

**MANAGEMENT SERVICES AGREEMENT
BETWEEN NEW GEN AGRICULTURAL SERVICES LLC AND
HERBAL WELLNESS CENTER, INC.**

THIS MANAGEMENT SERVICES AGREEMENT (this “Agreement”) is made and entered into this 1st day of July 2018 (the “Effective Date”) by and between New Gen Agricultural Services, L.L.C, an Arizona limited liability company (“Manager”) and Herbal Wellness Center, Inc., an Arizona non-profit corporation (the “Company”). Manager and Company are sometimes referred to collectively as the “Parties” or individually as “Party”.

RECITALS

A. Manager is engaged in the business of, *inter alia*, providing management and advisory services, including, but not limited to, with respect to property management, security, in connection with operation and management of licensed medical and/or recreational marijuana **cultivation, infusion kitchen, and extraction facilities** (the “Management Services”).

B. Company is engaged in the business of planning, operating, managing, and owning a licensed medical marijuana cultivation, infusion kitchen, and extraction center known as Herbal Wellness Center, Inc., in Community Health Assessment Area number 60 (the “Cultivation Center”) and related activities (collectively, the “Business”).

C. Company desires to engage Manager to provide Management Services to Company in connection with the Business, as more fully set forth herein.

D. Manager agrees to be engaged by the Company in connection with the business, as more fully set forth herein.

NOW, THEREFORE, in consideration of the promises and of the mutual covenants set forth in this Agreement, the Parties agree as follows:

AGREEMENT

1. Term; Termination.

(a) Generally. This Agreement commences on the Effective Date and continues until the tenth (10th) anniversary of the Effective Date (the “Expiration Date”).

(b) Extensions of Term. Upon the Expiration Date, the term of the Agreement (the “Term”) automatically and without notice or action extends for additional one (1) year period. The Term will be continually be extended for an additional year on each anniversary of the Expiration Date (each, a “Renewal Date”) until the Agreement is terminated as set forth herein.

(c) Termination prior to end of Term. Either party may terminate this agreement, upon written notice to the other party of any default not cured within 30 days.

(d) Termination during the Term. The parties may terminate this agreement, upon a written notice by either party and the acceptance by the other party, mutual consent.

2. **Management Services.** During the Term, and subject to the terms and conditions contained herein, Manager will provide to Company the Management Services that are set forth on Exhibit "A" attached hereto. The Parties may update Exhibit "A" from time to time by mutual agreement to reflect the Management Services then being provided.

3. **Compensation to Manager.** In consideration the provision of Management Services pursuant to this Agreement, Company will pay to Manager: (a) the management fees in the amounts and at the times set forth on the Management Services Fee Schedule attached hereto as Exhibit "B" (each, a "Management Fee"); and (b) immediately upon request, the amount of any costs, fees, charges, and expenses incurred by Manager on behalf Company that are the responsibility of Company. Company's obligation to pay to Manager the Management Fee and reimbursements due to Manager pursuant to this Section survive any termination or non-renewal of the Agreement. Each Management Fee is non-refundable and will not be returned to Company under any circumstance, including, without limitation, the early termination of the Agreement or changes in any law or regulation that permits the operating of the Business.

4. **Standards of Performance; Reliance Upon Company's Performance.** Manager will perform the Management Services: (a) to the reasonable best of Manager's ability under the circumstances; (b) in accordance with all applicable rules, regulations, and laws. Manager's performance of the Management Services in accordance with the aforementioned standards is contingent upon Company's full and timely performance of Company's obligations under this Agreement.

5. **Representations, Warranties, and Covenants of Company.** Company represents, warrants, and covenants to Manager, with the understanding Manager is relying upon such representations, warranties, and covenants that:

(a) Company will pursue in good faith all necessary approvals, licenses, permits, or other authorizations to operate the Business and the timely satisfaction of any rules, regulations, laws, or other regulatory requirements that affect the Business (the "Regulatory Requirements"), including but not limited to the payment of all costs and fees associated therewith;

(b) Company will comply in all respects with all applicable Regulatory Requirements, as amended from time to time, in the design, construction, and operation the Business;

