

BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY
AND AGRICULTURAL AND MECHANICAL COLLEGE,
PARISH OF EAST BATON ROUGE

AGREEMENT FOR SERVICES

Be it known, that on this 14 day of Sept. 2017, the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("LSU") on behalf of the Louisiana State University Agricultural Center ("AgCenter") and GB Sciences Louisiana, LLC, ("Supplier"), do hereby enter into this Agreement for Services ("Agreement") under the following terms and conditions:

SECTION I
TERM

1.0 Term

The initial term of the Agreement shall be five (5) years ("Initial Term"). The Initial Term of the Agreement shall commence on the 14 day of Sept. 2017 ("Commencement Date"), and end five (5) years thereafter, subject to reauthorization of the Alison Neustrom Act, La R.S. 40:1046, and all other applicable and related laws. There shall be a renewal option for two (2) additional, five (5) year terms, for a total of up to fifteen (15) years from the Commencement Date, dependent upon mutual agreement of the parties and reauthorization of the Alison Neustrom Act and all other applicable and related laws.

1.1 Renewal

Any negotiations relative to the renewal option of this Agreement shall commence at least one hundred-eighty (180) days prior to the expiration of the term of the Agreement that immediately precedes the renewal period and shall be finalized no later than ninety (90) days before the expiration of the term of the Agreement that immediately precedes the renewal period.

SECTION II
SCOPE OF SERVICES

2.0 Scope of Services

The Supplier shall provide the following services to the AgCenter: cultivation, extraction, processing and formulation of Medical Marijuana and to provide and perform all other necessary activities to supply usable Medical Marijuana product for patients through licensed dispensary pharmacies in Louisiana in accordance with the Alison Neustrom Act and all other applicable and related laws, and all rules and regulations promulgated by the Louisiana Department of Agriculture and Forestry ("LDAF"), Louisiana Board of Pharmacy ("LBP") and the Louisiana State Board of Medical Examiners ("LSBME") pursuant to the Alison Neustrom Act and all other applicable and related laws. The Supplier shall provide a permanent secured, indoor, enclosed facility ("Facility") for the purposes of cultivation, growth, research, testing, manufacture, operation and production of Medical Marijuana in accordance with the Alison Neustrom Act and all other applicable and related laws, and the licenses granted to the AgCenter, and for the performance of all activities necessary to provide usable product to licensed dispensary pharmacies and to allow the AgCenter to conduct research at the Facility, at no cost to LSU or AgCenter.

SECTION III

PAYMENT TERMS

3.0 Payment Terms

During the Initial Term of the Agreement, Supplier is responsible for the payments identified in the Best and Final Offer submitted to the LSU Procurement Office on Monday, June 5, 2017, subject to any express modifications made herein. All payments are in U.S. dollars.

The Annual Return will be the greater of the GMFP or the percentage of Gross Receipts, plus Research Investment.

3.1 Research Investment

The research investment from Supplier to AgCenter for each year of the Initial Term of this Agreement (including any renewals and/or extensions thereof) shall be \$500,000 annually. The first payment shall be made upon execution of this Agreement. Payment in subsequent years during the Term of this Agreement (including any renewals and/or extensions thereof) shall be made on or before the anniversary of the Commencement Date for each calendar year.

3.2 Guaranteed Minimum Financial Payment

The Guaranteed Minimum Financial Payment (GMFP) is the minimum financial payment from the Supplier to the AgCenter, per year, and shall be due on or before April 1 of each calendar year during the Term of this Agreement (including any renewals and/or extensions thereof), as identified in the Best and Final Offer submitted to the LSU Procurement Office on Monday, June 5, 2017.

3.3 Payment as Percentage of Gross Receipts

Gross Receipts is defined as the total amount of money, gratuities, administrative, service and rental charges received or charged by the Supplier and any agent, subcontractor and employee of the Supplier for all sales, cash, barter or credit (whether collected or not), made as a result of the activities engaged in under the authority of this Agreement, excluding sales taxes and the payment to the LDAF consisting of up to 7% tax on gross revenue, all regular real estate taxes and all general or special ad valorem taxes imposed by any federal, state, parish, local, municipal or other governmental bodies, but with no deductions for any other expenses incurred by the Supplier, such as shortages, bad debts, or credit card fees.

