

# Memorandum of Understanding

THIS Memorandum of Understanding (the "Letter") made as of this \_\_\_\_ day of \_\_\_\_\_, 2019 (the "Execution Date"), BETWEEN: \_\_\_\_\_ (the "Purchaser") AND \_\_\_\_\_ (the "Seller").

This letter will establish the basic terms to be used in a future Agreement between the Seller and the Purchaser. The terms contained in this Letter are not comprehensive as it is expected that additional terms may be added, as well as existing terms may be changed or deleted. The basic terms are as follows:

By signing this agreement, you agree to a transaction, where the Purchaser and Seller in some cases are not in direct contact but transacting through Seller

## **1. Non-Binding**

This Letter does not create a binding agreement between the Purchaser and the Seller and will not be enforceable. Only the future purchase agreement, duly executed by the Seller and the Purchaser, will be enforceable. The terms and conditions of any future purchase agreement will supersede any terms and conditions contained in this Letter.

## **2. Contract Details**

### Order Information

- A. Product: Cannabidiol (CBD) Isolate/Biomass/Crude/Distillate: \_\_\_\_\_
- B. Allowable THC Range: \_\_\_\_\_
- C. Minimum CBD Range: \_\_\_\_\_
- D. Other Requirements: \_\_\_\_\_
- E. Quantity: \_\_\_\_\_
- F. Frequency of Order: \_\_\_\_\_
- G. Sample Order size: \_\_\_\_\_
- H. Desired Price: \_\_\_\_\_
- I. Desired Delivery Schedule: \_\_\_\_\_
- J. Desired Location: \_\_\_\_\_
- K. Intended Use: \_\_\_\_\_
- L. Length of Contract: \_\_\_\_\_ +++++ \_\_\_\_\_
- M. Protocols for purchase or SOP (Sampling requests, proof of life, lab visit, etc)

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

N. Proof of Funds:

**OPTION 1: Attorney Verification**

Full Name of Law Firm: \_\_\_\_\_

Attorney Name: \_\_\_\_\_

Phone #: \_\_\_\_\_

Email: \_\_\_\_\_

Follow up from phone conversation a letter must be submitted on **Law Firm's Letterhead**, with the following information:

Date: \_\_\_\_\_

Current balance: \_\_\_\_\_

Letter of Affidavit verifying funds: \_\_\_\_\_

Signature of a named Partner: \_\_\_\_\_

**OPTION 2: POF Bank Verification**

Full Name of Bank: \_\_\_\_\_

Address: \_\_\_\_\_

Banker Name: \_\_\_\_\_

Phone #: \_\_\_\_\_

Email: \_\_\_\_\_

Follow up from phone conversation a letter must be submitted on **Bank's Letterhead**, and **Seal** with the following information:

Date: \_\_\_\_\_

Current balance: \_\_\_\_\_

Letter of Affidavit verifying funds: \_\_\_\_\_

Signature of Official Banker Representative: \_\_\_\_\_

O. Proof of Product Life: Once proof of funds has been provided, Seller will provide the most recent Certification of Analysis (COA), including full-panel pesticide as well as a POL (Proof of Life) with the words \_\_\_\_\_ visible on the video.

P. After Proof of Life, a Purchase Agreement will be executed between the parties and 100% Funds for purchase will be placed in Seller's Escrow. As a contract manufacturing agreement, 25% of first month's deposit will be released to Seller and the remaining 75% of funds will remain in escrow until product is tested by Purchaser. Delivery of first order may take up to 14 days from the time funds are placed in Seller's escrow and 25% deposit has been released. Once the product is tested by a third party lab and approved, funds are paid to the Seller upon Purchaser's approval and Seller's release of Product.

Money: Escrow/Direct/Cash

Escrow: Information for licensed attorney-governed escrow account at a major financial institution will be provided in pending purchase agreement.

### Acknowledgement

1. All parties acknowledge that this document is meant to set forth certain business protocols in a best effort attempt to complete mutually beneficial transactions and mutually agree that this is not a legally binding document.
2. All parties agree that prior to any transaction based upon the language set forth herein a subsequent and more detailed Purchase Agreement will be executed as the governing document for said proposed transaction.
3. All parties acknowledge and agree that they make no warrants or covenants and understand the content herein and further agree to hold each other harmless in relation to any language herein.
4. Purchaser will provide all relevant licensing information for the activities referenced above for the intended use. This will prove Buyer is licensed to participate in disclosed activities.

Acknowledged and Accepted by:

#### Purchaser

Company: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

Date: \_\_\_\_\_

#### Seller

Company: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Sign: \_\_\_\_\_

Print: \_\_\_\_\_

Date: \_\_\_\_\_

## Consent to Release of Confidential Information

I, \_\_\_\_\_, of \_\_\_\_\_,

do hereby consent and authorize to release any information pertaining to attached Purchase Agreement transaction to the agencies/persons indicated below, and I also authorize the indicated sources to release information/documentation regarding this transaction to other entities in direct Supply Chain with regards to this specific and unique transaction:

- Distributor \_\_\_\_\_
- Attorney \_\_\_\_\_
- Transportation Services \_\_\_\_\_
- Other: \_\_\_\_\_

The duration of this authorization is until:

☐ Duration of escrow for the term of the pending purchase agreement.

☐ Other: \_\_\_\_\_

I understand that I may revoke this consent at any time by notifying Seller \_\_\_\_\_ in writing, except to the extent that action has been taken in reliance on my consent. A photocopy of this authorization is to be considered as valid as the original document.