- (c) Company will fully-cooperate with Manager in all aspects of the provision of Management Services, including, but not limited to, the completion of all tasks assigned to Company by Manager;
- (d) Company has the full right, power, and authority to enter into this Agreement and be bound by the terms of this Agreement without the consent of any other person or entity;
- (e) the execution and delivery of this Agreement and the performance by Company of its obligations pursuant to this Agreement do not and will not constitute a breach of or a default under any other agreement or obligation applicable to Company;
- (f) upon execution and delivery of this Agreement, this Agreement will constitute the valid and binding obligation of Company;
- (g) all information supplied by Company or its agents to Manager or its agents will be true, complete, and correct and will not fail to state a material fact necessary to make any of such information not misleading;
- (h) Company is the sole intended beneficiary of the Management Services and is entering into this Agreement on behalf of itself and not for the benefit of any other person or entity; and
- (i) Manager is being engaged by Company and not any other party.
- (j) The representations, warranties, and covenants of Company set forth in this Section and elsewhere in the Agreement survive the termination of the Agreement for a period of two (2) years, are not lessened or rendered inapplicable by any more specific or general representation, warranty, or covenant, and are not lessened or rendered inapplicable by Manager's actual or constructive knowledge of any fact or circumstance to the contrary of any representation or warranty of Company.

6. **Indemnification by Company.** For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Company hereby fully indemnifies, defends, and holds harmless Manager and each of Manager's owners, employees, attorneys, accountants, representatives, and other agents ("Manager's Affiliates") against all liabilities, claims, damages, losses, and expenses, including, but not limited to, reasonable attorneys' fees, court costs, and disbursements, incurred by Manager and/or Manager's Affiliates which are the direct or indirect consequence, in whole or in part, of: (a) any material, uncured breach of this Agreement by Company; or (b) any act or omission of Company or any of its respective designees, nominees, owners, employees, attorneys, accountants, representatives, and other agents ("Company's Affiliates"), in either case notwithstanding any concurrent or contributory negligence or other malfeasance by

Manager and/or Manager's affiliates. Company's obligations under this Section survive termination of this Agreement.

7. **Indemnification by Manager.** For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Manager hereby fully indemnifies, defends, and holds harmless Company and Company's Affiliates against all liabilities, claims, damages, losses, and expenses, including, but not limited to, reasonable attorneys' fees, court costs, and disbursements, incurred by Company and/or Company's Affiliates which are the direct or indirect consequence, in whole or in part, of: (a) any material, uncured breach of this Agreement by Manager; or (b) any act or omission of Manager or any Manager Affiliates, in either case notwithstanding any concurrent or contributory negligence or other malfeasance by Company and/or Company's affiliates. Manager's obligations under this Section survive termination of this Agreement.

8. **Confidential Information.** Pursuant to this Agreement, Company may be entrusted with confidential information belonging to Manager ("Confidential Information"). The terms of this Agreement and its exhibits, and all information disclosed to Company by Manager or Manager's agents constitutes Confidential Information notwithstanding the fact that such information may have been delivered to, disclosed to, or shared with others by Manager or otherwise becomes available to the general public. During the term of Agreement and for a period of two (2) years following the termination of this Agreement, Company must: (a) maintain all Confidential Information in a confidential manner; (b) not disclose any Confidential Information to any person or entity not authorized in writing by Manager to receive or use such Confidential Information; and (c) not use, permit, or aid others in the use of any Confidential Information for any purpose other than the purposes contemplated by this Agreement. Any Confidential Information required to be disclosed by Company pursuant to a valid order by a court or other governmental body having proper jurisdiction over Company will not be disclosed by Company until and unless Company provides written notice to Manager of such order sufficiently in advance of the disclosure to allow Manager the reasonable opportunity to defend against or condition such disclosure. This Section survives termination of this Agreement.

9. **Intellectual Property.** Manager retains exclusive rights to all common law and statutory legal and equitable rights, including, but not limited to, all intellectual property rights, in all materials provided to Company or used in connection with this Agreement ("Manager IP"). Without limiting the generality or applicability of the foregoing, Manager IP includes the rights to any and all derivative and complementary works. Company will not, by virtue of this Agreement, acquire any right in or to any Manager IP, including, without limitation, notwithstanding any contribution to such Manager IP by Company or Company's agents. Company will assign to Manager immediately upon Manager's request, for no consideration, any and all rights Company may acquire by operation of law or otherwise in or to any aspect of any Manager IP. Company will not take any action or

fail to take any action, or permit or aid any other person or entity in taking any action or failing to take any action, that is inconsistent or conflicts with Manager's ownership of the Manager IP or this Section, which survives termination of this Agreement. Company will not on its own, or facilitate any other person or entity to, copy, attempt to re-create, reverse engineer, create derivative works from, or otherwise develop or attempt to develop the practical or functional equivalent of any document or item belonging to Manager, including, without limitation, the software, manuals, other materials, documents, and other items provided to Company by Manager pursuant to this Agreement. No property created or contributed to by Manager during or in furtherance of this Agreement will constitute a "work made for hire" or otherwise belong in whole or in part to Company or any affiliate of Company.