The payment to the AgCenter based on the percentage of Gross Receipts shall be 10% for the Term of this Agreement (including any renewals and/or extensions thereof).

When the Percentage of Gross Receipts amount exceeds the GMFP, the difference shall be due on or before June 1 of each calendar year during the Term of this Agreement (including any renewals and/or extensions thereof).

Payment scheduled outlined in Appendix 1.

3.4 Payment Upon Termination/ Expiration of Agreement

Upon termination or expiration of this Agreement, the Supplier shall pay the AgCenter in accordance with Section III on a pro rata basis for the GMFP or for the payment as percentage of Gross Receipts for all sales made on or before the effective termination date of this Agreement, whichever is greater.

SECTION IV TAXES AND FEES

4.0 Taxes and Fees

Supplier shall be responsible for the remission of all taxes including, but not limited to, income, employment, sales and use taxes Federal, State and local and all license fees, permit fees, and any other necessary expense(s) for the operation under the Agreement, and shall conform to all laws, regulations, and ordinances applicable to the performance of this Agreement and any subsequent agreement.

Evidence of payment to LDAF for any and all required fees or other costs shall be provided by Supplier to the AgCenter.

SECTION V TERMINATIONS

5.0 Terminations

Any party to the Agreement may exercise any rights available to it under Louisiana law to terminate the Agreement for cause upon the failure of the offending party to comply with the terms and conditions of this Agreement, provided that the acting party shall give the offending party written notice specifying the offending party's failure(s). If after thirty (30) days following receipt of such notice, the offending party shall not have reasonably corrected such failure(s), then the acting party may, at its option, place the offending party in default and the Agreement shall terminate on the date specified in such notice. Supplier shall only be entitled to one such notice and cure period during the Initial Term of this Agreement for failure to timely pay any amount owed to LSU under this Agreement, and Supplier shall only be entitled to one such notice and cure period during the Initial Term of this Agreement for failure to obtain and/or maintain any insurance required by this Agreement.

In the event the Louisiana legislature does not reauthorize the Alison Neustrom Act and all other applicable and related laws beyond the current expiration date of January 1, 2020, this agreement shall terminate immediately upon expiration of the law, and all operations, distribution and sales in Louisiana shall cease.

In the event the applicable laws are reauthorized, but thereafter expire before the expiration of the Initial Term of the Agreement, this agreement shall terminate immediately upon expiration of the law, and all operations, distribution and sales in Louisiana shall cease.

In the event of any change in federal or state law, regulation, or enforcement that materially and adversely affects the business operations or business structure of Supplier or materially and adversely affects the scientific research, purpose, intent, or terms of the Solicitation for Offers, Solicitation No. 0000000165, Supplier may elect to terminate this Agreement by providing the AgCenter with at least sixty (60) days advance written notice.

The parties to this Agreement may terminate this Agreement for convenience at any time by giving one hundred-eighty (180) days written notice to the other party of such termination or negotiating with the other party an effective termination date.

Neither party to this Agreement shall be held liable for any failure of or delay in performing its obligations under this Agreement if such failure or delay is the result of an act of God or force majeure including, but not limited to, earthquake, hurricane, tornado, flooding, or other natural disaster, or in the case of war, action of foreign enemies, terrorist activities, labor dispute or strike, government sanction, blockage, embargo, or failure of electrical service. The non-performing party must make every reasonable attempt to minimize delay of performance. In the event the act of God or force majeure creates a failure or delay lasting longer than 120 days, either party to the Agreement may elect to terminate the Agreement by providing the other party with at least sixty (60) days advance written notice.

