



Distributed by

Lakeview
H E M P

ACQUISITION AGREEMENT FOR HEMP SEED

This Acquisition Agreement for Hemp Seed (the “*Agreement*”) is dated as of _____, and is by and between Tesoro Genetics LLC, a Colorado limited liability company (“*Tesoro*”) and the customer described on Exhibit A, attached hereto and incorporated herein by reference (“*Customer*”). **YOU MUST READ THIS ENTIRE AGREEMENT AND AGREE TO ITS TERMS BEFORE BUYING, LICENSING OR OTHERWISE ACQUIRING OR USING TESORO’S SEEDS.**

RECITALS

- A. Tesoro is licensed to sell hemp seeds and other genetic products (collectively, “*Seeds*”) under Colorado Industrial Hemp Registration #'s 80434 & 80439.
- B. Tesoro owns the Intellectual Property Rights (as defined below) in the Seeds.
- C. Customer desires to acquire Seeds from Tesoro and in connection therewith, receive a license to use the Seeds and associated Intellectual Property Rights in accordance with the terms of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. ***Acquisition of Seeds; Approval of Orders.*** This Agreement shall apply to all Seeds regardless of whether acquired from Tesoro or from a third party. Upon execution, and during the Term, of this Agreement, Customer may place orders for Seeds with Tesoro (each, an “*Order*”). Seeds must be ordered in minimum increments of 5,000 Seeds. All Orders of Seeds must be approved and expressly accepted by Tesoro. Orders are not binding until Tesoro issues a written order confirmation to Customer.
2. ***Pricing and Payment.*** Seeds will be priced at Tesoro’s published retail list prices in effect when an Order is received. Tesoro may offer price discounts occasionally in its sole discretion. Unless otherwise agreed to in writing by Tesoro, payment is due in full before Customer takes possession of the Seeds. If any amount due under this Agreement is not paid in full by the due date, besides any other remedy available to Tesoro, the unpaid amount will bear interest at an annual rate of ten percent (10%).
3. ***Delivery; Risk of Loss; Inspection.*** All Orders will be shipped “F.O.B. Destination,” and freight and handling charges will be paid by Tesoro. Customer shall inspect the Seeds within seventy-two (72) hours of receipt (the “*Inspection Period*”). Customer will be deemed to have accepted the Seeds unless it notifies Tesoro in writing of any Nonconforming or Damaged Seeds during the Inspection Period and furnishes such written evidence or other documentation as reasonably required by Customer. “*Nonconforming or Damaged Seeds*” means only the following: (i) the Seeds shipped are different than those identified in the applicable Order; (ii) the Seeds’ label or packaging incorrectly identifies its contents; or (iii) the Seeds were damaged prior to delivery through no action or omission of Customer. If Customer timely notifies Tesoro of any Nonconforming or Damaged Seeds, Tesoro shall, in its sole discretion, (i) replace such

Nonconforming or Damaged Seeds with conforming Seeds, or (ii) credit or refund the price for such Nonconforming or Damaged Seeds. Customer shall ship, at its expense and risk of loss, the Nonconforming or Damaged Seeds to Tesoro. If Tesoro exercises its option to replace Nonconforming or Damaged Seeds, Tesoro shall, after receiving Customer's shipment of Nonconforming or Damaged Seeds, ship to Customer the replaced Seeds. Customer acknowledges and agrees that the remedies set forth in this Section 3 are Customer's exclusive remedies for the delivery of Nonconforming or Damaged Seeds.

4. ***No Returns or Exchanges.*** All Orders are final. Except as set forth in Section 3, Seeds are non-returnable, non-refundable, and cannot be exchanged.

5. ***Limited License for Use of Seeds.*** Tesoro owns and controls proprietary hemp germplasm and Intellectual Property Rights in hemp genetics including, without limitation, the Seeds. For purposes of this Agreement, "***Intellectual Property Rights***" means any and all registered and unregistered rights granted or not granted, applied for or otherwise, now or hereafter in existence under or related to any patent, copyright, trademark, trade secret, database protection, or other intellectual property rights laws, and all similar or equivalent rights or forms of protection, in any part of the world. Tesoro grants to Customer a limited, non-exclusive, non-transferrable, non-assignable right and license to use the Seeds and the associated Intellectual Property Rights to produce a crop within the United States of America and its territories solely for the purpose of production of plant parts intended for resale only as fresh or processed product. Customer hereby agrees that it is not acquiring such right and license for purposes other than those described in this Section 5. The Seeds and the Intellectual Property Rights therein are proprietary to Tesoro. Any use of the Seeds or associated Intellectual Property Rights which results in infringement, misappropriation or any other illegal activity regarding any US or foreign right is prohibited. Without limiting the generality of the foregoing, the following apply to Customer's use of the Seeds and the associated Intellectual Property Rights:

(a) Customer may use the Seeds solely to produce a single commercial cannabis/hemp flower crop for processing into cannabinoid products.

