

Cannabis

Cannabis - Concentrate

Manufacturing

Agreement

(16 Pages)

CULTIVATING - PROCESSING AGREEMENT

Invoice number: _____

Transportation manifest number: _____

This Cultivating – Processing Agreement (the "Agreement") is entered into on this ____ day of November 2019 is an agreement between , Kind Okie Processor Inc., an Oklahoma corporation located at _____ (“KOP” or “Cultivator”) with Oklahoma Medical Marijuana Authority (“OMMA”) License Number _____ and _____, a _____ (“_____” or “Processor”) located at _____ with OMMA License Number _____

PLEASE READ THIS AGREEMENT CAREFULLY. SIGNING THE DOCUMENT CREATES A CONTRACT BETWEEN THE PARTIES THAT ARE AGREEING TO BE BOUND BY THE TERMS OF THIS AGREEMENT AND ALL TERMS AND CONDITIONS INCORPORATED BY REFERENCE IN THIS AGREEMENT.

RECITALS

KOP is a licensed by State of OKLAHOMA and the OMMA to cultivate cannabis.

Processor if licensed by the State of Oklahoma and the OMMA to processes cannabis bio-mass into various forms of cannabis concentrate products, including the following (initial all types below that the Processor has the legal right to manufacture:

____ Crumble	____ Diamonds	____ Distillate
____ Sugar	____ Wax	____ Vape Oil
____ Sause	____ Crude Oil	____ Budder/Badder
____ Shatter	____ Terpenes	____ Other derivative

Processor has the requisite equipment and expertise to process cannabis biomass and product the derived concentrate products that have been initialed in the boxes above. Processor further represented that it currently has adequate security, guard services, inventory storage space, properly trained personnel, remediation equipment and expertise and the ability to deliver the cannabis concentrates manufactured back to KOP (if so requested by KOP) in a form that is fully compliant with the State of Oklahoma Medical Cannabis regulation.

CORE AGREEMENT

Cultivator to supply tested product (Flower, Trim or Kief) to Processor who will:

Create a cannabis derivative and

Or _____ 1) Return _____% of gross product created to KOP.

_____ 2) Package and return _____% of gross product created to KOP.

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CANNABIS DERIVATIVE – CONCENTRATE TO BE MANUFACTURED: Processor intends to create the types of cannabis concentrate products initialed below from the cannabis biomass transferred from KOP to Processor.

Crumble
 Sugar
 Sause
 Shatter

Diamonds
 Wax
 Crude Oil
 Terpenes

Distillate
 Vape Oil
 Budder/Badder
 Other derivative

Type of Input Flower/Leaf/Biomass	Product to be Manufactured	Estimated % Yield FROM	Estimated % Yield FROM	Current Facility Capacity to process cannabis biomass per 24 hour period	Can Deliver in Consumer Ready Package
	Crumble				
	Sugar				
	Sause				
	Shatter				
	Diamonds				
	Wax				
	Crude Oil				
	Terpenes				
	Distillate				
	Vape Oil				
	Budder/Badder				
	Other				

PROCESSOR REPRESENTS GUARANTEES THAT THEY ARE COMPLIANT WITH ALL RULES & REGULATIONS MANDATED BY THE STATE OF OKLAHOMA & THE OMMA

The Processor shall at all times work within the constraints of the OMMA requirements and the State of Oklahoma cannabis regulation and statutes. KOP reserves the right to cancel this agreement at any time if Processor receives a violation from the OMMA. 100% of product and derivative will be owed to KOP regardless of original agreement. Processor agrees to bare any financial loss to KOP for such action. Processor shall forward to KOP all communications Processor receives from OMMA and State of Oklahoma addressing violations of Processor. Any and all such communications received shall be forwarded to KOP within three (3) business days of Processor receiving such communication. Processor shall copy KOP on Processor's response to such communications on the same day that Processor submits its response to OMMA and/or the State of Oklahoma. Such response shall be sent in a PDF format and emailed to KOP.

