

TERMS & CONDITIONS

Section I – Commitment, Ordering, Shipment, Invoicing: CQ Infused Beverage System and CQ Purees.

- (a) Supplier provides (i) proprietary beverage purees and syrups (“**CQ Purees**”) and other supplies to produce and market infused beverages and (ii) proprietary equipment and patent pending infused beverage dispensers containing the CQ trademark (collectively, “**CQ Infused Beverage System**”) to mix, dispense and market infused beverages, on a reoccurring subscription bases under the condition that Customer Unit commits to a required, ongoing, minimum purchase of CQ Purees (**Order Commitment**) **every thirty (30), forty-five (45) or ninety (90) days**. The Order Commitment, pricing and flavors are defined on the Initial Order Form. Customer Unit operates the facility located at the address outlined in the signature block on the Initial Order Form. The Order Commitments start date, defined by Supplier, will be within fourteen (14) business days of receiving Customer Unit’s signed Initial Order Form. Customer Unit wishes to purchase CQ Purees and to obtain CQ Infused Beverage System(s) for use at its premises on the terms and conditions outlined in these Terms and Conditions.
- (b) Customer Unit may request an Order Commitment shipment be deferred, by submitting the Deferral Request Form. Customer Unit agrees if their Deferral Request is approved by Supplier, Customer Unit will be charged, and the Customer Unit agrees to pay a \$50.00 per month, defined as Every 30 Days, optional order commitment deferral fee - Per CQ Infused Beverage System. Billing will be based on the on Customer Units existing subscription agreement and ongoing order commitment schedule. For example, Customer Units subscribing to our Every 30 Program would be billed \$50.00 per CQ Infused Beverage System, Customer Units on our Every 45 Program, would be billed \$75.00 per CQ Infused Beverage System and Customer Units on our Every 90 Program would be billed \$150.00 per CQ Infused Beverage System.
- (c) The Initial Order Form defines the Order Commitment, CQ Purees pricing, quantity, flavors, and number of CQ Infused Beverage System(s) ordered by Customer Unit. Customer Unit may request to double the number of CQ Infused Beverage Systems they have under Agreement without increasing their ongoing Order Commitment by notifying Supplier that they would like to participate in the CQ Flex Request for supplemental CQ Infused Beverage System(s) by Customer Unit is subject to Suppliers
- (d) Customer Unit will purchase CQ Purees at the sales prices set forth on the Initial Order Form. The purchase prices for CQ Purees do not include shipping & handling; Supplier will bill shipping & handling to Customer Unit as a separate line item on the invoices.
- (e) Customer Unit may cancel the Order Commitment after 61 days from the Order Commitment Start Date by visiting the CQ Subscriber Portal (www.cqbeverages.com/login) and submitting the “Cancel My Account” form given not less than two (2) days prior to the next Order Commitment. Customer Unit assumes responsibility to confirm with Supplier that the cancelation request was received. If Customer Unit elects to cancel the Order Commitment, Customer Unit must return, at Customer Unit’s expense, all of Supplier’s CQ Infused Beverage System(s) within fifteen (15) days of the cancellation notice to the location/address as then directed by Supplier.
- (f) Customer Unit agrees to pay Supplier at the time of shipment for all orders. Customer Unit may provide Supplier (i) with a credit card to be charged at the time orders are shipped, or (ii) with an individual virtual card at the time of each shipment, or (iii) as otherwise mutually agreed with Supplier. If Customer Unit elects to purchase by credit card, it agrees that Supplier may keep the credit card information on file and charge the credit card for recurring orders. Overdue invoices may bear interest from the date payable at an annual percentage rate of one and one-half percent (1-½%) per calendar month (or the highest rate allowed by the law of the state where Customer Unit is located, if lower).
- (g) Upon order acceptance by Supplier, all purchases will be shipped and invoiced within (i) fourteen (14) business days for CQ Purees, and (ii) twenty-one (21) business days for CQ Infused Beverage System(s).
- (h) The CQ Puree(s) flavors and quantities chosen by Customer Unit on the Initial Order Form will be deemed as **Customer Unit’s Order Commitment Standing Order**. Customer Unit may request a change to their Standing Order of CQ Puree flavor(s) by visiting the CQ Subscriber Portal (www.cqbeverages.com/login) and submitting the “Change My Standing Order” form at least two (2) days prior to the next Order Commitment. Customer Unit assumes responsibility to confirm with Supplier that the change request was received prior to shipment.
- (i) Customer Unit must notify the shipper and Supplier immediately upon delivery if there is any damage to an order so that a claim can be filed, and replacement product(s) can be shipped to Customer Unit. Customer Unit must keep and make accessible and available for inspection by shipper all damaged items including boxes and packing.
- (j) Customer Unit is solely responsible for the payment of any personal property taxes, license fees, and sales or use tax related to the use or sale by Customer Unit of CQ Infused Beverage System(s), CQ Purees, and mixtures of CQ Purees with water or other authorized liquids including the seven (7) standard usages – (i) CQ Spa Water, (ii) CQ Infused Water, (iii) CQ Infused Iced Teas, (iv) CQ Infused Lemonades, (v) CQ Infused Cold Brews, (vi) CQ Juice Infusions, and (vii) CQ Infused Cocktail Mixers.