10. **Non-Alienation**. This Agreement is personal in its nature and neither Party may, without the prior written consent of the other Party, assign or transfer this Agreement or any rights or obligations under this Agreement.

11. **Arbitration**. Any controversy or claim, including, but not limited to, errors and omissions arising out of, or relating to, this Agreement or breach of this Agreement, will be settled by arbitration using the rules of the American Arbitration Association ("AAA") with three (3) arbitrators selected in accordance with such rules, the locale for which will be Phoenix, Arizona. The arbitration award will be final and binding upon the parties and may be entered in any court having jurisdiction thereof. This Section does not prohibit or limit the Parties' right to seek relief in court as permitted in accord with the AAA's Commercial Arbitration Rules.

12. **Notice**. In the event any notice is required to be provided pursuant to the terms of this Agreement, such notice must be provided by United States Certified Mail, Return Receipt Requested, or overnight mail. The notice is deemed received three (3) days from the date the notice is sent by that Party. All notices must be sent to the following addresses:

If to Manager, then to:

New Gen Agricultural Services, LLC
777 E. Missouri Ave #200
Phoenix, AZ 85014

If to Company, then to:

Herbal Wellness Center, Inc.
4126 W. Indian School Rd
Phoenix, AZ 85019

13. **Jurisdiction.** In the event of an alleged default of or dispute arising out of or related to this Agreement, and irrespective of where the Parties currently reside or maintain their principal place of business, each consent to the jurisdiction of the Maricopa County Superior Court, in Phoenix, Arizona and will not object to the jurisdiction of that Court.

14. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Arizona without regard to the principles of conflicts of laws thereof.

15. **Attorneys' Fees and Costs.** In the event of any future dispute arising out of or related to this Agreement, the successful Party is entitled to recover its reasonable attorneys' fees and costs associated with that dispute.

16. **Recitals.** All recitals are incorporated in this Agreement by reference.

17. **Entire Agreement.** This Agreement constitutes the entire Agreement between the parties pertaining to the subject matter contained in this Agreement. All prior and/or contemporaneous agreements, representations, and understandings of the parties, oral or written, pertaining to the subject matter contained in this Agreement are superseded by and merged in this Agreement. No supplement, modification, or amendment of this Agreement will be binding unless in writing and executed by the parties.

18. **Time.** Time is of the essence for this Agreement and each provision contained in this Agreement. Any extension of time granted for the performance of any obligation under this Agreement will not be considered an extension of time for the performance of any other obligation under this Agreement.

19. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which when executed and delivered is an original, and all of which when executed constitute one and the same instrument. Any Party may deliver its signed counterpart of this Agreement to the other Party by electronic mail or facsimile transmission and such delivery is deemed made upon receipt of such electronic or facsimile transmission by the other Party.

20. **Waiver.** No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision, and no waiver is a continuing waiver except as expressly provided in this Agreement. No waiver will be binding unless executed in writing by the Party making the waiver.

21. **No Third-Party Beneficiaries.** Nothing in this Agreement will be construed to give any rights or benefits in this Agreement to anyone other than the Parties. All duties and responsibilities undertaken under this Agreement are for the sole and exclusive benefit of the Parties and not for the benefit of any other party.

22. **Further Acts.** Each party to this Agreement will perform any further acts and execute and deliver any documents that may be reasonably necessary or appropriate to fully carry out the provisions, intent, and purposes of this Agreement.

23. **Headings.** The headings of this Agreement are for purposes of reference only and will not limit or define the meaning of any provision of this Agreement.

24. **Severability.** In the event any provision of this Agreement is held to be void, voidable, or unenforceable, the remaining provisions remain in full force and effect.