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The White Label Option. A Processors may re-label, re-package, label, and/or package cannabis products for wholesale or retail sale. KOP reserves the right to review the packaging and ensure all required disclosures are included. KOP can withhold the right of Processor to create a white label product for any reason and KOP has no obligation under the terms of this Agreement to permit Processor to develop and market a white label product. If Processor desires to create a white label product it shall submit the request in writing to KOP. KOP has five (5) business days to provide permission in writing to allow Processor to create a white label product. If written permission is not supplied within five working days then KOP has denied Processor's request to create a white label product. If permission is granted by KOP to Processor to create a white label product, both KOP and Processor shall agree on the highest quantity of cannabis biomass provided by KOP to Processor that can be used by processor to create a white label product. Further, KOP and Processor shall agree on the minimum wholesale price that the white label product can be sold at in order that KOP's branded products will not be undercut in price.

Manufacturing processes. Processes agrees to make available to KOP the exact manufacturing processes or Statement of Operating Procedures ("SOPs") of Processor's processes. Such information shall be made available to KOP at any time. Processor represents that the documented and submitted practices will be solely utilized and any deviation has to be approved by KOP. A KOP authorized representative shall have the right to visit and observe the manufacturing processes in action and the yields being obtained by Processor for the cannabis derivative and concentrate products being produced by Processor.

Transportation. All transportation of product should be but not limited to, performance standards for the generation of correct and accurate shipping manifests required by OMMA and the State of Oklahoma, as well as ensuring that Processor follows the rules for the state's designated cannabis transportation requirements. Processor and its selected transporter bear the risk of loss of product. The Processor bears all expense for transporting product, including loss of product from theft or confiscation.

Coordinating Third Party Testing. Processor is responsible for lining up third party lab testing of all products made or processed. The labs used by the Processor for this service is subject to negotiation between the KOP and Processor. The cost for testing the cannabis biomass before legal title is transferred by KOP to the Processor, is the responsibility of the KOP. The cost to test the cannabis concentrate/derivative products manufactured by the Processor is the sole and exclusive expense of the Processor. If Processor submits test samples to a testing laboratory and the samples fail to pass the required test, Processor shall immediately inform cultivator of the following:

1. Batch of cannabis biomass the cannabis derivative/concentrate product was manufactured from.
2. The type of Input Flower/Leaf biomass used.
3. The name of the lab testing the product
4. The date of the test

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5. A copy of the test results to be delivered in a PDF format
6. The amount/weight of cannabis derivative/concentrate product in batch that failed testing.
7. Written actions to be taken by Processor to remediate the batch of cannabis derivative/concentrate product that failed testing.
8. Written procedures and changes proposed by Processor in manufacturing processes to be utilized by Processor on future batches to eliminate potential causes in the cannabis derivative/manufactured product failing lab testing.

Processor shall be solely responsible to remediate the cannabis derivative and concentrate product at the Processor's sole expense. Furthermore, if the batch is to be destroyed that amount will be subtracted from the processors portion of the agreed split in the "core agreement" of this document.

Security. Processor agrees to have 24 hour on-site security. KOP reserves the right to cancel this agreement if deficiencies in security measures have not been rectified to secure the cannabis biomass and the manufactured cannabis derivative and concentrate products. KOP shall be provided access to the security cameras and on-line access to the security system, if requested in writing by KOP. Processor agrees to implement within five (5) working days all enhancements to Processor's security systems, protocols, security staffing and other enhancements KOP may request. Such requests for enhanced or increased security shall be made in writing or sent by email from KOP to Processor. If Processor fails to implement the requests as detailed in writing by KOP, KOP has the right to (i) terminate this Agreement, (ii) retrieve all cannabis biomass that has not been processed by Processor into cannabis derivatives and cannabis concentrates and (ii) retrieve all cannabis derivative and concentrate products that have been manufactured and packaged that used cannabis biomass from KOP. If this Agreement is terminated, Processor agrees to provide KOP within 24 hours a detailed list of all (i) cannabis biomass, (ii) cannabis derivative product and cannabis concentrate product made from cannabis biomass provided by KOP to Processor.

