



BREW N BOTTLE

SOLUTIONS FROM LAB TO MARKET

PROPOSAL FOR

FUN GUYS BEVERAGE INC.

Brew N Bottle will assist Fun Guys beverage Inc. in developing a innovative, ready-to-drink (RTD) mushroom infused cold brew coffee beverage. Using their 55 years of brewing experience, Brew N Bottle will produce a unique brew that will be created with Fun Guys own specialty-proprietary ingredient, supporting a commitment to quality over quantity. This water-based, all-natural RTD will be produced with Brew N Bottle's proprietary technology and Fun Guys concepts, ensuring that this delicious beverage is microbe-clean, bright, and pristine. This beverage will be developed to be maintained in refrigeration and have a 9-month shelf life. Our goal is to design a beverage that is marketable to a wide consumer base and complementary to unique Fun Guys vision.



WHO WE ARE

The dream for Brew N Bottle began in 1964 when my father, Toddy Simpson, invented a revolutionary cold brew coffee maker. In the five decades since then, we've grown from my father's garage to our 405,000 square foot manufacturing facility in Texas, and we're still expanding our horizons. We exist to make your idea a reality by brewing real ingredients in an innovative way to develop a beverage, concentrate, or extract that fits your needs.



WHAT WE DO

When we partner with a client, our goal is to enhance the identity of that company by providing products that are unique, marketable, and true to the company's vision. We are a family-owned business that limits the number of projects we take on so that each client receives personalized, hands-on service. Our commitment to our clients is strong, and we promise to be available and involved in the creation of your project from start to finish.

WHERE WE'VE BEEN

Brew N Bottle has developed successful beverages for numerous major brands including Starbucks, McDonalds, Seattle's Best, and many more. True to our pioneering spirit, we've helped companies make entirely new beverages, including Arizona's first real brewed tea, Pom Wonderful's gently brewed line, and Honest Tea's "Tad Sweet" line.



Please review this proposal and sign on the final page.

Phase 1 - Consultation with Fun Guys

- Discuss certifications... Organic, Kosher, Non GMO etc.
- Discuss the Beverage considered in this project
- Transfer recipes, and dosage of mushrooms
- Plan packaging, bottle and processing.

Phase 2 - Production of 1st round: samples of 3 different coffees

- RTD samples will be cold brewed with three different coffees
- Samples will be produced with RO water
- Samples will be flash pasteurized
- 6 RTD plastic bottles of each sku will be forwarded
- Samples will be a cold brew coffee **with no** mushrooms

Phase 3- Production of 2nd round: samples of the selected RTD from Phase 2

- Samples will be produced with coffee that was picked from Round 1
- Samples will be infused with customers ground mushroom
- Customer will provide the mushroom ingredients
- 12 RTD Cold Brew plastic bottle of each sku will be forwarded

Phase 4 - Production of 3rd round: samples from customer feedback

- Third round of samples produced based on customer's feedback
- 12 RTD plastic bottles will be forwarded
- Any additional changes after phase 4 will be billed at \$250/hr.

Phase 5 - Quality Assurance

- Run micros on all formulas and assure stability
- Produce nutritional panel for products
- Produce ingredient statement for products
- Provide template for label designed by the customer
- Help with certifications (organic and kosher)

Phase 6 - Focus Group/Product Evaluation

- 120 16-oz bottles (hot filled to 180) will be produced of the approved RTD mushroom cold brew
- The sample RTD bottles will be an extremely close representation of a full production run
- Customer will provide and apply labels

Phase 7- Provide Recipes and sources of approved and developed beverage

- Brew N Bottle will provide the customer with recipe and sources for approved and developed beverage that Brew N Bottle attained during the developmental period.
- Brew N Bottle **will not** be conveying brewing processes or brewing procedures other than brew times and temperatures. Our brewing process has taken 55 years to develop and is exclusively owned by Brew N Bottle.