(b) Customer is not authorized to use the Seeds, or any parental line seed which may be found therein, or any resultant plants, mutants, spores or plant tissue from any of the foregoing, for any breeding, research, tissue culture, sexual or asexual propagation, seed production, hybridization, reverse engineering, genetic fingerprinting, molecular or genetic analysis or engineering, new variety development, selection, DNA-marker analysis, gene expression analysis, mutagenesis, or any purpose other than producing a single commercial flower crop for processing into cannabinoid products.

(c) Customer is not authorized to sell, transfer, export, sublicense, give, or supply Seeds to any other person or entity for any purpose.

(d) Customer is not authorized to save, clean, condition or sell progeny of the Seeds to plant a subsequent crop.

(e) Customer hereby agrees that it is not acquiring such right and license for purposes other than those above named. Customer shall not reproduce, increase or transfer said material, nor subject it to any conventional breeding or biotechnology process, or any other genetic manipulation techniques, including but not limited to tissue culture, genetic fingerprinting or transformation techniques.

This Agreement does not modify the ownership of the Intellectual Property Rights licensed hereunder. All rights not specifically granted are reserved by Tesoro.

6. ***Access to Records and Auditing.*** Customer agrees to allow Tesoro to examine and copy records, receipts, and electronically stored information that could relate to Customer's performance of this Agreement, including but not limited to acreage summaries, yield data, production agreements, storage agreements, conditioning agreements and invoices. Within seven (7) days after Tesoro's written request, Customer will identify and allow Tesoro access to all land and storage areas used or under the control or direction of Customer to inspect, sample and test any seeds, plants or plant parts (including Seeds and Seed progeny) in Customer's possession or control. Customer authorizes Tesoro to review and make copies of the USDA Farm Service Agency crop reporting information.

7. ***Representations and Warranties.***

(a) Each party represents and warrants to the other that: (a) it is duly organized, validly existing and in good standing as a corporation or other entity under the laws of the jurisdiction of its incorporation or other organization; (b) it has the power and authority to enter into and perform its obligations under this Agreement; (c) the execution of this Agreement by its representative whose signature is set forth at the end of this Agreement has been duly authorized by all necessary corporate or organizational action of such party; and (d) when executed and delivered by both parties, this Agreement will constitute the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms.

(b) Customer represents and warrants that it holds a license or registration to purchase and/or produce hemp and will provide a copy of such license or registration to Tesoro at the time of execution of this Agreement and at any time upon request by Tesoro.

8. ***Important Notices and Disclaimers.***

(a) Successful production of agricultural and horticultural crops requires high skill. Seed and crop performance are affected by factors beyond the control of Tesoro. Some of these factors include, without limitation, environmental conditions, such as sunlight, moisture, temperature, and soil composition; adverse weather conditions, such as drought, excessive rainfall, and high wind; pests, diseases, and individual growing practices. Commercial hemp production practices and results are relatively new since legal hemp production was recently authorized by the federal 2018 Farm Bill. Customer assumes the risk these factors may adversely affect the performance of the Seeds and the resulting crop.

(b) Tesoro endeavors to produce feminized hemp seed according to standard industry practice. Customer understands and acknowledges that hermaphroditic or male expression may occur spontaneously in some hemp genetics. Tesoro makes no representation or warranty regarding the percentage of feminization that may be achieved in production.

(c) Germination for hemp seed has not been standardized in the seed trade. Tesoro tests germination of its Seeds according to standard industry practice, and provides those results with the Seeds. Tesoro makes no representation or warranty regarding the germination rates that may be achieved in production.

(d) Current research indicates that cannabinoid expression may be influenced by environmental conditions. Tesoro makes no representation or warranty regarding the expression of specific cannabinoids that may be achieved in production.

(e) Some seed products require a license authorizing the use of the seed. Customer must obtain a license before taking possession of and using such seed products.

9. **Terms of Seed Label and Tag.** The terms in the seed labeling and/or tag found on the Seeds are incorporated herein. This Agreement will control where in conflict with such labeling and/or tag.