Sale of Products Shall be Recorded on Separate and Distinct Invoices – All sales by Processor of cannabis biomass, flower, shake, derivative products and cannabis concentrates sold using original source material consisting of, either whole or in part, cannabis biomass received by Processor from KOP shall be sold in separate and distinct invoices from all other products sold by Processor. The invoice shall have a code and sort field using the three initials KOP in order that all products sold by Processor utilizing KOP cannabis biomass can be easily identified, printed and retrieved as both a PDF and downloadable format. Processor shall supply KOP with copies of all invoices that reflect sales of product (whether banded KOP products or the Processors White Labeled products) that used cannabis biomass received by Processor from KOP. Processor's failure to provide such invoices to KOP in a timely manner (with 5 working days of the invoice date) shall be considered a material breach of this Agreement and is grounds for KOP to terminate this Agreement.

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Mold or Other Degradation Issues. Processor shall store the product properly and according to OMMA requirements and standard and reasonable cannabis industry standards. The stored cannabis shall be shielded from sunlight and artificial light and stored at temperatures between 50 degrees and 65 degree Fahrenheit if the Processor does not have cold storage and has dried and cured the cannabis biomass received from KOP. Possessor assumes all risk involved in storing and preserving cannabis product while in their possession including the development of mold, the cannabis biomass becoming dried out, unaccounted decreases in inventory, loss of product due to theft, negligent product runs, concentrate products that fail to pass testing, all remediation costs to clean derivative and concentrate products and batches that fail testing. Such costs also include all costs of any kind or nature, as a result of product ordered to be recalled by either (i) Processor, (ii) KOP, (iii) the State of Oklahoma and its agencies, including but not limited to OMMA and (iv) the United State of America including its agencies such as the United States Food and Drug Administration.

Inventory Tracking. Processor shall track all product properly and according to OMMA requirements. Processor shall make available within a 24 hour period a list of inventory on hand of cannabis biomass received from KOP, either in unprocessed form, bucked and trimmed form, pre-derivative or processed cannabis, processed derivative and concentrate cannabis products, or waiting to be processed. If there's any difference between actual inventory and the state's track and trace system, the processor should immediately undertake an audit and resolve the issue and inform KOP at the same time as Processor is required to inform OMMA and the State of Oklahoma. Processor shall further prepare and submit to KOP any and all kinds of types of sale of product derived or utilizing KOP cannabis biomass that KOP has provided to Processor, with backup invoices and the balance outstanding on each invoice and historical collections on each invoice. KOP has the right to perform a physical inventory at any time without notice and interference. Processor shall include wording in its terms of credit it may supply to customers (with all credit sales and terms to be subject to prior approval in writing by KOP) that also names KOP as a party in interest. KOP has the right to collect on all overdue invoices and has the right to file suit to collect on such unpaid credit balances that a customer may owe to Processor.

Liquidated Damages. The Parties agree that it would be impracticable to determine accurately the extent of the loss, damage and expenditure that either Party will have as a result of (i) inventory shrinkage, (ii) confiscation of cannabis inventory, (iii) theft of cannabis inventory, (iv) required destruction of inventory or (v) loss of potency of cannabis biomass. Accordingly, the Parties have estimated and agreed in advance that the sole Processor liability to KOP shall be:

1. \$400 time 100% of the pounds of dried cannabis biomass.
2. \$400 times 25% of the pounds of wet and frozen cannabis biomass.
3. The number of grams of cannabis derivative and concentrate products divided by 14% with the resultant number divided by 454 (the number of grams in a pound) then multiplied by \$400.

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4. The three calculations above are agreed by KOP and Processor to represent a genuine pre-estimate by the Parties as to the loss or damage likely to be suffered by KOP. Both KOP and Processor waives any right to claim or assert, in any arbitration or suit filed in a court of law damages in excess of the amounts calculated above as related to (i) to (iv) above.

