

Deal memo

Volume - tens of lbs of fresh crops with adjustable delivery cadence.

Pricing – Stabilized pricing up front, no surprises

Trial run - Do a good job on a trial run and get the buyers approval

Deposit - Buyer pays the farm a deposit to make sure things run smooth

Term – Entirety of season.

Braxton Wilshire Group CCLAAS
ALLOCATION SUPPLY AGREEMENT – COMMON

This Allocation Supply Agreement (the “Agreement”) is entered into as of [e.g., 02/04/2026] (the “Effective Date”), by and between:

1. **Buyer:**

[Full Legal Name of Buyer Entity, e.g., Fresh Herb Distributors LLC]
, a
[state of formation, e.g., Delaware]
[limited liability company]
, with its principal place of business at
[Buyer Address]
 (“Buyer”); and

2. **Supplier:**

[Full Name of Individual or Entity]
, residing or operating at
[Supplier's Residential or Growing Address, e.g., home address or garden location]
 (“Supplier” or “Grower”). (Collectively, the “Parties,” and each a “Party.”)

Recitals

WHEREAS, Buyer desires to secure a committed allocation of fresh and/or dried [Product, e.g., lovage (*Levisticum officinale*)] for culinary, foodservice, or retail use;

WHEREAS, Supplier grows [Product, e.g., lovage as a perennial herb] and agrees to supply product in accordance with the volume, quality, and delivery cadence defined herein;

WHEREAS, the Parties agree to a structured trial period to validate product quality prior to full commitment, with an incentive for successful execution;

WHEREAS, the Parties wish to establish a stable, renewable supply relationship for this produce;

NOW, THEREFORE, in consideration of the mutual promises herein, the Parties agree as follows:

1. Allocation Definition

1.1 Product:

[e.g., fresh lovage leaves and stems, and/or dried lovage leaves (whole or cut)]
, harvested from organically/sustainably grown plants.

1.2 Volume Band:

[e.g., 50-100 pounds fresh weight per month during peak season (May-October); 20-40 pounds dried equivalent in off-season if available]

.

1.3 Cadence / Delivery Schedule:

[e.g., bi-weekly deliveries during growing season; monthly or as-available in winter from stored/dried stock]

. First delivery targeted for

[e.g., 05/15/2026]

.

1.4 Quality Specifications: Product shall be clean, free of visible damage/disease, properly trimmed, and meet general Good Agricultural Practices (GAP). Fresh: vibrant green, aromatic, no wilting >10%. Dried: properly dehydrated, moisture <10%, no mold/insects.

1.5 Term: Initial term of

[e.g., 6 months]

from first delivery, automatically renewable for successive

[e.g., 2 month]

periods unless either Party provides written notice of non-renewal at least

[60]

days prior to expiration.

2. Validation Clause

2.1 Supplier shall provide an initial trial shipment of

[e.g., 10-20 pounds fresh]

for Buyer evaluation.

2.2 Buyer shall have

[e.g., 5 business days]

from receipt to inspect and accept or reject based on appearance, aroma, and flavor consistency

with typical profile
[e.g., lovage (strong celery-like, aromatic)]

2.3 Written acceptance required before scaling to full volume band. Rejected trial may be replaced once at Supplier's cost or allow adjustment/termination.

2A. Trial Period and Execution Bonus

2A.1 Mandatory Trial Period: Prior to commencing full-scale deliveries under the Allocation Definition in Section 1, Supplier shall provide Buyer with a trial batch (the "Trial Batch") of [e.g., 5-10 pounds]

of

[fresh]

[lovage]

harvested and prepared in accordance with the Quality Specifications in Section 1.4.

2A.2 Inspection and Approval: Buyer shall inspect the Trial Batch upon receipt and have [e.g., 5-7 business days]

(the "Trial Period") to evaluate it based on the following standards:

- Visual appearance:

[e.g., Vibrant green color, no excessive wilting, damage, pests, or disease.]

- Aroma and flavor:

[e.g., Strong, characteristic celery-like aroma and taste typical of high-quality lovage, with no off-flavors.]

- Cleanliness and preparation:

[e.g., Properly trimmed, free of debris, soil, or contaminants; suitable for culinary use.]

- General compliance:

[e.g., Meets home growing best practices and is safe for intended foodservice/retail applications.]