10. **Express Warranties; Disclaimer and Exclusion of Warranties.** Tesoro warrants that the Seeds conform to the label descriptions found on the Seed packaging that are required by applicable laws and regulations. EXCEPT FOR SUCH EXPRESS WARRANTY, **THE SEEDS ARE SOLD "AS IS." TESORO DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR FREEDOM FROM INFRINGEMENT OF THE RIGHTS OF THIRD PARTIES. TESORO MAKES NO WARRANTY REGARDING GERMINATION, FEMINIZATION, YIELD, CANNABINOID EXPRESSION, OR PERFORMANCE OF THE SEEDS AND RESULTING CROP.**

11. **Limitations of Liability.**

(a) **EXCLUSION OF DAMAGES.** IN NO EVENT WILL EITHER PARTY OR ANY OF THEIR EMPLOYEES, CONTRACTORS, AGENTS, OFFICERS, MANAGERS, LICENSORS, SERVICE PROVIDERS OR SUPPLIERS BE LIABLE TO THE OTHER PARTY UNDER OR IN CONNECTION WITH THIS AGREEMENT, UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING, WITHOUT LIMITATION, BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY AND OTHERWISE, FOR ANY: (a) LOSS OF PRODUCTION, USE, BUSINESS, REVENUE OR PROFIT; OR (b) CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, ENHANCED OR PUNITIVE DAMAGES, REGARDLESS OF WHETHER SUCH PERSONS WERE ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES OR SUCH LOSSES OR DAMAGES WERE OTHERWISE FORESEEABLE, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

(b) **CAP ON MONETARY LIABILITY.** IN NO EVENT WILL THE COLLECTIVE AGGREGATE LIABILITY OF TESORO AND ITS EMPLOYEES, CONTRACTORS, AGENTS, OFFICERS, MANAGERS, LICENSORS, SERVICE PROVIDERS OR SUPPLIERS UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ITS SUBJECT MATTER, UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING, WITHOUT LIMITATION, BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY AND OTHERWISE, EXCEED THE AGGREGATE AMOUNT ACTUALLY PAID TO TESORO IN THE TWELVE (12) MONTHS PRIOR TO THE EVENT GIVING RISE TO THE LIABILITY. THE FOREGOING LIMITATION APPLIES NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

12. **Term and Termination.**

(a) **Term.** This Agreement, once accepted by the parties, will remain in effect until terminated in accordance with this Agreement or superseded by a subsequent agreement. ("**Term**").

(b) **Termination.** In addition to any other express termination right set forth elsewhere in this Agreement:

(i) Either party may terminate this Agreement, effective on written notice to the other party, if the other party materially breaches this Agreement, and such breach: (i) is incapable of cure; or (ii) being capable of cure, remains uncured for thirty (30) days (or five (5)

days in the event of non-payment) after the non-breaching party provides the breaching party with written notice of such breach.

(ii) Either party may terminate this Agreement, effective immediately, if the other party: (i) becomes insolvent or is generally unable to pay, or fails to pay, its debts as they become due; (ii) files or has filed against it a petition for voluntary or involuntary bankruptcy or otherwise becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law; (iii) makes or seeks to make a general assignment for the benefit of its creditors; or (iv) applies for or has appointed a receiver, trustee, custodian or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business.

(c) ***Effect of Termination.*** In the event of termination of this Agreement:

(i) Customer shall return to Tesoro any unused Seeds and all documents and tangible materials containing, reflecting, incorporating or based on the Tesoro's confidential information as described in Section 16 below.

(ii) Customer shall pay to Tesoro any amounts then-owed.

(d) ***Survival.*** Any right or obligation of the parties in this Agreement that, by its nature, should survive termination or expiration of this Agreement, will survive any expiration or termination of this Agreement.

13. ***Arbitration/Mediation/Conciliation of Seed Claims Required by Several States.*** The seed laws of several states require arbitration, mediation or conciliation as a prerequisite to maintaining a legal action based upon the failure of seed, to which this notice is attached, to produce as represented. The Customer must file a complaint (a sworn complaint in some states), along with the required filing fee, with the Commissioner/Director/Secretary of Agriculture (or other state officer designated for handling seed claims). The complaint must be filed promptly, but at least within such time as to permit inspection of the crops by the state's designated agency and the seedsman from whom the seed was purchased. A copy should also be mailed to Tesoro at the addresses for notices set forth in this Agreement. For specific information about these claim requirements, including filing procedures, time limitations, and fees, contact the Department of Agriculture in your state. Failure to follow this procedure may limit your legal rights.

14. ***Indemnification.*** Customer must defend, indemnify, and hold harmless Tesoro, its licensors, employees, managers, and representatives from any and all causes of action, claims, damages, losses, attorney's fees, and/or expenses arising out of or in any way relating to Customer's conduct and performance under this Agreement unless due to the gross negligence or willful misconduct of Tesoro.

15. ***Compliance with Laws/Regulations.*** Customer shall comply with all applicable laws, rules, regulations and guidelines, obtain all necessary licenses/permits for the purchase, acceptance, handling, transfer, and use of the Seeds.