Section II – Use of CQ Infused Beverage System.

- (a) Customer Unit agrees to participate in Supplier’s Initial Onboard Training, defined on Supplier’s website www.cqbeverages.com/standard-use-recipes. Customer Unit agrees to use CQ Infused Beverage System(s) in compliance with Supplier’s required specifications and instructions for use, including the quality control provisions of subsection II(b) below. Additional provisions of Supplier’s quality control requirements are set forth on Supplier’s website www.cqbeverages.com/standard-use-recipes.
- (b) All CQ Infused Beverage System(s) shall remain the property of Supplier at all times, and are loaned to Customer Unit to be used solely in conjunction with these Terms and Conditions. All CQ Infused Beverage System(s), until returned to Supplier, are always held at the

sole risk of Customer Unit for theft, damage, loss or destruction, except for normal wear and tear and except for any defects in the CQ Infused Beverage System(s). If any CQ Infused Beverage System(s) is stolen, damaged or destroyed for any reason, Customer Unit will promptly replace the parts by visiting the CQ Subscriber Portal (www.cqbeverages.com/login) and submitting the "Replace Equipment" form. **If damaged, Customer Unit shall return the CQ Infused Beverage System(s) to Supplier, at Customer Unit's expense and Customer Unit agrees that it will pay the CQ Infused Beverage System Exchange Fees listed in Table Two.** The CQ Infused Beverage System Exchange Fees do not include shipping and handling; Supplier will bill shipping and handling to Customer Unit as a separate line item on the invoices. **If Lost or Stolen, Customer Unit agrees that it will pay the CQ Infused Beverage System Fees listed in Table One.** The CQ Infused Beverage System Fees do not include shipping and handling; Supplier will bill shipping and handling to Customer Unit as a separate line item on the invoices. If Customer Unit's account is in good standing, Supplier, in their sole discretion, may offer discount Fees.

- (c) **Customer Unit agrees to dispense only beverages that contain CQ Purees from CQ Infused Beverage System(s) and to properly train and supervise its employees to ensure the CQ Infused Beverage System(s) always contains the proper mixtures of CQ Purees and water or other authorized liquids, set forth on Supplier's website www.cqbeverages.com/standard-use-recipes. The CQ Infused Beverage System(s) are marked for proper viscosity based on seven (7) standard usages – (i) CQ Spa Water, (ii) CQ Infused Water, (iii) CQ Infused Iced Teas, (iv) CQ Infused Lemonades, (v) CQ Infused Cold Brews, (vi) CQ Juice Infusions, and (vii) CQ Infused Cocktail Mixers. Customer Unit understands and agrees that alcohol is not an authorized liquid and may not be used inside the CQ Infused Beverage System(s).** When used by Customer Unit, CQ Infused Beverage Dispensers must be displayed in a prominent place with Supplier's trademark visible. All CQ Infused Beverage System(s) must be kept clean and used in adherence to all local, county, state and federal laws.