Buyer shall notify Supplier and Braxton Wilshire Group in writing of acceptance or rejection, providing specific reasons for any rejection.

2A.3 Rejection and Remedies: If Buyer rejects the Trial Batch, Supplier may, at its option and expense, provide one replacement Trial Batch within

[e.g., 14 days]

. If the replacement is also rejected or no replacement is provided, either Party may terminate this Agreement without further obligation (except for any prior deposits or payments due). In such case, no Execution Bonus shall be payable.

2A.4 Approval and Execution Bonus: If Buyer accepts the Trial Batch in writing (or if Buyer fails to provide rejection notice within the Trial Period, acceptance shall be deemed given), the trial period shall be deemed successfully completed. Upon such approval:

- The Parties shall proceed to full allocation deliveries per Section 1.
- Buyer shall pay to Braxton Wilshire Group (the intermediary facilitating this Agreement) a one-time Execution Bonus of

[e.g., \$X.XX or X% of initial deposit value]

within

[e.g., 10 business days]

of written approval notice.

- The Execution Bonus serves as an incentive for successful validation and commitment to the ongoing supply relationship.

2A.5 Payment of Bonus: The Execution Bonus shall be paid via

[wire transfer / ACH / other method]

to the account designated by Braxton Wilshire Group. This payment is separate from direct payments to Supplier for product deliveries (per Section 3) and any deposits.

2A.6 No Warranty on Trial: Acceptance of the Trial Batch does not constitute a warranty of future batches; each delivery remains subject to the quality standards and remedies in Section 5.

3. Pricing and Payment Flow

3.1 Price:

[e.g., \$X.XX per pound fresh; \$Y.YY per pound dried]

, fixed for initial term unless adjusted by mutual written agreement (e.g., due to input cost changes >10%).

3.2 Deposits: Buyer may pay Supplier a

[e.g., 30%]

deposit upon execution to support early-season growing needs.

3.3 Payment: Buyer pays Supplier directly upon
[e.g., receipt and acceptance / net 30 days from invoice]
. Payments in USD via
[wire/ACH/check]

3.4 Any separate brokerage or facilitation fees (if a third-party broker is involved) shall be invoiced separately and not affect direct farm payment.

3.2A Deposit Protection and Refund

3.2A.1 Purpose and Holding: Any Deposit paid by Buyer under Section 3.2 shall be held by Supplier as security for Supplier's performance, including completion of the Trial Batch and commencement of deliveries.

3.2A.2 Refund Conditions: The Deposit (or any unapplied portion) shall be promptly refunded to Buyer, less any lawful deductions for actual damages caused by Buyer's breach, in the following events:

- Buyer rejects the Trial Batch and no acceptable replacement is provided (per Section 2A.3).
- Supplier fails to deliver a Trial Batch within

[e.g., 30 days]

of the agreed timeline without valid excuse.

- The Agreement is terminated due to Supplier's material breach (per Section 5) before any deliveries occur.
- Mutual agreement to terminate prior to full performance.

3.2A.3 Forfeiture / Application: The Deposit (or portion thereof) may be forfeited to Supplier or applied against future deliveries if:

- Buyer accepts the Trial Batch and full allocation proceeds (Deposit credited toward first invoice or retained as prepayment).
- Supplier incurs verifiable out-of-pocket growing costs due to Buyer's wrongful cancellation after trial approval.

3.2A.4 No Interest: Unless otherwise agreed, Deposits shall not bear interest.

3.2A.5 Proof and Accounting: Upon request, the holder (Supplier or Broker) shall provide an accounting of Deposit use/refund within

[e.g., 10 business days]

. This keeps the payment flow direct/simple (no mandatory escrow), but adds protection similar to refundable deposit clauses in supply/service contracts. It protects the Buyer from losing money on failed starts while motivating Supplier performance.

3.2B Monthly Retainer Fee

3.2B.1 Retainer Obligation: During the active Term of this Agreement (including any renewal periods) and while the Allocation remains in effect (i.e., deliveries are occurring or anticipated in accordance with the Cadence set forth in Section 1.3), Buyer shall pay to Braxton Wilshire Group a monthly retainer fee of [Monthly Retainer Amount] (the “Monthly Retainer”).