Indemnification clause. For product received, Processor agrees to indemnify and save harmless KOP and its successors and assigns from any claim, action, liability, loss, damage or suit arising from the cannabis biomass transferred to Processor after the transfer takes place. Processor shall at its own expense defend, protect and save harmless KOP against said claim or any loss or liability resulting therefrom.

State of Oklahoma Licensing. All Parties agree to keep their OMMA license(s) current. In the case Processor fails to renew its OMMA license this contract shall be terminated and all product returned to the KOP or transferred within five working days to KOP's new possessor of choice at the Processor's expense.

Regulatory changes. The rules in Oklahoma will continue to change indefinitely and they may (and likely will) affect this Agreement. KOP reserves the right to amend this Agreement for KOP and Processor to be able to continue to comply with the OMMA rules and regulations and the State of Oklahoma rules and regulations in the event such future changes affect any term in the agreement. Processor understands and agrees that the State of Oklahoma will be selecting a track and trace system during the first quarter of 2020 and that Oklahoma's OMMA cannabis licenses will be required to comply with such new rules and regulations that will be issued. Processor will have installed an adequate, tested and compliant system by the date OMMA and the State of Oklahoma require such track and trace system to be installed. Failure of Processor to have a track and trace system installed by the required due date shall be considered a material breach of this Agreement. KOP has the right to terminate this Agreement if Processor fails to comply with this major requirement of OMMA and the State of Oklahoma.

Sales, Marketing, Advertising, and Sales Data and Information Rights. KOP reserves the right to have specific conditions and requirements to be complied with regarding the sale of (i) KOP branded products, (ii) 3rd party white labeled products and/or (iii) white labeled products that Processor may produce. Such conditions and requirements include, but are not limited to:

1. wholesale price, pricing to dispensaries;
2. white label pricing;
3. product placement;
4. allowed Oklahoma counties and territories product can be sold;
5. prominence and store/dispensary selection;

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6. allowed dispensary customers;
7. minimum pricing to ensure KOP's branded products are not undercut by Processor's white labeled products;
8. minimum sales price by product and by quantity; and
9. providing credit terms to Processor's current and future clients, including sales and the payment terms.

Processor shall be allowed access to information relative to sales performance on wholesale products if Processor sells and distributes products on behalf of KOP. KOP shall receive a bi-weekly report from Processor and Processor is granting to KOP information rights relative to the data of how products are performing in the marketplace compared to Processor's white labeled products and products sold and distributed by Processor's competition, if such data is available.

Allocation and Splitting of Gross Revenue From the Sale of Cannabis Derivative and Concentrate Products – The Parties shall agree on the pricing of the cannabis derivative and concentrate products produced from the cannabis biomass provided by KOP to Processor. The Parties understand and agree that the pricing may fluctuate based on many factors including but not limited to:

1. Yield of product from the cannabis biomass.
2. Yield per strain of the cannabis biomass.
3. Yield per type of cannabis derivative and concentrate product produced.
4. Changing market forces that will determine what customers are willing to pay.
5. Whether credit terms are offered and the ability to collect on product that is sold on credit.
6. Agreed credit terms to potential customers.
7. Loss of product due to mold, inventory shrinkage or other factors that result in a loss of cannabis biomass and finished cannabis derivative and concentrate products.
8. Effective and efficient manufacturing processes and the actual costs to produce/manufacture and package the cannabis derivative and concentrate products.
9. Changing Oklahoma and Federal regulations that may affect the quality control protocols that have to be implemented to continue to produce cannabis derivative and concentrate products, including the installation of a sophisticated track and trace system.

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10. Packaging requirements, including machinery and personnel to comply with Oklahoma and Federal regulations and statutes.