Section III – Term and Termination

- (a) If Customer Unit elects to cancel its Order Commitment by visiting the CQ Subscriber Portal (www.cqbeverages.com/login) and submitting the "Cancel My Account" form, given not less than two (2) days prior to the next Order Commitment, Customer Unit must return, at Customer Unit's expense, all of Supplier's CQ Infused Beverage System(s) within fifteen (15) days after the cancellation notice to the location/address as then directed by Supplier. Customer Unit agrees that it will pay the CQ Infused Beverage System Exchange Fees listed in Table Two for any damaged CQ Infused Beverage System(s) including, but not limited to Base Unit(s), Beverage Container(s), Insert(s), Lid(s), Mixing Bucket(s), and Wand/Slicer Key(s), returned within the fifteen (15) day time period. Customer Unit agrees that any CQ Infused Beverage System(s) not returned within the fifteen (15) day time period will be considered lost, stolen or operating outside of these Terms & Conditions. Customer Unit will be charged, and the Customer Unit agrees to pay, the CQ Infused Beverage System Fees listed in Table One for any CQ Infused Beverage System(s) including, but not limited to Base Unit(s), Beverage Container(s), Insert(s), Lid(s), Mixing Bucket(s), and Wand/Slicer Key(s) not returned within the fifteen (15) day time period.
- (b) If Customer Unit's equity ownership and/or brand changes, Customer Unit shall have the choice (i) to convert to Supplier's then-current Initial Order Form Pricing and Terms and Conditions (carrying forward and applying the product usage to Customer Unit's existing Order Commitment, start date, as defined in their Initial Order Form), or (ii) to cancel its ongoing Order Commitment (see Sections III(a) above).
- (c) If either party breaches any of these Terms and Conditions, the non-defaulting party may terminate the Order Commitment hereunder upon ten (10) days prior written notice (email is acceptable). Supplier's right to terminate Order Commitment and these Terms and Conditions for breach shall include, without limitation, the following: (i) Customer Unit notifies Supplier (email acceptable) intends to stop ordering CQ Purees, (ii) Customer Unit has refused delivery of their Order Commitment. Customer Unit agrees to pay the Order Commitment invoice, whether the Order Commitment was received or refused by Customer Unit, (iii) Customer Unit dispenses beverages from the CQ Infused Beverage System(s) that do not contain CQ Purees (see Sections II(a), II(b) and II(c) above), (iv) Customer Unit modifies, removes, or fails to prominently display the CQ trademarks affixed to the CQ Infused Beverage System(s), or (v) Customer Unit materially changes its purchase order terms and conditions without Supplier's consent or agreement. In the event of a breach by Customer Unit, Supplier shall have the right to recover, and Customer Unit shall be obligated to return within fifteen (15) days after receipt of notice (email acceptable), all of Supplier's CQ Infused Beverage System(s) including, but not limited to Base Unit(s), Beverage Container(s), Insert(s), Lid(s), Mixing Bucket(s), and Wand/Slicer Key(s) from Customer Unit, at Customer Unit's expense and at no cost to Supplier. Customer Unit agrees that it will pay the CQ Infused Beverage System Exchange Fees listed in Table Two for any damaged CQ Infused Beverage System(s), returned within the fifteen (15) day time period. Customer Unit agrees that any CQ Infused Beverage System(s) including, but not limited to Base Unit(s), Beverage Container(s), Insert(s), Lid(s), Mixing Bucket(s), and Wand/Slicer Key(s) not returned within the fifteen (15) day time period will be considered lost, stolen or operating outside of these Terms & Conditions. Customer Unit will be charged, and the Customer Unit agrees to pay, the CQ Infused Beverage System Fees listed in Table One for any CQ Infused Beverage System(s) including, but not limited to Base Unit(s), Beverage Container(s), Insert(s), Lid(s), Mixing Bucket(s), and Wand/Slicer Key(s) not returned within the fifteen (15) day time period.