3.2B.2 Purpose: The Monthly Retainer compensates Braxton Wilshire Group for its ongoing facilitation and support services, which include, but are not limited to:

- Sourcing, vetting, and matching Suppliers/growers to Buyer needs;
- Coordinating and overseeing the allocation relationship, including trial periods and quality validations;
- Managing communications, delivery scheduling, and adjustments;
- Providing supply chain oversight, dispute resolution assistance, and general relationship management.

3.2B.3 Payment Terms: Braxton Wilshire Group shall invoice Buyer for the Monthly Retainer on the

[Retainer Invoice Day]

of each calendar month. Buyer shall pay each invoice within

[Retainer Payment Terms Days]

days via

[wire transfer / ACH / other agreed method]

- The first Monthly Retainer shall become due upon the later of: (i) execution of this Agreement, or (ii) successful approval of the Trial Batch pursuant to Section 2A.
- No Monthly Retainer shall be due or payable during any period in which the Allocation is paused or suspended due to Supplier shortfall (as described in Section 5.2) or by mutual agreement.

3.2B.4 Proration and Adjustments: The Monthly Retainer shall be prorated for any partial calendar month at the beginning or end of the active arrangement. Braxton Wilshire Group may propose reasonable adjustments to the Monthly Retainer amount upon

[30 / 60]

days’ prior written notice in the event of material changes to the scope of services, allocation volume, or other relevant factors, subject to Buyer’s written consent (which shall not be unreasonably withheld).

3.2B.5 Separate from Other Payments: The Monthly Retainer is independent of and in addition to:

- Direct payments from Buyer to Supplier for delivered Product (per Section 3.3);
- Any Deposit paid under Section 3.2;
- The one-time Execution Bonus payable upon successful Trial Batch approval (per Section 2A.4);
- Any other fees or charges separately invoiced.

3.2B.6 Termination of Retainer Obligation: Upon termination or non-renewal of this Agreement, the Monthly Retainer obligation shall cease after the final active month (or prorated portion thereof). Any prepaid Monthly Retainer amounts attributable to periods after termination shall be refunded or credited to Buyer within [e.g., 15] business days.

3A. Pricing

3A.1 Stabilized Pricing

The price for the Product (fresh and/or dried) shall be fixed and stabilized as set forth below, agreed upon by the Parties prior to execution of this Agreement or upon successful Trial Batch approval (whichever occurs later). The intent is to provide price predictability for both Buyer and Supplier throughout the initial Term, subject to limited adjustments as provided herein.

3A.2 Fixed Base Price

- Fresh

[Lovage]

[Fresh Price per Pound]

USD per pound (trimmed and ready for culinary use).

- Dried:

[Dried Price per Pound]

USD per pound (properly dehydrated, whole or cut, moisture content <10%).

These prices shall remain fixed for the initial Term of

[e.g., 12 / 24]

months from the date of first delivery, unless adjusted pursuant to Section

3A.3 or by mutual written agreement. 3A.3 Price Adjustment Mechanisms

The fixed prices may be adjusted only under the following limited circumstances, to maintain overall price stabilization while accounting for extraordinary changes: a. Mutual Agreement: The Parties may agree in writing to revise prices at any time (e.g., due to changes in volume band,

quality specifications, or market conditions). b. Cost Escalation (Optional/Limited): If Supplier experiences verifiable increases in production costs (e.g., seeds, labor, water, fuel, or other direct inputs) exceeding

[e.g., 10–15%]

from the baseline costs documented at execution, Supplier may request a price adjustment. Such request must:

- Be submitted in writing at least

[e.g., 60]

days prior to the proposed effective date;

- Include detailed supporting documentation (e.g., invoices, cost breakdowns);

- Be limited to pass-through of the actual increase (no additional profit margin);

- Be approved by Buyer in writing (approval not to be unreasonably withheld). Adjustments shall not exceed the documented cost increase and shall apply only prospectively. Retroactive adjustments are not permitted.

c. Market Index (Optional Alternative): If the Parties elect (via initial checkbox or addendum), prices may be indexed annually to

[e.g., USDA Producer Price Index for Fresh Herbs / CPI for Food Away from Home / specified regional index]

, with increases/decreases capped at

[e.g., ±5%]

per year. d. No Other Adjustments: Except as expressly provided above or in the event of Force Majeure (Section 5A), prices shall not be subject to unilateral changes, market fluctuations, or currency variations.