\_\_\_\_\_  
Customer Signature (Principal Authorized Signatory)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness Signature (Secretary Authorized Signatory)

\_\_\_\_\_  
Date

# CONFIDENTIAL DISCLOSURE / NON-CIRCUMVENTION AGREEMENT

THIS AGREEMENT, made on \_\_\_\_\_, 2019, by and between, \_\_\_\_\_ located at, \_\_\_\_\_ ('Company'), and ('Recipient'), located at, \_\_\_\_\_, is effective as of the date indicated above.

WHEREAS, Company and Recipient, for their mutual benefit and pursuant to a working relationship which has been or may be established, anticipate that Company may disclose or deliver to a working relationship which has been or may be established, anticipate that Company may disclose or deliver to Recipient documents, components, parts, information, drawings, data, sketches, plans programs, specifications, techniques, processes, software, inventions and other materials, both written and oral, of a secret, confidential or proprietary nature, including without limitation any and all information relating to marketing, finance, forecasts, invention, research, design or development of information system and any supportive or incidental subsystems, and any and all subject matter claimed in or disclosed by any patent application prepared or filed by or behalf of by Company, in any jurisdiction, and any amendments or supplements thereto (collectively, "Proprietary Information"); and

WHEREAS, Company and Recipient have entered into general commercial discussions concerning a possible business relationship or transaction, and may determine to or in fact enter into such a relationship or transaction Company desires to assure that the confidentiality of any Proprietary Information is maintained;

NOW, THEREFORE, in consideration of the foregoing premises, and the mutual covenants contained herein, Company and Recipient hereby agree as follows:

1. For a Term of twenty-four (24) months from the date hereof, Recipient shall hold in trust and confidence, and not disclose to others or use for Recipient's own benefit or for the benefit of another, any Proprietary Information which is disclosed to Recipient by Company at any time between the date hereof and twenty-four (24) months thereafter. Recipient shall disclose Proprietary Information received under this Agreement to a person within its organization only if such persons (i) have a need to know, and (ii) are bound in writing to protect the confidentiality of such Proprietary Information. This paragraph 1 shall survive and continue after any expiration or termination of this Agreement and shall bind Recipient, its employees, agents, representatives, successors, heirs and assigns.
2. The undertakings and obligations of Recipient under this Agreement shall not apply to any Proprietary Information which: (a) is described in an issued patent anywhere in the world, is disclosed in a printed publication available to the public, or is otherwise in the public domain through no action or fault of Recipient; (b) is generally disclosed to third parties by Company without restriction on such third parties, or is approved for release by written authorization of Company; or (c) is shown to Company by Recipient, within ten (10) days from disclosure, by underlying documentation to have been known by Recipient before receipt from Company and/or to have been developed by Recipient completely independent of any disclosure by Company.
3. Title to all property received by Recipient from Company, including all Proprietary Information, shall remain at all times the sole property of Company, and this Agreement shall not be construed to grant to Recipient any patents, licenses or similar rights to such property and Proprietary Information disclosed to Recipient hereunder.
4. Recipient shall, upon request of Company, return to Company all documents, drawings and other tangible materials, including all Proprietary Information and all manifestation thereof, delivered to Recipient, and all copies and reproductions thereof.
5. Recipient agrees to fully, and immediately, disclose any potential conflict of interest within 10 days prior to receiving any Confidential and/or Proprietary Information from Company. Recipient acknowledges "potential conflicts of interest,"

to include: (a) where a responsible person or family member has a material financial interest, or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative, for any competitor of Company. (b) A Responsible Person's having a Material Financial Interest in; or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative of, or consultant to; an entity or individual that competes with Company in the provision, or rendering, of services or in any other contract or transaction with a third party.

6. During the term of this Agreement, the Recipient shall not compete directly or indirectly in any manner whatsoever whether as employee, agent, consultant, investor or through participations and the like with operations or businesses in which the Company is engaged.

7. The Recipient shall not and undertakes not to, without the prior consent of the Company, recruit, solicit and/or entice away any officer, director or employee of the Company.

8. The parties further agree to the following terms and conditions:

i. Any breach by Recipient of any of Recipient's obligations under this Agreement will result in irreparable injury to Company for which damages and other legal remedies will be

inadequate. In seeking enforcement of any of these obligations, Company will be entitled to (in addition to other remedies) preliminary and permanent injunctive and other equitable relief to prevent, discontinue and/or restrain the breach of this Agreement.

ii. If any provision of this Agreement is invalid or unenforceable, then such provision shall be construed and limited to the extent necessary, or severed if necessary, in order to eliminate such invalidity or unenforceability, and the other provisions of this Agreement shall not be affected thereby.

iii. In any dispute, over whether information or matter is Proprietary Information hereunder, it shall be the burden of Recipient to show both that such contested information or matter is not Proprietary Information within the meaning of this Agreement, and that it does not constitute a trade secret under the Uniform Trade Secrets Act or successor or similar law in effect in the State of Arizona.

iv. No delay or omission by either party in exercising any rights under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by either party on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

V. This Agreement shall be binding upon and will inure to the benefit of the parties hereto and their respective successors and assigns.

vi. This Agreement is governed by and will be construed in accordance with the laws of the State of Arizona, and the courts of Scottsdale shall be the exclusive forum.

vii. This Agreement is in addition to any prior written agreement between Company and Recipient relating to the subject matter of this agreement; in the event of any disparity or conflict between the provision of such agreements, the provision which is more protective of Proprietary Information shall control. This Agreement may not be modified, in whole or in part, except by an agreement in writing signed by Company and Recipient.

# CONFIDENTIAL DISCLOSURE / NON-CIRCUMVENTION AGREEMENT

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

Company: \_\_\_\_\_

Signed: \_\_\_\_\_

Name & Title: \_\_\_\_\_

(Seller)

Signed: \_\_\_\_\_

Name & Title: \_\_\_\_\_