SECTION VI INTELLECTUAL PROPERTY

6.0 Intellectual Property

Ownership of any and all intellectual property invented or developed under activities contemplated by this Agreement, whether patentable or not, and whether or not patented or otherwise protected, shall be determined in accordance with the applicable Patent laws of the United States. Title to and ownership of all intellectual property invented or developed through research or other related activities solely performed by AgCenter during the term of the Agreement shall reside with AgCenter; title to and ownership of all intellectual property invented or developed through research or other related activities solely performed by Supplier during the term of the Agreement shall reside with Supplier; title to and ownership of all intellectual property invented or developed through research or other related activities jointly performed by the parties to this Agreement during the term of the Agreement shall reside jointly in AgCenter and Supplier.

Each party to this Agreement agrees to promptly disclose to the other parties in writing any and all intellectual property invented or developed under activities contemplated by this Agreement during the term of the Agreement. It is agreed that all inventions and any information with respect thereto shall be considered confidential information and shall not be disclosed to any third party. Within 60 days after notification of any invention (the "Negotiation Period"), upon written request, the parties to this Agreement shall negotiate in good faith for a period of ninety (90) days to try to reach mutually agreeable terms including, but not limited to, inventorship and ownership, the contribution of each party, strategies for the protection of said intellectual property, filing of the applicable patent, reimbursement of patenting expenses, commercialization of the inventions, equitable sharing of revenues, restrictions on the use of AgCenter's name, indemnity, insurance, inflation, disclaimers of warranties, and any other relevant terms. In no event shall AgCenter receive less than 50% of revenues generated by any intellectual property invented or developed through research or other related activities jointly performed by the parties to this Agreement. If no agreement has been reached by the parties to this Agreement by the end of the Negotiation Period, the parties agree to attempt to resolve in good faith the lack of agreement through non-binding mediation and, if an amicable resolution has not been reached after good-faith mediation, either party may seek redress through petition of a court of competent jurisdiction.

Regarding any intellectual property invented or developed under activities contemplated by this Agreement which is owned solely or jointly by the AgCenter, the AgCenter retains the right, on behalf of itself and all other non-profit academic research institutions to practice any such associated inventions or know-how arising therefrom for any non-profit purpose, including sponsored research and collaborations.

Nothing in the Agreement shall be construed as granting by implication, estoppel, or otherwise any licenses or rights under any intellectual property, patents, patent applications, or know how other than as expressly stated herein, and LSU further reserves to the United States Government all rights that may be required in accordance with this Agreement or otherwise as required under federal law regarding any intellectual property, patents, patent applications, or know how of the AgCenter.

Neither party to this Agreement makes any representation or warranty that 1) the use of information derived from any invention or the invention itself will be free from infringement of patents or other rights of third parties, and 2) each party to this Agreement specifically disclaims any and all warranties on invention(s), whether express or implied, including any warranty of fitness for a particular purpose. Neither party to this Agreement shall have any rights arising from this Agreement in any inventions or in any intellectual property rights other than the specific rights to inventions that are specified above.

In the event that this Agreement is terminated, the foregoing procedures involving notice, negotiation, mediation and arbitration remain applicable to the resolution of all unresolved intellectual property rights.

SECTION VII RIGHT TO PURCHASE

7.0 Right to Purchase

In the event of a termination or expiration of the Agreement, AgCenter shall have the first option to purchase all or a portion of the moveable structures and equipment installed by Supplier at the Facility in exchange for payment at the depreciated value from the purchase cost(s), transportation cost(s), and installation cost(s) of said moveable structures and equipment.

Notice of intent to exercise this option to purchase shall be provided within thirty (30) days of any effective termination or expiration of the Agreement. Exercise of this option to purchase shall afford reasonable time for Supplier to complete cultivation, extraction, processing and formulation operations in progress to maximize the financial opportunities and value for the parties to this Agreement.