The Parties agree they need to cooperate and have open and frank channel of communication to understand factors and costs that can result in an increase or decrease in the yield of cannabis derivative and concentrate products from the cannabis biomass. As a result of such requirement and cooperation, Processor shall timely respond to KOP's requests for manufacturing data including but not limited to:

1. Yield of cannabis derivative and concentrate product per pound of biomass.
2. Yield of usable cannabis biomass per plant by strain and per pound of harvested cannabis biomass.
3. Manufacturing costs per gram of cannabis derivative and concentrate produced including but not limited to:
 - a. Quantity in weight of cannabis biomass used to produce a gram of cannabis derivative and concentrate product.
 - b. Yield based on the THC percentage of the cannabis biomass used.
 - c. Direct Labor
 - d. Indirect Labor.
 - e. Chemical cost per gram of cannabis derivative and concentrate product produced.
 - f. Cost of packaging including boxes, labeling and printing, container boxes, printing, packager design costs, cost per vape cartridges, costs per container for various forms of derivative and concentrate packages, cost of lab testing and other manufacturing costs.
 - g. Loss percentage cannabis derivative and concentrate product as a result of packaging.
 - h. Remediation costs if required.
 - i. Destroyed product as a result of failure to pass lab testing.

The allocation and splitting of gross revenue shall be based on Gross Revenue from the sale of the manufactured and produced cannabis derivative products. Gross Revenue shall not include delivery charges or sales tax collected from the customers. In order for Processor to exclude delivery charges and sales tax from Gross Revenue, such charges have to be clearly broken demarked and be separate line items on the invoice provided to the customer. The allocation and splitting of Gross Revenue shall be ___% to KOP and ___% to Processor. The agreed upon

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allocation and splitting of gross revenue is not (i) in consideration of any cultivation costs and processing costs incurred on the part of KOP to deliver the biomass to Processor or (ii) processing costs incurred by Processor, including but not limited to manufacturing, testing, remediation, and labeling and packaging, storing and delivery costs. The allocation and splitting of Gross Revenue It is based on Gross Revenue when the product is sold.

Pricing. KOP reserves the right to set minimum price points when Processor is selling product on KOP's behalf to dispensaries or resold on a whole basis, what credit terms are extended and to whom.

Credit Terms Extended to Customers. If KOP and Processor both agree in writing, including confirmation via email, to extend credit to a customer and the customer does not remit the amounts due and owing, Processor shall incur all costs and expenses of collection, up to and including taking legal action as allowed under Oklahoma law. If KOP and Processor agree to extend credit to a customer, then the credit terms and language shall first be approved by KOP and such language is to be included on every invoice given to the customer. If Processor extends credit to a customer without written permission from KOP and the customer fails to pay the Processor, then KOP is entitled to its portion of the revenue allocation and splitting as if the customer had paid the invoice. Any customer that has been unilaterally provided credit by Processing and outstanding invoices are past 60 days due, then the revenue allocation and splitting amount KOP is entitled to shall become immediate due and payable to KOP from the Processor.

Payment Terms. In the event Kind Okie extends credit to the Processor by taking a revenue allocation and split instead of a getting payment up front, and if credit is then extended by Processor (whether such credit is approved by KOP in writing or unilaterally extended by Processor without KOP's written permission) to dispensaries or wholesalers, then Processor shall provide a sales and accounts receivable report every two weeks or upon KOP's written request. KOP is granted full rights to audit the sales and accounts receivable reports and to be an additional Party collect the unpaid balances from the OMMA licenses that owe the outstanding accounts receivable balances.

Payments by Processor to KOP for KOP's share of the gross revenue allocation and splitting shall be made by Process on a bi-weekly bases to KOP. The first payment shall take place no more than 30 days from the time the cannabis biomass is transferred from KOP to Processor. KOP the right to cancel this Agreement at any time after the first 30 days if such required payments are not received by KOP.