Section IV – Intellectual Property and Publicity

- (a) Customer Unit acknowledges that except as otherwise expressly set forth in these Terms and Conditions, Customer Unit shall have no right to use (i) the names, marks, logos, insignias, trademarks, trade names, trade secrets, and/or service marks of Supplier or (ii) the patented and/or patent pending designs and concepts of Supplier without the prior written consent of Supplier. Customer Unit acknowledges that all CQ Infused Beverage System(s) is the sole property of Supplier and that the patent pending construction and design of the CQ Infused Beverage System(s) is proprietary to Supplier. Customer Unit may not remove or alter in any way the CQ trademarks that are affixed to the CQ Infused Beverage System(s). The use and display of the CQ trademarks by the Customer Unit are understood to occur on a royalty-free basis.
- (b) Supplier acknowledges that it has no rights, title or interest in and to any names, marks, logos, insignias, trademarks, trade names, trade secrets, and/or service marks of Customer Unit except as permitted under these Terms and Conditions.

- (c) All notices to third parties and all other publicity concerning the relationship between Supplier and Customer Unit, these Terms and Conditions and the transactions contemplated hereby will be jointly planned and coordinated by the Customer Unit and Supplier; and in this regard, Customer Unit may not act unilaterally without the prior approval of Supplier, and Supplier may not act unilaterally without the prior approval of Customer Unit. Customer Unit agrees that Supplier may use, without any prior approval, Customer Unit's name and photos of CQ Infused Beverage System(s) in or at Customer Unit's location for sales and marketing purposes.

Section V – Indemnity.

- (a) Customer Unit shall indemnify, defend and hold harmless Supplier, our affiliates, and all respective officers, directors, partners, agents and employees from and against and accepts responsibility for, any claim, demand, cause of action, liability, loss, damage, cost or expense, including but not limited to reasonable attorneys' fees (all of the foregoing, collectively, "Claim"), which arises out of the improper use of the CQ Infused Beverage System(s) and/or CQ Purees and mixtures of CQ Purees with water or other authorized liquids, by Customer Unit, its employees and agents, affiliates, successors and assigns.
- (b) In the event of a Claim, Customer Unit agrees that Supplier, by its designated representatives, attorneys, and auditors or agents, has the right to examine the CQ Infused Beverage System(s) and/or CQ Purees and its use at any time hereafter, during business hours, and Customer Unit agrees further to cooperate with such persons in conducting such examination.

Section VI – Successors and Assigns.

These Terms and Conditions are binding upon and will inure to the benefit of the parties and their respective successors and assigns. Customer Unit agrees that Supplier may sell, assign, transfer, delegate, convey, pledge, mortgage or otherwise encumber ("transfer") all or any part of Supplier's rights, interests or obligations under these Terms and Conditions to any person or entity. Any designated assignee will become solely responsible for all of our obligations under these Terms and Conditions from the date of assignment. Customer Unit agrees to consent to any such transfer, assignment or delegation and to execute such documents as Supplier requests.

Section VII – Amendments: Waivers.

Any amendment to these Terms and Conditions must be in writing. Any provision hereof may be waived in writing by the party entitled to the benefit of such provision. No waiver of the breach of any provision will be deemed or construed to be a waiver of other or subsequent breaches. Nothing herein is intended to confer any rights or remedies upon any person not a party hereto, except as expressly provided to the contrary herein. Supplier may modify these terms to, for example, reflect changes to the law or changes to our CQ Infused Beverage System(s), Program, Services or Products, Purees and Packaging. Customer Unit should look at the terms regularly. Supplier will post notice of changes to terms at www.cqbeverages.com/terms. Changes may be effective immediately. If Customer Unit does not agree to the modified terms, Customer Unit should cancel the Order Commitment and return, at Customer Unit's expense, all of Supplier's CQ Infused Beverage System(s) within fifteen (15) days of the cancellation notice to the location/address as then directed by Supplier. If there is a conflict between these terms and the additional terms, the additional terms will control for that conflict.

Section VIII – Notices.

All notices under this Agreement, other than routine communications, shall be in writing and shall be deemed to have been duly given (i) when personally delivered, (ii) transmitted by email to the appropriate Notice Address, (iii) one (1) business day after being duly tendered to an internationally recognized overnight courier service for next business day delivery, delivery fee prepaid or charged to sender, or (iv) three (3) business days after the day of mailing when mailed by certified mail, return receipt requested, postage prepaid and, in each case, addressed to the appropriate Notice Address. Each party may change its Notice Address by giving the other party ten (10) days prior notice of such change in accordance with this Section VIII.