If the option to purchase is not exercised by AgCenter, Supplier has the right to move the moveable structures and equipment installed by Supplier at the Facility to another location at its sole discretion, sell or liquidate said moveable structures and equipment through other means, or otherwise appropriately dispose of said moveable structures and equipment

SECTION VIII INSURANCE

8.0 Insurance

Supplier shall use good faith, best efforts to procure and maintain commercially reasonable insurance coverages for the duration of the Agreement from a company with an A.M. Best's rating of no less than A- who is authorized to do business in Louisiana, inclusive of the following insurance. In the event commercially reasonable insurance coverage is not available or attainable for the Scope of Services contemplated in this Agreement, Supplier shall notify LSU that commercially reasonable insurance coverage is not available or attainable and the parties shall cooperate to reach reasonable accommodations regarding appropriate insurance coverages that are satisfactory to LSU and to the State of Louisiana Office of Risk Management ("ORM"); provided, however, that in the event Supplier cannot obtain insurance coverage that is reasonably satisfactory to both LSU and ORM even after such accommodation, LSU shall have the right to terminate this Agreement, subject to any applicable notice and cure provisions provided in this Agreement.

Worker's Compensation

Worker's Compensation insurance shall be in compliance with the Worker's Compensation law of the State of Louisiana, statutory limits. Employers Liability shall be included with a minimum limit of \$1,000,000 per accident/per disease/per employee. Such insurance shall include a Waiver of Subrogation in favor of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College.

Commercial General Liability (CGL)

Insurance Services Office Form CG 00 01 or equivalent covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than \$2,000,000 per occurrence and \$5,000,000 aggregate limit. Such insurance shall include a Waiver of Subrogation in favor of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College.

Automobile Liability

Automobile Liability Insurance shall have a minimum combined single limit per occurrence of \$1,000,000. ISO form number CA 00 01, or equivalent, is to be used in the policy. This insurance shall include third-party bodily injury and property damage liability for owned, hired and non-owned automobiles. Such insurance shall include a Waiver of Subrogation in favor of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College.

Product Liability

If not included within the Commercial General Liability policy, the supplier must provide product liability insurance with limits no less than \$5,000,000 per occurrence and \$5,000,000 aggregate limit. Such insurance shall include a Waiver of Subrogation in favor of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College.

Fire and Extended Coverage

Supplier shall obtain Fire and Extended Coverage on the Facility including but not limited to Business Interruption, naming the LSU Board of Supervisors and its employees, officers, members and volunteers as additional insureds.

Excess Insurance

Excess Umbrella insurance may be used to meet the minimum requirements for liability insurance. If used, such insurance shall include a Waiver of Subrogation in favor of the **Board of Supervisors of Louisiana State University and Agricultural and Mechanical College**.

If the Supplier maintains higher limits than the minimums shown above, the University requires and shall be entitled to coverage for the higher limits maintained by the Supplier. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the University.

Other Insurance Requirements: The policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, the State of Louisiana and their employees, officers, board members, and volunteers are to be named as Additional Insureds for both ongoing and completed operations on the Commercial General Liability policy, Product Liability and any umbrella or excess liability policies. The **Board of Supervisors of Louisiana State University and Agricultural and Mechanical College**, the State of Louisiana and their employees, officers, board members and volunteers are to be named as Additional Insured on the Auto Liability policy as well. General liability coverage can be provided in the form of an endorsement to the Supplier's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 and CG 20 37 forms if later revisions used).

Primary Coverage

For any claims related to this Agreement, the Supplier's insurance coverage shall be primary insurance as respects to the **Board of Supervisors of Louisiana State University and Agricultural and Mechanical College**, the State of Louisiana and their employees, officers, directors, and volunteers (collectively "University"). Any insurance or self-insurance maintained by the University shall be excess of the Supplier's insurance and shall not contribute with it.

Subcontractors

Supplier shall include all Subcontractor as insureds under its policies OR shall be responsible for verifying and maintaining the Certificates provided by each Subcontractor. Subcontractors shall be subject to all of the requirements stated herein and shall obtain all coverages required. The University reserves the right to request copies of Subcontractor's insurance certificates at any time.