Product Reps and Warranties. Processor agrees to handle all production of the cannabis derivative and concentrate products in accordance with best practices. In the event of a recall of cannabis derivative and concentrate products produced from cannabis biomass received by Processor from KOP, Processor is solely responsible for any recall involving product(s) Processor created using cannabis biomass KOP provided to Processor. In the event the Processor is not able to perform the recall of such product(s), and there is a resulting loss to Gross Revenue, the amount of loss will be 100% incurred by the Processor and KOP shall still be entitled to its allocation and

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splitting of gross revenue. Processor understands and agrees there is a value to the product to be retrieved.

Warranty and Limitation of Liability. KOP warrants that: (i) it has all necessary rights and authority to enter into and perform this Agreement. Processor's sole and exclusive remedy for a breach of this warranty being the replacement of the defective cannabis biomass. Processor's use of the cannabis biomass in its original form, modified or converted from cannabis biomass to cannabis derivative and concentrate products, and when used in accordance with this Agreement, will not infringe on any copyright, moral right, trademark or other intellectual property right and will not violate any right of privacy or right of publicity.

KOP MAKES NO WARRANTIES, EXPRESS OR IMPLIED, REGARDING CANNABIS BIOMASS SUPPLIED TO PROCESSOR, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. KOP SHALL NOT BE LIABLE TO PROCESSOR OR ANY OTHER PERSON OR ENTITY FOR ANY GENERAL, PUNITIVE, SPECIAL, INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES, OR LOST PROFITS OR ANY OTHER DAMAGES, COSTS OR LOSSES ARISING OUT OF PROCESSOR'S USE OF THE CANNABIS BIOMASS SUPPLIED BY KOP TO PROCESSOR, EVEN IF KOP HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, COSTS OR LOSSES. KOP'S MAXIMUM LIABILITY ARISING OUT OF OR IN CONNECTION WITH PROCESSOR'S USE OF OR INABILITY TO USE THE CANNABIS BIOMASS (WHETHER IN CONTRACT, TORT OR OTHERWISE) SHALL, TO THE EXTENT PERMITTED BY LAW, BE LIMITED TO THE AMOUNT OF THE INVOICE PAID BY THE PROCESSOR FOR THE BIOMASS THAT IS UNUSABLE.

THE REPRESENTATIONS AND WARRANTIES MADE BY KOP IN THIS AGREEMENT APPLY ONLY TO THE CANANBIS BIOMASS MATEIRAL DELIVERED BY KOP TO PROCESSOR AND WILL BE INVALID IF THE CANNABIS BIOMASS IS USED BY PROCESSOR IN ANY MANNER NOT SPECIFICALLY AUTHORIZED IN THIS AGREEMENT AND THE PARTIES CAN NOT RESOLVE WITHIN 30 DAYS THE UNAUTHORIZED USE OF THE CANANBIS BIOMASS MATERIAL.

If Processor's use of the cannabis biomass material is not authorized by this Agreement, Processor shall defend, indemnify and hold KOP, its subsidiaries and affiliates, and their respective officers, directors and employees harmless from all damages, liabilities and expenses (including reasonable attorneys' fees and costs), arising out of or connected with any actual or threatened lawsuit, claim or legal proceeding relating to the use of such cannabis biomass material by Processor, to the extent that such claim relates to the absence of a release or the Processor's unauthorized use of the cannabis biomass material.

Notice of Indemnification. The party seeking indemnification shall promptly notify the other party of such claim within thirty (30) days of such claim for identification shall arise. Indemnifying party will not be liable for legal fees and other costs incurred prior to the other party giving notice

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of the claim for which indemnity is sought.

Termination of Agreement. This Agreement may be terminated by KOP at its option and without prejudice to any other remedy to which it may be entitled at law, in equity, or otherwise under this Agreement, in the following circumstances and in the manners indicated:

- i. Immediately upon notice from KOP to Processor, if Processor is adjudicated a voluntary or involuntary bankrupt;
- ii. Immediately upon notice from KOP to Processor, if Processor allows any money judgement against it to remain unsatisfied for a period of 60 days or longer; or
- iii. Immediately upon notice from KOP, if Processor becomes insolvent or has a receiver of its assets or property appointed;
- iv. Immediately upon notice from KOP to Processor, if Processor makes an assignment for the benefit or creditors.
- v. Immediately upon notice from KOP to Processor, if Processor institutes or suffers to be instituted any proceeding for a re-organization or a rearrangement of its affairs;
- vi. Upon 30 day's written notice and demand to cure from KOP to Processor, if Processor is in default in the performance of its obligations under the terms of this Agreement.