3A.4 Volume-Based Incentives (Optional)

If the actual delivered volume exceeds the upper end of the Volume Band for

[e.g., three consecutive months]

, Buyer and Supplier may negotiate a volume discount or rebate of

[e.g., X%]

on excess quantities, to be documented in writing.

3A.5 Taxes and Additional Charges

All prices are exclusive of applicable taxes, duties, excise fees, or shipping costs (unless otherwise specified). Supplier shall be responsible for any taxes attributable to its operations; Buyer shall be responsible for taxes on receipt/use.

3A.6 Invoicing and Verification

Supplier shall invoice Buyer based on the stabilized prices above (or adjusted prices if approved). Buyer may request reasonable verification of delivered quantities and quality prior to payment.

4. Delivery, Title, and Risk of Loss

4.1 Delivery to

[Buyer-specified facility or designated processor/distributor]

.

4.2 Supplier responsible for harvest, initial packing (e.g., perforated bags or boxes for fresh; sealed bags for dried), and compliant transport.

4.3 Title and risk of loss pass to Buyer upon delivery and acceptance.

4A. Inspection and Claims Procedures

4A.1 Right of Inspection: Buyer (or its designated representative) shall have the right to inspect the Product upon receipt at the delivery location before acceptance or payment. Inspection shall occur promptly (within [e.g., 24-48 hours] for [fresh] [lovage] to account for perishability).

4A.2 Rejection Notice: If the Product fails to meet Quality Specifications (Section 1.4) or other warranties, Buyer shall notify Supplier and Braxton Wilshire Group in writing within [e.g., 24 hours] of receipt (or [48 hours] for latent defects), providing:

- Specific reasons for rejection.
- Supporting evidence (e.g., photos, descriptions, temperature logs if applicable).

4A.3 Third-Party Inspection (Optional/Disputed Cases): In the event of dispute over conformity, either Party may request an independent inspection (e.g., by a qualified third-party inspector or lab). Costs shall be borne by the non-prevailing Party.

4A.4 Remedies for Rejection: If rejection is upheld, Supplier shall replace at no cost, issue credit, or refund as per Sections 5.1 and 3.

5. Failure & Exit Rules

5.1 Quality Failure: If product fails specifications ([e.g., excessive wilting, off-aroma]), Supplier shall replace at no cost or credit/ adjust pricing for next delivery.

5.2 Supply Failure / Shortfall

If Supplier fails to deliver the Minimum Volume or meet the agreed Cadence for any delivery cycle without a valid Force Majeure event: a. For the first occurrence in any 6-month period:

Supplier shall provide a credit equal to

[e.g., 10-20%]

of the value of the undelivered/shortfall quantity on the next invoice, or extend a replacement delivery at no additional cost if feasible.

b. For the second or subsequent occurrence in any 6-month period: Buyer may, at its option: -

Apply a penalty of

[e.g., 25-50%]

of the value of the shortfall quantity (deducted from next payment or invoiced separately); -

Reduce the future Allocation Volume Band by up to

[e.g., 50%]

for the remainder of the Term; - Suspend further deliveries until the issue is cured.

5.3 Material or Repeated Failure

If Supplier experiences three or more supply failures (quality or volume) within any

[e.g., 12-month]

period, or fails to cure a material breach within the

[15-day]

cure period, Buyer may terminate the Agreement immediately upon written notice. Upon

termination for Supplier's breach, Supplier shall:

- Refund any unearned deposits;
- Pay Buyer reasonable cover damages (difference between contract price and replacement cost for undelivered quantities).