Notice of Cancellation

Each insurance policy required above shall state that coverage shall not be canceled, except with notice to the University in accordance with policy provisions.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the University. The University may require the Supplier to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. Except for a Supplier whose capital stock is publicly traded on an exchange regulated by the United States Securities and Exchange Commission, University shall have the right to examine the books and records of Supplier (including any excess, stop loss or reinsurance policies or agreements) to determine whether University is agreeable to any proposed self-insurance arrangement. Execution of the Agreement or any Amendment(s) thereto by University does not constitute written approval of any proposed self-insurance arrangement. If at any time during the term of the Agreement, it appears to University that Supplier's financial position has deteriorated to the extent that Supplier's financial ability to pay or fund the deductible or self-insured retention under the previously approved self-insurance arrangement is doubtful, University shall have the right to withdraw its prior approval of the self-insurance arrangement, and require Supplier to furnish "first dollar" liability insurance coverage. All carriers Supplier proposes to use to provide coverage in excess of the liability deductible or self-insured retention shall meet the requirements of this Section. This Section shall not apply to a self-insurance arrangement in which all the applicable self-insured retention is fully insured as to third parties on a "first dollar" basis (via the use of "fronting" policies, or otherwise), provided the carrier providing such fronting coverage or other first dollar liability coverage meets the requirements of this Section. The University shall not participate in any way in satisfaction of any applicable deductible or self-insured retention part of or related to the Supplier's insurance program.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-VII, unless otherwise acceptable to the University.

Verification of Coverage

Supplier shall furnish the University with original certificates of insurance and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the University before the execution of the Agreement. However, failure to obtain the required documents before the execution of the Agreement shall not waive the Supplier's obligation to provide them. The University reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. Failure to provide and maintain the required insurance coverage throughout the term of the Agreement shall be a material breach of the Agreement, subject to any applicable notice and cure provisions provided in this Agreement.

Special Risks or Circumstances

LSU reserves the right to modify these requirements at any time, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

SECTION IX DIVERSITY

9.0 Diversity

LSU is committed to fostering an inclusive environment by providing diverse businesses opportunities to participate in LSU agreements. In support of this commitment, the Supplier will use good faith and best efforts to award subcontracts to diverse businesses that are either certified by the state or another certifying agency in a diverse category. To the extent that any federal or state law, rule, or regulation would require that this Section be modified or voided, the parties agree that such provision can be amended or severed from the Agreement without affecting any of the other terms of the Agreement.

Supplier agrees and will make good faith efforts to reasonably comply with LSU's Supplier Diversity Initiative and Supplier will promote the establishment and growth of diverse suppliers through technical assistance and placement of business where appropriate, focusing on building long-lasting business relationships. The Supplier shall provide evidence of good faith efforts if requested by LSU.

The values of inclusion, equity and justice are central to LSU's mission as a public university, and the fulfillment of those values is what LSU's Supplier Diversity Initiative seeks to achieve. Providing leadership in business equity and inclusion in a way that promotes opportunity, reflects transparency, and supports the economy of the State of Louisiana.

SECTION X INDEMNIFICATION

10.0 Indemnification

To the extent allowed by law, each party to the Agreement shall defend, hold harmless, and indemnify the other party and its respective board of supervisors, directors, officers, employees, agents, representatives, insurers, stockholders and affiliates against any and all claims, demands, suits, loss, liability, damage, or expense, including any direct, indirect or consequential loss, liability, damage, or expense, but not including attorneys' fees unless awarded by a court of competent jurisdiction, for injury or death to persons, including employees of either party, and damage to property, including property of either party, arising out of or in connection with intentional, willful, wanton, reckless or negligent conduct of the indemnifying party and any of its board members, directors, officers, employees, contractors, and agents arising out of or related to the work performed and contemplated under this Agreement. However, neither party to this Agreement shall be defended, held harmless or indemnified hereunder for any loss, liability, damage, or expense resulting from its sole intentional, willful, wanton, reckless or negligent conduct.

Each party to this Agreement shall give prompt, written notice to the other party of each claim or reasonably anticipated claim. In any instance to which the foregoing indemnities pertain, each party shall cooperate fully with and assist the other party in all respects in connection with any defense, and no party shall enter into a settlement of any claim or admit liability or fault without prior written approval from the other party.