Section IX – Severability: Partial Invalidity.

Nothing contained in the Initial Order Form or these Terms and Conditions will be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provisions of these Terms and Conditions and any present or future statute, law, ordinance, regulation or judicial decision, contrary to which the parties have no legal right under these Terms and Conditions, the latter will prevail, but in such an event, the provision of these Terms and Conditions thus affected will be curtailed and limited only to the extent necessary to bring it within the requirements of the law. In the event that any part, article, section, sentence or clause of these Terms and Conditions is held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision will be deemed deleted, and the remaining parts hereof will continue in full force and effect.

Section X – Dispute Resolution: Governing Law.

- (a) Customer Unit and Supplier pledge and agree that they will first attempt to resolve any dispute, claim or controversy ("Dispute") arising out of or relating to the Initial Order Form or these Terms and Conditions by first having their respective executive officers meet at Supplier's principal executive office or other county where Supplier's headquarters is then located, or if Supplier so elects, in the county where Customer Unit's principal place of business is then located and conduct a good faith discussion and negotiation of the issues with an intent to arrive at a fair and agreeable settlement.
- (b) Any Dispute between Customer Unit and Supplier that is not resolved at the initial meeting and negotiation in Section X(a) above will be resolved through binding arbitration by one arbitrator from the list of retired judges referred by JAMS, Inc. ("JAMS") and selected by the parties in accordance with (i) JAMS's Streamlined Arbitration Rules and Procedures (if the amount in controversy is less than \$250,000.00 or (ii) JAMS's Comprehensive Arbitration Rules and Procedures (if the amount in controversy is \$250,000.00 or more), or by any other mutually agreeable arbitration organization. All hearings and other proceedings will take place in San Diego County, California, or other county where Supplier's headquarters is then located, or if Supplier so elects, in the county where Customer Unit's

principal place of business is then located. Either party may present briefs and affidavits of witnesses who are unable to attend hearings. Otherwise, no affidavits, interrogatories, depositions or other discovery is permitted. The arbitration award will be final and binding on the parties, and judgment on the award may be entered in any federal or state court having jurisdiction. This arbitration provision is deemed to be self-executing and will remain in full force and effect after the expiration or termination of the business relationship between Customer Unit and Supplier. If either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party by default or otherwise notwithstanding said failure to appear.

- (c) The Initial Order Form and these Terms and Conditions shall be governed by the laws of the state where the Supplier is then located (without regard to such jurisdiction's principals of conflicts of law), and Customer Unit consents to be subject to the personal jurisdiction of the courts of such jurisdiction for all purposes.

Section XI – No Third- Party Rights: Enforcement of Terms.

These terms control the relationship between Supplier and Customer Unit. They do not create any third-party beneficiary rights. If Customer Unit does not comply with these terms, and Supplier doesn't react immediately, this doesn't mean that Supplier is giving up any rights that Supplier may have (such as taking an action in the future). If it turns out that a specific part of these Terms and Conditions is not enforceable, this will not affect any other terms.

CQ Infused Beverage System Fees

Table One	
Equipment Description	Prices (USD \$)
CQ Infusion Jar Base	\$840.00
CQ Plastic Patent Pending Infusion Beverage Container	\$1,500.00
CQ Plastic Patent Pending Infusion Jar Insert	\$540.00
CQ Plastic Infusion Jar Lid	\$50.00
CQ Plastic Wand/Slicer Key	\$40.00
CQ Plastic Portion Control Mixing Bucket & Lid	\$30.00

CQ Infused Beverage System Exchange Fees

Table Two	
Equipment Description	Prices (USD \$)
CQ Infusion Jar Base	\$140.00
CQ Plastic Patent Pending Infusion Beverage Container	\$250.00
CQ Plastic Patent Pending Infusion Jar Insert	\$90.00
CQ Plastic Infusion Jar Lid	\$20.00
CQ Plastic Wand/Slicer Key	\$15.00
CQ Plastic Portion Control Mixing Bucket & Lid	\$20.00