5A. Force Majeure

5A.1 Definition

Neither Party shall be liable or responsible to the other Party, nor be deemed to have defaulted under or breached this Agreement (except for any obligations to make payments already due and owing hereunder), for any failure or delay in fulfilling or performing any term of this Agreement when and to the extent such failure or delay is caused by or results from events beyond the reasonable control of the affected Party (the "Impacted Party"), provided that such events could not have been reasonably foreseen or prevented with commercially reasonable efforts ("Force Majeure Event"). Force Majeure Events include, without limitation:

- Acts of God, including but not limited to severe weather events such as drought, flood, excessive rainfall, hail, frost, freeze, heatwave, hurricane, tornado, earthquake, fire, lightning, or other natural disasters;
- Epidemics, pandemics, or widespread disease outbreaks affecting humans, plants, or crops (including plant pathogens, pests, or crop diseases);
- War, invasion, hostilities (whether war is declared or not), terrorist acts, riots, civil unrest, sabotage, insurrection, or acts of public enemies;
- Government actions, orders, laws, regulations, restrictions, embargoes, quarantines, or national/regional emergencies (including changes in agricultural, food safety, or transportation regulations);

- Strikes, lockouts, labor disputes, slowdowns, or other industrial disturbances;
- Shortages or unavailability of labor, materials, transportation, fuel, power, or utilities;
- Explosions, accidents, or breakdowns of essential equipment or facilities; and
- Other similar events or circumstances beyond the reasonable control of the Impacted Party.

For the avoidance of doubt, the unavailability or insufficiency of funds, financing, or financial resources shall not constitute a Force Majeure Event.

5A.2 Notice Requirement

The Impacted Party shall give prompt written notice to the other Party (and to Braxton Wilshire Group if applicable) as soon as practicable after becoming aware of the Force Majeure Event, but in no event later than

[e.g., 5 business days]

thereafter. Such notice shall describe the Force Majeure Event, its expected impact on performance under this Agreement, and the estimated duration. The Impacted Party shall provide reasonable updates upon request and shall notify the other Party promptly when the Force Majeure Event ends or its effects are sufficiently remedied to allow resumption of performance.

5A.3 Mitigation and Resumption of Performance

The Impacted Party shall use commercially reasonable efforts to:

- mitigate the effects of the Force Majeure Event;
- minimize any resulting delay or non-performance; and
- resume full performance as soon as reasonably practicable after the Force Majeure Event ceases or its effects are alleviated.

5A.4 Suspension and Termination Rights

Performance under this Agreement shall be excused or suspended (as applicable) only for the duration and to the extent directly caused by the Force Majeure Event. If the Force Majeure Event prevents or materially delays performance for more than

[Force Majeure Termination Days]

consecutive days, either Party may terminate this Agreement upon

[Notice Period Days]

days' prior written notice to the other Party, without liability except for obligations accrued prior to the effective date of termination (including payment for Product already delivered and accepted, any earned Execution Bonus, and prorated Monthly Retainer up to the termination date).

5A.5 No Excuse for Certain Obligations

Notwithstanding the foregoing, a Force Majeure Event shall not excuse or suspend:

- Payment obligations for Product already delivered and accepted;
- Refund or return obligations related to Deposits (except as expressly provided in Section 3.2A);
- Payment of the Monthly Retainer for periods during which services were rendered (except during full suspension of the Allocation due to the Force Majeure Event);
- The Execution Bonus once it has been earned and triggered under Section 2A.

5A.6 No Waiver

Invocation of this Force Majeure provision shall not relieve the Impacted Party of any obligations under this Agreement that are unaffected by the Force Majeure Event, nor shall it constitute a waiver of any other rights or remedies available under this Agreement.

6. Representations and Warranties

6.1 Each Party is authorized to enter this Agreement and will comply with applicable food safety and agricultural laws.

6.2 Supplier warrants product is grown without prohibited substances (if organic claim made) and free from defects at time of harvest/delivery.

6A. Insurance Requirements

6A.1 Crop Insurance Obligation: Supplier shall maintain, at Supplier's sole expense, adequate insurance coverage to protect against risks of loss to the
[loverage]

crop, including but not limited to perils such as adverse weather (drought, flood, hail, frost), fire, disease, pests, or other natural causes that could materially affect yield or quality.

6A.2 Minimum Coverage: Such insurance shall include, where reasonably available and commercially practicable:

- Crop-specific or farm/ranch insurance (e.g., federal Multi-Peril Crop Insurance if eligible, Whole-Farm Revenue Protection, or equivalent private coverage).
- General liability insurance with limits of at least

[e.g., \$100 - \$1,000,000]

per occurrence for bodily injury/property damage.

- Property insurance covering harvested or stored product against loss or damage.