SECTION XI CONFIDENTIALITY

11.0 Records, Reports and Documents

Except as may otherwise be required by law and as set forth below, the parties to this Agreement shall not disclose to third parties any privileged, confidential, proprietary or trade secret information or documents created, prepared or obtained during the term of this Agreement. The parties may disclose privileged, confidential, proprietary or trade secret information or documents to one another, as deemed necessary, to facilitate performance of this Agreement. Such information or documents will be identified as privileged, confidential, proprietary or trade secret information in writing at the time of transmittal, or so reduced to writing within ten (10) days thereafter, and will be safeguarded and not disclosed to third parties by the receiving party. Each party may disclose privileged, confidential, proprietary or trade secret information to its officers, employees, consultants, agents, and students on a need-to-know basis to facilitate performance of this Agreement, provided that such persons agree to be bound by terms at least as restrictive as those contained herein. All privileged, confidential, proprietary or trade secret information or documentation shall be returned to the owner of the information or documentation at termination or expiration of this Agreement. If AgCenter receives a Public Records request concerning or relating to this Agreement or the activities related thereto, AgCenter shall consult with Supplier and provide Supplier a reasonable opportunity to review and consent or object to the production of any privileged, confidential, proprietary or trade secret information or documents. Supplier shall not impede AgCenter's duties and obligations to respond to a lawful Public Records request.

SECTION XII LOGOS AND SIGNAGE

12.0 Logos

The Supplier agrees that it will not advertise nor promote any connection with LSU and/or the AgCenter, nor use any identifying marks or property nor make representation, either expressed or implied, as to LSU's or AgCenter's promotion or endorsement of the Supplier unless (a) it has received prior written consent from LSU or AgCenter, whichever is applicable, (b) it is compelled by a court of competent jurisdiction or, (c) it is otherwise required by law.

Additionally, and without limiting LSU's and the AgCenter's right to control the use of their identifying marks and property as set forth above, Supplier shall provide the AgCenter a reasonable opportunity to review and comment on any logo used by the Supplier for packaging, business operations or other use in connection with or related to the activities or operations at the Facility. Final approval shall be required from the AgCenter in writing. In the event of a disagreement between the parties regarding any logo used by Supplier, a review committee consisting of one (1) member from AgCenter, one (1) member from LSU Procurement, and one (1) member from Supplier shall review and vote for final approval.

12.1 Signage

All external signage at the Facility shall require the prior approval of the AgCenter in writing.

SECTION XIII RIGHT TO AUDIT

13.0 Right to Audit

LSU, its designees, and the Louisiana Legislative Auditor shall all the right to inspect and audit the papers, books, documents, and records of Supplier related to Supplier's performance of its obligations under this Agreement. Nothing in this Agreement shall be construed as limiting any rights of any authorized governmental and/or law enforcement agencies to inspect and audit the papers, books, documents and records of Supplier. The right of inspection and audit shall commence as of the date of this Agreement and shall continue as permitted or required by law. The rights of inspection and audit shall commence as of the date of this Agreement and shall continue for a period of five (5) years after the termination of the Agreement as required by Applicable Law. The Supplier and any Subcontractors of the Supplier shall maintain all books and records related to this agreement for the enumerated five (5) year period, subject to changes in applicable law and policies.

SECTION XIV SUPPLIER OBLIGATIONS

14.0 Research Space

The Supplier shall provide an area in the Facility to accommodate a minimum of 5,000 square feet of research space to be utilized by AgCenter. The Supplier will be responsible for all negotiated and reasonable costs associated with research as it relates to Medical Marijuana, including but not limited to research space, utilities, equipment, supplies, personnel and personnel benefits and maintenance of research space and equipment. Backup power shall be available for all areas of the Facility.

14.1 Management Requirement

Supplier shall provide a list of members of the LLC. Any changes to the LLC membership shall be reported in writing within fifteen (15) days of the official change, and shall be subject to all applicable regulatory rules and requirements established under the Alison Neustrom Act, and any subsequent changes. Failure to notify the AgCenter may constitute a breach of this Agreement, and entitle LSU or the AgCenter to terminate the Agreement; provided that the AgCenter shall give Supplier written notice specifying the failure(s) and give Supplier a reasonable opportunity of not less than thirty (30) days to cure the specified failure(s).

