputes by negotiation in good faith, then by mediation, and then by mandatory and binding arbitration. The venue for all disputes will be in _____ County, California and California law will apply. The substantially prevailing party is entitled to reasonable attorneys’ fees and actual costs in addition to any award or judgment.

27. **OPPORTUNITY FOR COUNSEL REVIEW; AMBIGUITIES.** Each of the parties acknowledges that it has had the opportunity to seek the advice of independent legal counsel in connection with this agreement and to negotiate each term, and that it understands the meaning of every term of this agreement and the consequences of signing it. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party is not applicable in interpreting this agreement.

28. **PRE-PERFORMANCE; EFFECTIVE DATE.** This agreement is effective on the date the last party signs this agreement immediately following this Section 28. This agreement applies to the pre-performance of any obligations under this agreement by either party.

Intending to be bound to Manufacturing, Packaging, Licensing, and Sales Agreement, the parties agree to the foregoing:

<p>Licensor:</p> <p>Signature: _____</p> <p>Printed Name: _____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Address for Notice: _____</p> <p>_____</p> <p>Number for SMS Notice: _____</p> <p>Email for Email Notice: _____</p> <p>_____</p>	<p>Licensee:</p> <p>Signature: _____</p> <p>Printed Name: _____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Address for Notice: _____</p> <p>_____</p> <p>Number for SMS Notice: _____</p> <p>Email for Email Notice: _____</p> <p>_____</p>
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*SCHEDULE 1

COSTS

COST	PAYABLE TO
\$_____ per Net Weight gram of cannabis concentrate (Wholesale)	
\$TBD Distribution costs	TBD
\$TBD Testing costs	TBD
OTHER COSTS: (*must be approved in writing by both parties)	
[insert additional agreed-upon costs here, if any]	

*DISCLAIMER: This Schedule 1 is for example purposes only. Most businesses develop their own invoicing system in conjunction with their bookkeeper, accountant, or other financial/administrative support staff. Development of an efficient invoicing and accounting can one of many indicators of a successful business. Relying on other businesses' invoicing system is often not advisable.

SCHEDULE 2

THE MARKS

EXHIBIT A

LIST OF FINANCIAL INTEREST HOLDERS
17 C.C.R. §§ 40102(b); §40178(d).

Legal Business Name: _____

Federal Taxpayer Identification Number: _____

Percentage of Financial Interest Held: 0%