



## Terms and Conditions to Wholesaler Agreement

**1. The Product.** Wholesaler shall sell the Product under the mark INNATE HEMP OIL (N8)

**2. No Claims.** Wholesaler and any party referened herein, **SHALL NOT MAKE ANY MEDICAL CLAIMS CONCERNING THE PRODUCT.**

**3. Intellectual Property.** Company has issued and pending intellectual property rights associated with the Product, including trade names and branding and certain copyrighted packaging and advertising materials ("Company's Intellectual Property") with respect to which Company hereby grants to Wholesaler the following rights under this Section (the "Marketing and Distribution Rights"):

(a) Generally. The ~~non-exclusive~~ right, license and privilege during the Term (as hereafter defined) and throughout the World (the "Territory") to use, distribute, sell, advertise, promote and otherwise exploit the Product and all improvements, line extensions and modifications thereof by any and all means and media, in any and all markets, including but not limited to broadcast, cable, satellite and all other forms of television transmission now existing or hereafter developed, including without limitation, infomercials, commercial spots, promos, radio, electronic and computer retailing media (such as the Internet), all print media, direct mail solicitation, package inserts, inbound and outbound telemarketing, credit card syndication, catalog sales, retail sales, and all other channels or means of distribution now existing or hereafter developed.

(b) Use of Trademarks. The right to use any and all trademarks that Company may own or control with respect to the Product, including the unregistered 'Company' trademark (the "Trademarks"). Although, with the prior approval of Company, Wholesaler may choose to use a different mark to sell the Product and the right to advertise, promote, market, sell and distribute the Product under or in connection with such other trademarks or identifying names or marks as Wholesaler may determine, all such different and/or new marks developed or used by Wholesaler relating in any manner to the Product shall be the property of, and owned by, Company.

(c) Use of Company's Artwork and Copyrighted Materials. The right to copy and use any and all artwork, promotional materials, advertising collateral, including videos, and other copyrighted materials that Company may own or control with respect to the Product ("Company's Artwork and Copyrighted Materials"), copies of all of which Company shall provide to Wholesaler for this purpose.

(d) Names, Likenesses and Endorsements. The right to use the names, likenesses (including, without limitation, photographs, illustrations, films and videotapes), endorsements and testimonials of all endorsers and other persons that Company may own or control with respect to the Product. The Company authorizes Wholesaler to obtain the marketing authorizations required for the marketing of the Product. However, if required the Wholesaler must retain all required approvals for marketing and distribution at their cost. The Company shall cooperate with the Wholesaler and shall submit the Wholesaler, at the Company's cost, any and all necessary documentation and/or assistance of any kind, required and/or necessary for marketing and/or distributing the Product.

(e) SubWholesalers. The right to appoint such subWholesalers as Wholesaler, in its sole judgment, may deem appropriate in order to market and distribute the Product provided all terms stated herein are complied with in its entirety.

(f) No Assignment of Intellectual Property Rights. Nothing in the Wholesale Agreement or these terms and conditions, shall be construed as an assignment of Company's intellectual property rights. Wholesaler shall have no other intellectual property rights except for those expressly granted in the Wholesaler Agreement.

(g) No Commitment for Additional Products. The Wholesaler may, but The Company is not committed to request that the Wholesaler Agreement be extended to such products as the Company manufactures or sells as follow-up or supplementary products.

**4. Delivery of the Product.** Company undertakes to deliver and the Wholesaler undertakes to accept and pay for the Products in accordance with purchase orders as will be sent by the Wholesaler to the Company from time to time (the "Purchase Order"). Wholesaler will issue Purchase Orders to the Company and the Company will supply the Products in accordance with the Purchase Order within **30** days from the day the Purchase Order was sent to the Company. Payment by Wholesaler shall be made prior to delivery of the Product. Prices for the Products are FOB the Company's factory in the USA. In case the Parties shall agree that the Company shall take care of the arranging the delivery, all costs of transportation and insurance shall be paid by Wholesaler. All Products supplied by Company hereunder, unless otherwise agreed by the Parties, shall be supplied in their finished dosage form, i.e., once manufactured, labelled, packaged and quality tested, ready to be marketed by Wholesaler.

**5. Wholesaler Non-Compete.** The Company does not have any non-compete restrictions.

**6. Company's Own Sales Activities.** Notwithstanding anything else to the contrary in the Wholesale Agreement, Company may continue to sell the Product without restriction.

**7. Manufacturing of the Product.** The Product will be manufactured by Company, which in turn will use its best efforts to supply all of Wholesaler's needs for the Product. There is no guarantee that the Company will maintain adequate inventory of the Product.