Supplier must provide a description of a management plan to manage and operate the Facility. This plan will include proposed manager, staffing plan, training, and plans to implement changes in the operations. Any changes to the plan submitted by the Supplier shall be reported to the AgCenter in writing within thirty (30) days of the changes.

14.2 Personnel and Background Checks

Supplier shall be required to provide all management and other personnel necessary for performance of its rights and obligations under the Agreement at its own expense and at no cost to the AgCenter. Employment conditions governing Supplier employees shall be as determined by Supplier.

The Supplier must coordinate with the LDAF to complete the required background checks and suitability determination pursuant to LDAF rules and regulations.

Failure of the Supplier to meet requirements established by LDAF for suitability and background checks shall be grounds for termination of this Agreement; provided that the AgCenter shall give Supplier written notice specifying the failure(s) and give Supplier a reasonable opportunity of not less than thirty (30) days to cure the specified failure(s).

The AgCenter reserves the right to request immediate removal of any personnel from the Facility for conduct which is determined to be not in the best interest of the Medical Marijuana program, LSU, the AgCenter, or does not meet the suitability requirements established by LDAF. Should the Supplier disagree with a request for removal of any personnel from the Facility, they may submit in writing justification for retaining the employee for review by the AgCenter. Any such request may be reviewed by the Vice President for Agriculture in consultation with LSU, legal counsel, and/or any other parties deemed necessary to make a final decision.

14.3 Licenses and Permits

Supplier shall obtain and maintain as current at its own expense all licenses, permits and other approvals required by applicable Federal, State, and local laws, any applicable rules and regulations and to make available to LSU or AgCenter personnel appropriate documentation when so requested by the LSU or AgCenter.

14.4 Reporting and Review

Supplier will furnish the AgCenter with all reasonably requested reports and make requested information available for inspection; provided, however, the AgCenter shall give Supplier reasonable prior written notice of all requests. All financial reports, as required by the AgCenter, will be delivered electronically to the AgCenter on or before a mutually agreed upon date.

Supplier's performance will be reviewed annually by AgCenter. AgCenter shall provide Supplier a written agenda at least thirty (30) days in advance of the annual review. If AgCenter desires an out-of-cycle review, AgCenter shall provide written notice and an agenda at least thirty (30) days in advance of the requested out-of-cycle review.

14.5 Price for Product

The initial price for product sold to dispensaries pursuant to this Alison Neustrom Act shall be provided to AgCenter for review and comment. Initial price requests must be sent to the AgCenter at least thirty (30) days prior to the first harvest of Medical Marijuana. Final approval shall be required by the AgCenter. In the event of a disagreement between the parties, a review committee consisting of one (1) member from AgCenter, one (1) member from the LBP, and up to two (2) member(s) from Supplier shall review and vote for final approval.

Supplier shall provide written notice to AgCenter for review and comment on any increases or decreases in pricing to dispensaries after initial pricing of the products. Final approval shall be required by the AgCenter. In the event of a disagreement between the parties, a review committee consisting of one (1) member from the AgCenter, one (1) member from the LBP, and up to two (2) member(s) from Supplier shall review and vote for final approval.

14.6 Inspection of Premises

Regulatory agencies shall have the right to inspect all areas of the Facility. The AgCenter shall also have the right to inspect all areas of the Facility and the operations thereon by the Supplier including, but not limited to, production areas, laboratories, storage areas, and any other areas within the Facility. The authority to inspect and ensure compliance would also pertain to any other reasonable regulations adopted by the AgCenter pertaining to the Supplier's operations.

14.7 Business Conduct

The Supplier may contract goods, services, and employment needed to accomplish the conditions of this Agreement, in its own name and not implicate the AgCenter as being liable, either directly or by inference in any transactions. The Supplier will comply with all applicable laws pertaining to business conducted in accordance with this Agreement.

14.8 University Regulations

AgCenter shall identify in writing and review with Supplier all relevant University regulations applicable to this Agreement.