Coverage levels shall be consistent with prudent agricultural practices for
[perennial herbs]

in Supplier's growing region. If federal crop insurance is unavailable for
[loverage]

in Supplier's area, Supplier shall maintain alternative risk management measures (e.g., private policies or self-insurance reserves) sufficient to mitigate typical crop risks.

6A.3 Proof of Insurance: Upon execution of this Agreement and annually thereafter (or upon Buyer's reasonable request), Supplier shall provide Buyer and Braxton Wilshire Group with certificates of insurance evidencing the required coverages, including policy numbers, effective

dates, limits, and insurers. Supplier shall notify Buyer promptly of any material change, lapse, or cancellation.

6A.4 Subrogation and Additional Insured: To the extent permitted by law, Supplier's insurers shall waive subrogation rights against Buyer for losses covered under this Agreement. Buyer may be named as an additional insured on relevant policies if requested.

6A.5 Failure to Maintain Insurance: If Supplier fails to maintain the required insurance and such failure materially contributes to a crop shortfall or quality issue, it shall constitute a material breach under Section 5, entitling Buyer to remedies including termination, reduced allocation, or offset against payments.

6A.6 No Limitation on Liability: Nothing in this Section limits Supplier's obligations under other provisions (e.g., quality warranties, indemnification) or excuses performance due to uninsured losses, except as provided in the Force Majeure clause (Section 5.5).

6B. Compliance and Food Safety Warranties

6B.1 General Compliance: Supplier represents and warrants that, at all times during the Term:

- The Product (

[loveage]

) is grown, harvested, packed, held, and delivered in compliance with all applicable federal, state, and local laws, regulations, and standards relating to food safety, agricultural practices, and the production of fresh herbs for human consumption, including but not limited to:

- The Federal Food, Drug, and Cosmetic Act (FD&C Act);
- The Food Safety Modernization Act (FSMA), including the Produce Safety Rule (21 CFR Part 112) to the extent applicable (or any qualified exemption/modified requirements if claimed);
- Current Good Agricultural Practices (GAP) or equivalent best practices;
- Any relevant state agricultural or food safety regulations.
- The Product is not adulterated or misbranded within the meaning of the FD&C Act (e.g., free from harmful contaminants, pathogens, or prohibited substances at levels exceeding safe tolerances).

6B.2 Specific Assurances: Supplier further warrants that:

- Agricultural water used meets applicable microbial quality standards and is tested/monitored as reasonably necessary.
- Biological soil amendments (if used) comply with FSMA requirements for treatment and application.

- Worker health/hygiene, equipment sanitation, and animal intrusion controls are maintained to minimize contamination risks.
- If claiming any FSMA exemption (e.g., based on sales thresholds or qualified end-use), Supplier will promptly provide documentation upon Buyer's request.

6B.3 Proof and Records: Upon reasonable request (including during the Trial Period or audits), Supplier shall provide evidence of compliance, such as self-certification statements, water test results, training records, or third-party audits (if applicable). Supplier shall maintain records as required by applicable law and retain them for at least

[e.g., 2 years]

after final delivery.

6B.4 Breach of Warranty: Any breach of these warranties that results in non-conforming Product, regulatory action, recall, or third-party claims shall constitute a material breach under Section 5, entitling Buyer to remedies including rejection, replacement at Supplier's expense, termination, indemnification, and recovery of losses (including reasonable attorneys' fees).

6B.5 No Limitation: These warranties are in addition to (and do not limit) other representations, warranties, or obligations in this Agreement (e.g., Quality Specifications in Section 1.4, Trial Period in Section 2A).

7. Indemnification

Each Party indemnifies the other against losses arising from its own negligence, breach, or violation of law related to the product or performance.

8. Confidentiality

Parties agree to keep pricing, allocation details, and proprietary growing methods confidential.

9. Governing Law & Dispute Resolution

Governed by the laws of

[State, e.g., California]

, without regard to conflict of laws. Disputes resolved by mediation, then binding arbitration in

[City/County]

under

[Rules, e.g., AAA rules]

, or courts if arbitration waived.

10. Hemp And Cannabis

Supplier represents product has never entered regulated marijuana commerce at any point.