**8. Proprietary Rights.** Subject to the rights granted to Wholesaler under the Wholesale Agreement, all right, title and interest in and to the design of the Product, the Trademarks (including any newly developed trademarks or brands associated with the Product, and Company's Artwork and Copyrighted Materials (collectively, "Company's Intellectual Property"), is and shall remain the sole property of Company, and neither Wholesaler nor any third Party shall acquire any right, title or interest in Company's Intellectual Property by virtue of the Wholesale Agreement or otherwise, except as expressly provided herein. Any modifications to the Product developed by Wholesaler and/or Company will be owned by Company and any trademarks developed by Wholesaler to be used in conjunction with sales of the Product shall be owned by Company. Any unauthorized use of Company's Intellectual Property by Wholesaler shall be deemed an infringement of the rights of Company therein. Company may at its expense enforce Company's rights in Company's Intellectual Property against infringement thereof. If Wholesaler requests Company to enforce such rights and Company declines to do so, Wholesaler shall have the right (but shall not be required) to enforce such rights, and may do so in Company's name. The Party enforcing the rights shall be responsible for its own legal fees and expenses incurred in such enforcement efforts, but shall first be reimbursed for such expenditures from any recovery obtained. All monies recovered in excess of such expenditures shall be paid to the Party suffering actual loss to the extent of such loss, and any amount remaining shall be shared equally by Wholesaler and by Company. Wholesaler shall fully inform Company of the status of any such enforcement efforts undertaken by Wholesaler.

**9. Indemnification.**

(a) Wholesaler is obliged to protect the interests of the Company and not to do anything which would be appropriate to endanger the reputation, the market position or the creditworthiness of the Company or damage the Company. Subject to Section 9(b), Wholesaler shall defend, indemnify and hold harmless Company and its Wholesaler companies and their respective officers, directors, shareholders, employees, licensees, agents, successors and assigns from and against any and all without limitation, claims, damages, judgments, awards, settlements, investigations, costs, and reasonable attorneys fees and disbursements (collectively "Claims") which any of them may incur or become obligated to pay arising out of or resulting from the breach by Wholesaler of any of its representations, warranties, covenants, obligations, or duties under the Wholesale Agreement.

(b) Exceptions. Wholesaler shall have no duty under Section 9(a) or otherwise to defend, indemnify or hold harmless with respect to any Claims which (i) arise out of or result from the breach by Company of any of its representations, warranties, covenants, obligations, or duties under the Wholesale Agreement.

**10. Termination.** Either Party may terminate the Wholesale Agreement at any time for any reason.

**11. Notices.** All notices to or by the respective Parties hereto shall be in writing and shall be deemed to have been duly given when delivered by hand, posted by recorded delivery post, sent by facsimile or by e-mail to the Party to which such notice is required to be given under the Wholesale Agreement addressed to the address of each Party as provided on the Wholesale Agreement.

**12. Confidentiality.** All customer lists, price lists, written and unwritten marketing plans, techniques, methods and data, sales and transaction data, all technology, intellectual property and know-how relating to the manufacture of the Product, and other information designated by either Party as being confidential or a trade secret, shall constitute confidential information of such Party ("Confidential Information"). Either Party receiving Confidential Information (a "Receiving Party") from the other Party (a "Conveying Party") shall hold all Confidential Information in the strictest confidence and shall protect all Confidential Information of the Conveying Party with at least the same degree of care that the Receiving Party exercises with respect to its own proprietary information. Without the prior written consent of the Conveying Party, the Receiving Party shall not use, disclose, divulge or otherwise disseminate any Confidential Information of the Conveying Party to any person or entity, except for the Receiving Party's attorneys, accountants and such other professionals as the Receiving Party may retain in order for it to perform and enforce the provisions of the Wholesale Agreement.

**13. Independent Contractor.** No Party or any of its officers, employees, agents or representatives is a partner, employee or agent of any other Party for any purpose whatsoever. Rather, each Party is and shall at all times remain an independent contractor. No Party has, nor shall it hold itself out as having, any right, power or authority to create any contract or obligation, either express or implied, on behalf of, in the name of, or binding upon the other Party, unless such other Party shall consent thereto in writing. Each Party shall have the right to appoint and shall be solely responsible for its own employees, agents and representatives, who shall be at such Party's own risk, expense and supervision and shall not have any claim against any other Party for compensation or reimbursement.