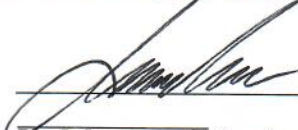
25. **No Public Statement or Information Disclosures.** Company will not make, permit to be made, or aid others in making any public statement or information disclosure regarding the existence of this Agreement, the action or inaction of Manager pursuant to this Agreement, or otherwise about Manager, its agents, its affiliates, or its business, regardless of the truth, relevance, or importance of such statement or information disclosure. Manager is entitled to the grant of equitable remedies in order to enforce the foregoing, including, without limitation, an expedited court issued affirmative injunction prohibiting the breach of the foregoing by Company without the need to post any bond. For purposes of the foregoing, a “public statement” includes, without limitation, a statement to any person or entity that is not a party to this Agreement whether or not such person or entity will or may disseminate such information. This Section survives termination of this Agreement.

26. **Representation by Counsel.** Each Party has been represented by or has had the opportunity to be represented by legal counsel of its own choice.


[signature lines follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

MANAGER – NEW GEN AGRICULTURAL SERVICES, LLC:

By:  _____
Its Manager/Member

COMPANY- HERBAL WELLNESS CENTER, INC.: (all directors must sign)

By:  _____
Its Director

By:  _____
Its Director

EXHIBIT "A"

MANAGEMENT SERVICES

The following comprises the Management Services that Manager will provide to Company:

(a) Cultivation, Extraction and Kitchen Facilities. Manager will provide counsel, advice, and assistance to Company in connection with: (i) zoning and entitlement (generally, "Site-Related Matters"); (ii) identifying the regulatory requirements and conditions that must be satisfied in order to commence with the operation of the Cultivation, Extraction, and Infusion Kitchen facility (generally, the "Regulatory Requirements"); (iii) establishing actions that must be undertaken and completed by Company in order to satisfy the Regulatory Requirements; (iv) determining the assets and/or services to be procured or dedicated by Company to the satisfaction of the Regulatory Requirements and completion of Site-Related Matters; (v) developing a timeline and action plan to guide Company in completing the Site-Related Matters and timely satisfying the Regulatory Requirements; and (vi) other matters as may be agreed upon in writing by the Parties, if any.

(b) Design and Construction Phase. Manager will provide referrals to, and assistance in communication and coordination with, vendors to be engaged and paid by Company, relative to and in furtherance of the following: (i) Cultivation Extraction, and Infusion Kitchen facility interior and exterior design, layout, and staging; (ii) security system selection and design; and (iii) inventory management and storage facility design.

(c) Operations Phase. Manager will provide counsel, advice, and assistance to Company in connection with: (i) Cultivation, Extraction, and Infusion Kitchen operations management; (ii) employee training; (iii) regulatory compliance; (iv) security; and (v) inventory control.

Management Services, Generally

Organizational Development

1. Budget Development.

(a) A financial template based on the size of the facility and expected floor plan for use by Company in the budgeting process;

Design & Construction

1. Cultivation, Extraction, and Infusion Kitchen Center Design. Manager will assist Company's Cultivation, Extraction, and Infusion Kitchen Center in design process by providing:

- (a) Design, insight, and expertise of facility layout;
- (b) Additional designers, architects, or service providers if required; and
- (c) Assistance in sourcing & obtaining bids, and advise on selection of contractors and personnel, including security contractors/personnel.

2. Construction Assistance. Manager will assist Company in the build out of the Cultivation Center by:

- (a) Interviewing, bidding, and assisting in the selection of general contractors;
- (b) Interviewing, bidding, and assisting in the selection of security system installation companies, if different from security contractors.

Operations Management Services

1. Operations Management.

Based on Manager's assessment of Company's needs, Manager will assist the Company with the planning and implementation of operation processes that will include, but are not limited to, (to the extent existing items do not exist or require amendment):

- (a) Standard Operating Procedures for:
 - Cultivation Operations (Grow, Harvest, Cure, etc)
 - Extraction Operations
 - Infusion Kitchen Operations
 - Inventory Control Operations & Systems
- (b) Cultivation, Extraction, & Infusion Kitchen Facility Equipment List
- (c) Cultivation, Extraction, & Infusion Kitchen Facility Supply List
- (d) A template staffing structure chart (org chart); Job descriptions for all positions included on the template staffing structure chart;

Manager will provide amended policies and procedures ("P&Ps") to ensure adherence to compliance requirements and applicable law, which may include:

i. Security (including: Security Operations P&Ps; Opening Checklist; and Closing Checklist)

ii. Inventory (including: Inventory Operations P&Ps; Opening Checklist; and Closing Checklist)

EXHIBIT "B"

MANAGEMENT FEE

1. Monthly Management Fee. Company will pay Manager as a Management Fee of \$250,000 per month. Increases and decreases of this amount must happen by mutual agreement, evidenced in writing, executed by the parties.