Miscellaneous Terms.

Unauthorized Use. If any of the cannabis biomass is used in a manner not expressly authorized by this Agreement or in breach of a term of this Agreement, KOP can exercise all rights and remedies available to it under laws, rules and regulations of the State of Oklahoma. Processor shall be responsible for any awarded damages resulting from use of the cannabis biomass in a manner not expressly authorized by this Agreement or in breach of a term of this Agreement.

Notices. All notices and other communications under or in connection with this Agreement shall be in writing and shall be deemed given (a) if delivered personally (including by overnight express or messenger), upon delivery, (b) if delivered by registered or certified mail (return receipt requested), upon the earlier of actual delivery or three days after being mailed, or (c) if given by telecopy, upon confirmation of transmission by telecopy provided a confirming copy of such notice was also mailed, in each case to the parties at the following addresses or to such other address or telecopy number as shall be specified in writing by the intended recipient of such notice:

If to KIND OKIE PROCESSOR INC.
KIND OKIE PROCESSOR INC.

Attention: Fred Lydick

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Cell: (405) 761-2962
Fax: (405) 509-6628
Email: Fred@livinginvestment.com

If to PROCESSOR:

Attention: _____

Cell

Telecopier: _____

Email: _____

Unless otherwise stated, all notices, requests, consents, claims, demands, waivers, and other communications called for under this Agreement must be in writing and will be deemed to have been given:

1. when delivered by hand (with written confirmation of receipt);
2. when received by the addressee if send by a nationally recognized overnight courier (receipt requested);
3. on the date sent by facsimile or email as a PDF document (with confirmation of transmission) if sent during recipient's normal business hours, and on the next business day if sent after normal business hours of the recipient; or
4. on the fifth day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid.

If notice is required to be given to a minor or incapacitated individual, notice must be given to the minor or incapacitated individual's parent or Legal Representative. The written notice must be sent to the respective parties at the party's last known address (or at the address a party has specified in a notice given in accordance with this Section). Each Party shall notify the other Party in writing within five (5) days of any change to the Party's address.

Governing Law. This Agreement will be governed in all respects solely by the laws of the State of Oklahoma without reference to its laws relating to conflicts of law. Any disputes arising from this Agreement or its enforceability shall be settled by binding arbitration to be held solely in Oklahoma County, Oklahoma. The United Nations Convention on Contracts for the International Sale of Goods does not govern this Agreement.

Binding Arbitration. Any and all claims and disputes arising out of this Agreement shall be settled solely and exclusively by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules. The number of arbitrators shall be one. The place of arbitration shall be Oklahoma City, Oklahoma. Oklahoma State law shall solely and exclusively apply. Judgment on the award rendered by the arbitrator may be entered in any Oklahoma State