16. ***Confidential Information.*** All non-public, confidential or proprietary information of Tesoro, including, but not limited to, specifications, samples, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates and the terms of this Agreement, disclosed by Tesoro to Customer, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential," in connection with this Agreement is confidential and may not be disclosed or copied unless authorized by Tesoro in writing. Upon Tesoro's request, Customer shall promptly return all documents and other materials received from Tesoro. Tesoro

shall be entitled to injunctive relief for any violation of this Section. This Section shall not apply to information that is: (a) in the public domain; (b) known to the Customer at the time of disclosure; or (c) rightfully obtained by the Customer on a non-confidential basis from a third party.

17. **Assignment; Entire Agreement and Binding Effect.** Customer may not assign, sublease or delegate any of its rights and obligations under this Agreement. Except as set forth in the prior sentence, this Agreement is the final integration of the agreement between the parties with respect to the matters covered by it and supersedes any prior understandings or agreements, oral or written, with respect thereto. The provisions of this Agreement shall inure to the benefit of, and be binding on, the parties and their successors, assigns, employees, legal representatives, heirs, distributees, and transferees.

18. **Force Majeure.** Except for the payment of any amounts owed under this Agreement, neither of the Parties shall be liable for any default or delay in performance of any obligation under this Agreement caused by: Act of God, war, riot, fire, explosion, accident, flood, drought, natural disasters, weather conditions, pests, diseases, sabotage, compliance with governmental requests, laws, regulations, orders or actions, national defense requirements or any other event beyond the reasonable control of such party.

19. **Enforcement Costs and Fees.** If any action, suit or proceeding, or any arbitration, mediation or conciliation is commenced under or in connection with this Agreement or to enforce the terms contained herein, or to pursue any other rights and remedies available to Tesoro by law or in equity, the Customer agrees to pay or reimburse Tesoro for its attorneys' fees, costs, expenses in connection with such action, suit, or proceeding.

20. **Notices.** All notices, demands and other communications to be sent by one party to the other under this Agreement shall be in writing and shall be deemed to have been validly made, given, served and received if given or served by delivery in person to the addressee, or if sent by electronic transmission with delivery verification, or three (3) days after deposit in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed as follows (as the same may be updated from time to time upon notice to the other party in accordance with this section addressed to the then applicable notice address of the other party):

If to Tesoro: Tesoro Genetics, LLC
891 14th St.
Denver, CO 80202
Email: __JJ@TesoroGenetics.com__

If to Customer: See contact information on Exhibit A

21. **Choice of Law. Exclusive Forum.** This Agreement shall be governed and construed under the laws of the State of Colorado without regard to the conflicts of law provisions thereof. Unless required to be submitted to arbitration, mediation or conciliation in accordance with Section 13 above, the parties agree that any dispute regarding the interpretation, performance or validity of, or otherwise arising out of, this Agreement shall be subject to the exclusive jurisdiction and venue of the state courts of Denver County, Colorado, or if federal jurisdiction occurs, the federal courts of the Denver Division of the District of Colorado, and each party agrees to submit to the personal and exclusive jurisdiction and venue of such courts and not to seek the transfer of any action or proceeding out of such courts.

22. **Modification, Waiver and Severability.** This Agreement may not be amended, modified or supplemented except by written instrument signed by the parties. No waiver of any default or breach of any agreement or provision herein contained shall be deemed a waiver of any other

default or breach thereof or of any other agreement or provision herein contained. If any provision or portion of a provision of this Agreement is declared void and/or unenforceable, such provision or portion shall be deemed severed from this Agreement, which shall otherwise remain in full force and effect.

23. **Counterparts/Electronic Signatures.** This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one instrument. A facsimile or other electronic copy of a signature on this Agreement shall be acceptable as and deemed to be an original signature.

24. **Legal Representation and Construction of Agreement.** The parties have had the opportunity to retain their own independent legal and financial counsel with respect to the negotiation of this Agreement. They have independently, separately, and freely negotiated each and every provision of this Agreement as if all parties drafted it, and therefore, waive any statutory or common-law presumption that would serve to have this document construed in favor of, or against, any party.

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

TESORO GENETICS LLC,
a Colorado limited liability company

By: LAKEVIEW HEMP LLC - DISTRIBUTOR (third party)

Name: Brad Hansen - LAKEVIEW HEMP LLC

Title: Owner - LAKEVIEW HEMP LLC

[CUSTOMER]

By: _____

Name: _____

Title: _____

EXHIBIT A

CUSTOMER INFORMATION

Customer or Company Name		
Signatory's Contact	Email	
Billing Address		
City	State	Zip Code
Telephone	Cell Phone	
Hemp License		

By clicking the green button, you agree to the terms of the agreement.