Phase 8 - Produces 240 bottles Fun Guys Cold Brew

- Produce 240 rtd mushroom cold brew
- Fun Guys will provide labels for prototypes
- RTD's will be cold chain beverages and emulate full production run

Phase 9- Transition from bench top approved recipes for full production

- Initial RTD run will be full-day production run (Waco Bottling)
- Brew N Bottle will assist with the production of cold brew concentrate with Lily of The Dessert
- Brew N Bottle will assist in the first Waco run, Waco bottling costs are NOT included in the price of this quote. 20,000 min per sku

Customer Responsibilities

- Provide Fed-Ex number at the beginning of the project
- Provide and apply all labels and labeling supplies for phase for phases 6 and 8.
- Maintain responsibility for all freight and raw goods

Project Cost

- \$10,000 USD due before Phase 1-4 begins (Project Fee)
- \$ 5,000 USD due before production of phases 6-9

WARRANTY DISCLAIMER

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY WARRANTY WITH RESPECT TO ANY TECHNOLOGY, GOODS, SERVICES, RIGHTS, OR OTHER SUBJECT MATTER OF THIS AGREEMENT AND EACH PARTY HEREBY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, VALIDITY, AND NONINFRINGEMENT.

LIMITATION OF LIABILITY CLAUSE

IN RECOGNITION OF THE RELATIVE RISKS AND BENEFITS OF THE PROJECT TO BOTH THE CLIENT AND THE BREW N' BOTTLE, INC., THE RISKS HAVE BEEN ALLOCATED SUCH THAT THE CLIENT AGREES, TO THE FULLEST EXTENT PERMITTED BY LAW, TO LIMIT THE LIABILITY OF THE BREW N' BOTTLE, INC. AND BREW N' BOTTLE, INC.'S OFFICERS, DIRECTORS, PARTNERS, EMPLOYEES, SHAREHOLDERS, OWNERS, AND SUBCONSULTANTS FOR ANY AND ALL CLAIMS, LOSSES, COSTS, DAMAGES OF ANY NATURE WHATSOEVER WHETHER ARISING FROM BREACH OF CONTRACT, NEGLIGENCE, OR OTHER COMMON LAW OR STATUTORY THEORY OF RECOVERY, OR CLAIMS EXPENSES FROM ANY CAUSE OR CAUSES, INCLUDING ATTORNEY'S FEES AND COSTS AND EXPERT WITNESS FEES AND COSTS, SO THAT THE TOTAL AGGREGATE LIABILITY OF BREW N' BOTTLE, INC. AND BREW N' BOTTLE, INC.'S OFFICERS, DIRECTORS, PARTNERS, EMPLOYEES, SHAREHOLDERS, OWNERS, AND SUBCONSULTANTS SHALL NOT EXCEED \$10,000.00, OR BREW N' BOTTLE, INC.'S TOTAL FEE FOR SERVICES RENDERED ON THE PROJECT, WHICHEVER AMOUNT IS GREATER. IT IS INTENDED THAT THIS LIMITATION APPLY TO ANY AND ALL LIABILITY OR CAUSE OF ACTION HOWEVER ALLEGED OR ARISING, UNLESS OTHERWISE PROHIBITED BY LAW, INCLUDING BUT NOT LIMITED TO NEGLIGENCE, BREACH OF CONTRACT, OR ANY OTHER CLAIM WHETHER IN TORT, CONTRACT, OR EQUITY.

Limitations on liability, waivers and indemnities in this agreement are business understandings between the parties and shall apply to all legal theories of recovery, including breach of contract, breach of warranty, breach of fiduciary duty, tort (including negligence), strict or statutory liability, or any other cause of action, provided that these limitations on liability, waivers, and indemnities will not apply to any losses or damages that may be found by a trier of fact to have been caused by the Brew N' Bottle, Inc.'s gross negligence or willful misconduct. The parties also agree that the client will not seek damages in excess of the contractually agreed-upon limitations directly or indirectly through suits against other parties who may join Brew N' Bottle, Inc. As a third-party defendant, "parties," means the client and Brew N' Bottle, Inc. and their officers, directors, partners, employees, subcontractors, and subconsultants.

GENERAL PROVISIONS

1. Merger. This document contains the entire agreement of the parties and supersedes all prior and contemporaneous negotiations and agreements, oral or written, and all prior and contemporaneous negotiations and agreements are deemed incorporated into this Agreement, or are deemed abandoned, if not so incorporated herein; that the parties' signators hereto are legally competent and fully authorized to executed this Agreement.
2. Amendment. This Agreement may not be amended or modified, unless the amendment or modification is reduced to writing, and signed by both parties.
3. Binding. This Agreement shall be binding upon and shall inure to the benefit of the parties, their heirs, executors, administrators, legal representatives, successors and assigns.
4. Assignment. This agreement is not assignable, in whole or part, by either party.
5. Headings. The headings in this Agreement are inserted for convenience and identification only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provision hereof.
6. Waiver. The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive his right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by laws, statute, ordinance or otherwise.
7. Severability. Every provision of this Agreement is intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or the remainder hereof.
8. Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had all signed the same document. All counterparts shall be construed together and shall constitute one agreement.