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court having jurisdiction over the matter. The demand for arbitration shall be made within a reasonable time after the claim, dispute or other matter in question has arisen, and in no event shall it be made after two years from when the aggrieved party knew or should have known of the claim, dispute or other matter. This agreement to arbitrate shall be specifically enforceable, and a party may apply to any court with jurisdiction for any available relief, including without limitation interim or conservatory relief and/or a proceeding to compel arbitration. If the parties are not able to agree upon the selection of an arbitrator, within twenty (20) days of commencement of an arbitration proceeding by service of a demand for arbitration, the arbitrator shall be selected by the American Arbitration Association in accordance with the terms of this Agreement. The arbitrator shall have ten years of experience in complex commercial disputes, and shall have served as an arbitrator at least three times prior to their service as an arbitrator in this arbitration. The arbitration shall be conducted in accordance with the then-effective Commercial Rules of the American Arbitration Association. Any arbitration conducted under this Section must be commenced within sixty (60) days from the date the arbitrator is appointed, barring extraordinary circumstances. The arbitrator may extend this time limit in the interests of justice or at the request of both parties, and failure to adhere to this time limit shall not constitute a basis for challenging the award. The arbitrator shall award interest from the time of the claim to the time of the award at the applicable Oklahoma prejudgment interest rate. The cost of the arbitration proceeding and any proceeding in court to confirm or vacate any arbitration award, as applicable (including, without limitation, reasonable attorneys' fees and costs), shall be borne by the unsuccessful party, as determined by the arbitrator(s), and shall be awarded as part of the arbitrator's award. It is specifically understood and agreed that any party may enforce any award rendered under this Section by bringing suit in any court of competent jurisdiction. This Section shall survive the termination or cancellation of this Agreement. Each party shall pay its own proportionate share of arbitrator fees and expenses, plus the fees and expenses of the arbitrator, and the arbitration fees and expenses of the American Arbitration Association. The arbitrator shall be entitled to award the foregoing arbitration and administrative fees and expenses as damages in their discretion.

Waiver of Jury Trial - Each Party to this Agreement acknowledges and agrees that any controversy arising out of this Agreement is likely to involve complicated issues. Therefore, each Party irrevocably and unconditionally waives any right it may have to a trial by jury for any cause of action arising out of this Agreement.

Equitable Remedies - Each Party to this Agreement acknowledges that its breach or threatened breach of any of its obligations under this Agreement would give rise to irreparable harm to the other parties and monetary damages would not be an adequate remedy. Therefore, each Party to this Agreement agrees that if any Party breaches or threatens to breach any of its obligations, each of the other Parties to this Agreement will be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance, and any other equitable relief available from a court of competent jurisdiction solely in the State of Oklahoma (without any requirement to post bond). These equitable remedies are in addition to all other rights and remedies that may be available in respect of the breach.

Attorneys' Fees - If any Party to this Agreement institutes any legal cause of action--including arbitration--against another Party arising out of or relating to this Agreement, the prevailing Party

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will be entitled to the costs incurred in conducting the cause of action, including reasonable attorneys' fees and expenses and court costs.

Remedies Cumulative - Except to the extent this Agreement expressly provides otherwise, the rights and remedies under this Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies available at law, in equity, or otherwise.

Severability. Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present or future statute, law, ordinance, or regulation contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the provision of this Agreement thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law. In the event that any part, article, paragraph, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision shall be deemed deleted, and the remaining part of the Agreement shall continue in full force and effect. If any tribunal or court of competent jurisdiction deems any provision hereof unenforceable, such provision shall be modified only to the extent necessary to render it enforceable and this Agreement shall be valid and enforceable and the parties hereto agree to be bound by and perform same as thus modified.

Assignment. This Agreement shall not be assigned by either Party without the prior written consent of the other Party.

Waiver. No action of KOP or Processor, other than express written waiver, may be construed as a waiver of any provision of this Agreement. A delay by KOP or Processor in the exercise of any of its rights or remedies at any time will not operate as a bar or waiver of its rights or remedies at any other time.

Entire Agreement. This Agreement contains all the terms of the license agreement and no terms or conditions may be added or deleted unless made in writing and signed by an authorized representative of both parties. In the event of any inconsistency between the terms contained herein and the terms contained on any purchase order or other communication sent by KOP, the terms of this Agreement shall govern, except if such modified terms as contained on such submitted purchase orders are confirmed in writing by KOP.

[SIGNATURES ON THE NEXT PAGE]

CULTIVATING - PROCESSING AGREEMENT

KIND OKIE PROCESSOR INC.:

By: Fred Lydick
Its: President and authorized Representative

Date

PROCESSOR (ENTER THE NAME):

By: _____
Its: President and authorized Representative

Date