11: Contingent Provisions for Cannabis Rescheduling

This Section 11 shall become effective only upon the occurrence of a "Rescheduling Event," defined as the official reclassification of cannabis (marijuana) from Schedule I to Schedule III under the U.S. Controlled Substances Act (21 U.S.C. § 801 et seq.) by the U.S. Drug Enforcement Administration (DEA) or through applicable federal legislation, with such change becoming final and non-appealable. Prior to a Rescheduling Event, this Section shall have no force or effect, and the Agreement shall apply solely to the allocation of loyove or other non-cannabis herbs or crops.

11.1 Adaptation to Medically Compliant Cannabis

Upon a Rescheduling Event, the Parties may, by mutual written amendment (executed via DocuSign or equivalent), elect to expand the scope of this Agreement to include allocations of medically compliant cannabis products. "Medically Compliant Cannabis" means cannabis cultivated, processed, and supplied in full compliance with:

- Schedule III requirements under the Controlled Substances Act;
- Applicable federal regulations, including those from the FDA (e.g., for therapeutic use, labeling, and good manufacturing practices under 21 CFR Parts 210 and 211);
- Relevant state cannabis laws, licensing, and medical program standards (e.g., testing, tracking, and patient access rules);
- Any additional standards mutually agreed by the Parties, such as third-party certifications for potency, purity, and absence of contaminants.

Such expansion shall prioritize therapeutic-grade cannabis suitable for medical applications (e.g., strains with defined CBD/THC ratios, extracts, or formulations approved for conditions like chronic pain, epilepsy, or nausea).

11.2 Transition Mechanism

If the Parties elect to expand under Section 11.1:

- The Allocation Definition (Section 1) may be amended to include cannabis lanes (e.g., "Medical Compliance Forward"), with new volume bands, cadences, and quality specifications tailored to medically compliant cannabis (e.g., mandatory Certificates of Analysis (COAs) from DEA-registered labs showing compliance with Schedule III standards).
- The Validation Clause (Section 2) and Trial Period (Section 2A) shall apply to initial cannabis batches, with Buyer approval based on medical-grade criteria (e.g., potency consistency, contaminant-free, and therapeutic efficacy indicators).
- Pricing (Section 3A) shall be renegotiated and stabilized for cannabis products, incorporating any federal excise taxes or Schedule III-specific costs.

11.3 Compliance and Regulatory Adjustments

- Supplier warrants that any cannabis supplied under this expanded scope shall be produced by licensed entities (e.g., DEA registrant for Schedule III handling) and meet all federal and state medical cannabis requirements, including chain-of-custody tracking and reporting.
- The Parties shall comply with any new federal oversight (e.g., FDA inspections, prescription requirements for Schedule III substances).
- If further regulatory changes occur (e.g., full descheduling or additional FDA approvals), the Parties may further amend this Agreement accordingly.
- In the event of non-compliance or regulatory enforcement actions related to cannabis, the affected Party shall promptly notify the other, and the cannabis portion of the Allocation may be paused or terminated without affecting the non-cannabis portions.

11.4 Insurance and Indemnification Updates

Upon expansion to cannabis:

- Supplier's insurance requirements (Section 6A) shall include coverage specific to Schedule III controlled substances (e.g., product liability for medical-grade products, with limits increased to

[e.g., \$2,000,000]

per occurrence).

- Indemnification (Section 7) shall extend to claims arising from cannabis-related regulatory violations, provided the indemnifying Party is at fault.

11.5 Termination of Contingent Provisions

If no mutual amendment is executed within

[e.g., 90]

days following a Rescheduling Event, this Section 11 shall automatically expire, and the Agreement shall remain limited to non-cannabis allocations.

11.6 No Obligation or Guarantee

Nothing in this Section obligates the Parties to expand to cannabis or guarantees the occurrence of a Rescheduling Event. This provision is contingent and forward-looking only, with no retroactive effect.

Section 12: Automated Growing and Delivery Provisions

This Section 12 applies only if Supplier elects to utilize automated robotic systems for growing and/or self-driving vehicles for delivery of the Product (collectively, the "Automated Systems"). Supplier shall notify Buyer and Braxton Wilshire Group in writing at execution or prior to implementation, specifying the types of Automated Systems to be used. If no such election is made, this Section shall have no force or effect, and traditional manual growing and delivery methods shall apply.