9. Additional Documents. The Parties hereto further agree to execute additional documents as may be necessary to effectuate the terms and intentions of this agreement.

10. Confidential. It is expressly agreed and understood by all Parties that this Agreement that the terms of this Agreement shall remain confidential and shall not be disclosed to any person or entity.

11. Termination. Either party may cancel this Agreement only for the material breach of this Agreement by the other party and only upon thirty (30) days written notice to the breaching party, which notice shall set forth the material breach complained of. If the breaching party shall cure said breach prior to the end of such period, said right to terminate this Agreement shall cease; provided, that if because of the nature of such breach, the breaching party shall be unable to cure the same within the said thirty (30) day period, the breaching party shall be given such additional time as shall be reasonably necessary within which to cure said breach, upon the condition that the breaching party shall, upon receipt of such notice of breach from the complying party, immediately commence to cure such breach and continue to use its best efforts to effect such cure until such cure has been completed.

12. Independent. The parties hereto are independent and none are the agents, joint venturers, partners, or employees of the other and, as except as accepted or specified herein, no party shall be obligated by any agreements, representations, or warranties made by any other party to any person, or with respect to any action of any other party to any person caused by any other party's failure to act, negligence, or willful conduct.

13. Construction. The parties hereto acknowledge and agree that this Agreement should not be construed for or against either party. All parties had the benefit of legal counsel or could have had legal counsel assisting them throughout the negotiation, drafting and interpretation of this Agreement such that construction for or against either party is inappropriate.

14. Choice of Law. This Agreement shall be enforced in accordance with the applicable laws of the State of Texas.

15. Jurisdiction and Venue. For the purposes of this Agreement and the relationship created by this Agreement, the parties mutually agree that they will submit themselves to the jurisdiction and venue of the applicable state and federal courts sitting Harris County, Texas.

16. Limitations. Pursuant to Section 16.070 of the Texas Civil Practice and Remedies Code all parties hereto agree that any and all claims arising under this Agreement and any and all rights,

obligations, or remedies contained or arising herefrom, including, but not limited to, any and all actions for misrepresentation, fraud, breach of warranty, expressed or implied, breach of contract, usury, breach of lien, breach of fiduciary duty or confidential relationship, impairment of credit, deceptive trade practice, indemnity, and/or personal injury or property damage must be brought within two (2) years and one day after the cause of action accrues.

17. Dispute Resolution. If any dispute arises out of or relates to this Agreement or the performance thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by non-binding, confidential mediation, pursuant to Section 154.001 *et. seq.* of the Texas Civil Practice and Remedies Code and the Rules for Mediation as promulgated by the Association of Attorney-Mediators, Inc., and before a mutually acceptable mediator. The mediator's costs shall be equally split between the parties. If the dispute can not be settled through negotiation or mediation, then any unresolved controversy, dispute or claim arising out of or relating to this agreement, or performance thereof, shall be resolved by arbitration administered by the American Arbitration Association ("AAA") in accordance with its Commercial Arbitration Rules (located at www.adr.org), and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof pursuant to applicable law. The arbitration shall take place in Houston, Texas before a mutually acceptable arbitrator(s). The arbitrator(s) fees shall be equally split between the parties. This clause shall not preclude the parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction located in Houston, Harris County, Texas.

18. Notice. Any notices required under this Agreement shall be considered served if deposited in an enclosed postpaid, properly addressed wrapper, in a post office or official depository under the care and custody of the United States Post Service and mailed certified mail, return receipt requested to the party at the following addresses or such addresses as the parties may properly designate, in writing, hereafter:

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██████████

19. Attorney's Fees. If any legal action is brought by either of the parties to this Agreement, it is expressly agreed that the prevailing party in that legal action shall be entitled to recover from the other party reasonable attorney's fees in addition to any other relief that may be awarded. The amount of reasonable attorney's fees shall be determined by the court, in the trial of the action or in a separate action brought for that purpose. Attorney's fees awarded under the provisions of this paragraph shall be in addition to any other relief that may be awarded.

/s/ "Jason Fortin"

Fun Guys Beverage Inc.

November 5, 2019

Date

/s/ "Strother Simpson"

Strother Simpson
Brew N Bottle Inc

November 6, 2019

Date