**14. Force Majeure.** In the event of war, fire, flood, labor troubles, strike, riot, act of governmental authority, acts of God, or other similar contingencies beyond the reasonable control of either of the Parties interfering with the performance of the obligations of such Party, the obligations so affected shall be deferred to the extent necessitated by such event or contingency without liability, but the Wholesale Agreement shall otherwise

remain unaffected. Notice with full details of any circumstances referenced herein shall be given by the affected Party to the other Party, promptly after its occurrence. The affected Party shall use due diligence, where practicable, to minimize the effects of or end any such event.

**15. Further Actions.** The Parties agree to execute such additional documents and to perform all such other and further acts as may be necessary or desirable to carry out the purposes and intentions of the Wholesaler Agreement.

## **16. Miscellaneous.**

16.1 Entire Agreement. The Wholesaler Agreement contains the entire understanding of the Parties and supersedes all prior agreements and understandings, whether written or oral, between them with respect to the subject matter hereof. Each Party has executed the Wholesaler Agreement without reliance upon any promise, representation or warranty other than those expressly set forth herein.

16.2 Amendment. No amendment of the Wholesaler Agreement shall be effective unless embodied in a written instrument executed by both of the Parties.

16.3 Waiver of Breach. The failure of any Party hereto at any time to enforce any of the provisions of the Wholesaler Agreement shall not be deemed or construed to be a waiver of any such provisions, or in any way to affect the validity of the Wholesaler Agreement or any provisions hereof or the right of any Party to thereafter enforce each and every provision of the Wholesaler Agreement. No waiver of any breach of any of the provisions of the Wholesaler Agreement shall be effective unless set forth in a written instrument executed by the Party against which enforcement of such waiver is sought; and no waiver of any such breach shall be construed or deemed to be a waiver of any other or subsequent breach.

16.4 Assignability. The Wholesaler Agreement shall be assignable by the Company and shall be binding on and inure to the benefit of the Company and its respective heirs, representatives, successors and assigns. Wholesaler shall not have the right to assign its respective rights under the Wholesaler Agreement.

16.5 Governing Law, Arbitration. The Wholesaler Agreement shall be governed by and construed in accordance with the internal laws of the State of California without regard to its own conflict of law principles. The Parties agree that all disputes arising out of or related to the Wholesaler Agreement, whether before or after its termination, shall be resolved by final, mandatory, binding arbitration, utilizing JAMS, in or near the County of San Diego, State of California, with one arbitrator, each Party to pay its own costs and attorney fees, and the costs of the arbitrator and JAMS to be shared equally. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT, WARRANTY, OR TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, MACHINE LIABILITY, OR OTHERWISE, SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY DAMAGES OF ANY KIND WHETHER OR NOT EITHER PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

16.7 Severability. All of the provisions of the Wholesaler Agreement are intended to be distinct and several. If any provision of the Wholesaler Agreement is or is declared to be invalid or unenforceable in any jurisdiction, it shall be ineffective in such jurisdiction only to the extent of such invalidity or unenforceability. Such invalidity or unenforceability shall not affect either the balance of such provision, to the extent it is not invalid or unenforceable, or the remaining provisions hereof, or render invalid or unenforceable such provision in any other jurisdiction.

16.8 Headings. The headings of sections and subsections have been included for convenience only and shall not be considered in interpreting the Wholesaler Agreement.

16.9 Jointly Prepared. The Wholesaler Agreement was jointly prepared and any uncertainty or ambiguity shall not be interpreted against any one Party.

16.10 Full Execution Required; Counterparts; Facsimiles; Scanning. The Wholesaler Agreement shall not become effective unless and until fully executed by all proposed Parties hereto. The Wholesaler Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same agreement. The Wholesaler Agreement may be executed and delivered by electronic facsimile transmission (including scanning) with the same force and effect as if it were executed and delivered by the Parties simultaneously in the presence of one another, and signatures on a facsimile or scanned copy hereof shall be deemed authorized original signatures.

16.10 Non-Disparagement. Contractor shall not, in regard to Innate Hemp Oil, California Jam , Demoss Chiropractic, Dead Chiropractic Society, etc... , or any of their affiliates, employees, officers, affiliates, shareholders, or members (the "Protected Parties"), make any statement in writing, orally or on the internet via, among other things, blogs, message boards and social networks) about the Protected Parties that could reasonably be construed as disparaging or defamatory, or to cast such Protected Parties in a negative light, or harm the Protected Parties current or prospective business plans or advantage. Both Contractor and Company agree that the violation of this section would cause the Company and/or the Protected Parties irreparable harm and that a fair and reasonable penalty for the first such violation of this Section shall be US \$100,000 and the immediate termination of this Agreement. The penalty for any further violations of this Section shall be US \$50,000 per violation.