12.1 Automated Growing Systems

Supplier may employ home-based robotic or automated growing systems (e.g., AI-controlled hydroponics, vertical farms, robotic harvesters, or sensor-monitored greenhouses) for the cultivation, monitoring, harvesting, and initial preparation of

[Lovage]

, provided that: a. Compliance with Standards: All Automated Systems shall comply with the Quality Specifications (Section 1.4), food safety warranties (Section 6B), and applicable laws, including but not limited to FDA FSMA Produce Safety Rule (21 CFR Part 112), Good Agricultural Practices (GAP), and any regulations governing automated agricultural equipment (e.g., data privacy under CCPA/GDPR if applicable, or electrical/safety standards from UL or equivalent). b. Performance Warranties: Supplier warrants that the Automated Systems will produce Product meeting or exceeding manual growing quality (e.g., consistent yield, aroma, flavor, and nutritional profile). Supplier shall maintain records of system performance (e.g., logs of environmental controls, harvest data) and provide them upon reasonable request during audits or disputes. c. Reliability and Backup: Supplier shall implement redundancy measures (e.g., backup power, manual override capabilities) to minimize downtime. If Automated Systems failure causes a supply shortfall, it shall be treated as a Force Majeure Event (Section 5A) only if the failure results from unforeseen technical malfunctions beyond Supplier's control; otherwise, it triggers remedies under Section 5.2.

12.2 Self-Driving Delivery

Supplier may utilize self-driving autonomous vehicles (e.g., Level 4/5 AV cars, robotic delivery pods, or integrated logistics platforms) for transporting the Product from Supplier's location to Buyer's designated facility, subject to: a. Regulatory Compliance: All deliveries via self-driving vehicles shall adhere to federal, state, and local laws, including but not limited to NHTSA autonomous vehicle guidelines (49 CFR Part 571), FMCSA transportation regulations for goods (if interstate), and food safety transport rules (e.g., maintaining cold chain for

[fresh]

[lovage]

at

[e.g., 35–40°F]

with temperature logs). Supplier shall ensure vehicles are licensed, insured, and equipped with real-time tracking/GPS. b. Delivery Standards: Product shall arrive in the same condition as at harvest (per Quality Specifications). Supplier shall provide digital delivery confirmations (e.g., timestamps, photos, temp records) upon arrival. Risk of loss during transit remains with Supplier until acceptance by Buyer (Section 4.3). c. Liability for Incidents: Supplier assumes full responsibility for any accidents, delays, or damages caused by self-driving vehicles, including third-party claims. This includes maintaining cyber insurance for hacking risks and providing proof of coverage as part of Section 6A Insurance Requirements.

12.3 Technology and Data Sharing

- Supplier grants Buyer and Braxton Wilshire Group non-exclusive, royalty-free access to anonymized data from Automated Systems (e.g., yield forecasts, quality metrics) via secure API or dashboard, to facilitate allocation planning.
- All data handling shall comply with applicable privacy laws. Supplier warrants no use of proprietary Buyer information in training AI models without consent.

12.4 Implementation and Costs

- Supplier bears all costs associated with Automated Systems, including maintenance, upgrades, and delivery vehicle operations.
- If implementation requires adjustments to Cadence (Section 1.3) or Pricing (Section 3A), Parties shall amend accordingly via mutual written agreement.

12.5 Discontinuation or Failure

- Supplier may discontinue use of Automated Systems with

[e.g., 30]

days' notice, reverting to manual methods without penalty.

- Repeated failures of Automated Systems (e.g., three or more in a 6-month period causing shortfalls) may constitute a material breach under Section 5, entitling Buyer to termination rights.

12.6 No Additional Obligations

Nothing in this Section creates an obligation for Supplier to adopt Automated Systems; it is elective. These provisions supplement, but do not replace, other Agreement terms (e.g., Inspection in Section 4A, Indemnification in Section 7).

13. Miscellaneous

- Entire agreement; amendments in writing signed by both.
- Severability; no waiver unless written.
- No assignment without consent.
- Counterparts/electronic signatures valid (e.g., via DocuSign).
- Notices in writing (email acceptable if confirmed).

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

Buyer:

Signature: _____

Name: _____

Title: _____

Date: _____

Supplier:

Signature: _____

Name: _____

Title: _____

Date: _____

Braxton Wilshire Group:

Signature: _____

Name: _____

Title: _____

Date: _____