14.9 Use of Drugs/ Alcohol on Facility Grounds

Subject to the nature of the activities contemplated in this Agreement, the illegal use, abuse, possession, manufacture, dispensation, distribution of, or being under the influence of illegal drugs, or alcohol shall be prohibited by the Supplier while employees are at the Facility.

14.10 Sanitation

Supplier shall provide regular housekeeping, pest control services, cleaning, preventive maintenance, and sanitation service for the Facility, and necessary commercial equipment and supplies for all areas of operations. These areas shall include all areas used in the Facility.

14.11 Subcontractors

Subcontracting of certain services is permitted subject to LSU's advance written approval of any subcontractors, which approval shall not unreasonably be withheld. Subcontractors are subject to approval and permitting by LDAF before such an assignment may be made and must agree to comply with the terms and conditions of this Agreement. Supplier will control the hiring of Subcontractors with AgCenter approval and the Supplier will be responsible for their actions and operations, at no cost to AgCenter. Supplier will incorporate into subcontracts all relevant governmental compliance requirements including, but not limited to, Right to Audit.

14.12 Facility

The Facility shall be located in the State of Louisiana, Parish of East Baton Rouge and location shall be approved by the AgCenter. Any proposed changes to the Facility location shall be submitted to AgCenter for approval.

No products other than Medical Marijuana products shall be produced by the Supplier in the Facility. Medical Marijuana is defined as and consists of (i) substances that are identified as including any parts of the plant *Cannabis sativa*, all derivatives or subspecies of all strains of cannabis, whether growing or not, the seeds thereof, the resin extracted from any part of such plant, any compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, or resin, including tetrahydrocannabinol (THC), cannabidiol (CBD), and all other naturally occurring cannabinol derivatives, whether produced directly or indirectly by extraction and; (ii) as defined in the regulations promulgated by the LDAF; and shall include "Medical Marijuana- Product" or a product infused with Medical Marijuana that is intended for use or consumption other than by smoking, including but not limited to edible products, ointments, and tinctures. The term "Medical Marijuana" shall not include the mature stalks of such plant, fiber produced from such stalks, oil or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks (except the resin extracted therefrom), fiber, oil or cake, or the sterilized seed of such plant which is incapable of germination.

The Supplier shall be responsible for all electricity, water and drainage service as required for Supplier's operation without cost to the AgCenter. The AgCenter shall not be liable for any damages or losses in any aspect of the Facility as the result of a power interruption, leakage, or other mechanical or utility failure.

14.13 Security and Surveillance

Security measures and surveillance system redundancies shall be installed to limit access to all restricted entry areas identified and secure the Facility and real property.

Supplier will contract with the East Baton Rouge Parish Sheriff's Office (EBRSO) for two (2) off-duty deputies during all hours of operation. This requirement will be reviewed and reevaluated after six (6) months of operations.

Supplier shall comply with areas of security and restricted access as outlined in LDAF rules and regulations. The Facility shall be secured to minimize the potential for theft or diversion of marijuana plants, cultivation materials, and byproducts.

14.14 Transportation

Secure transportation of the product shall be provided by Supplier, at no cost to AgCenter. Transportation shall be subject to all applicable regulatory rules and requirements established under the Alison Neustrom Act, and any subsequent changes.

14.15 Traffic and Parking

If Supplier accesses LSU, Supplier's personnel, subcontractors and vendors will conform to the regulations of LSU's Office of Parking and Transportation. Expenses of parking at LSU shall be borne by Supplier or its personnel, subcontractors and vendors.

14.16 Performance Bond or Letter of Credit

Supplier shall provide a Performance Bond acceptable to the AgCenter which shall secure the full performance of all obligations imposed on Supplier pursuant to this Agreement. At all times during this Agreement, the Performance Bond shall be in an amount no less than \$1,000,000.

The Performance Bond is to be written by a surety or insurance company licensed to do business in the State of Louisiana and currently on the U.S. Department of Treasury Financial Management Service list of approved bonding companies which is published annually in the Federal Register or by a Louisiana domiciled insurance company with at least an A- rating in the last printing the A.M. Best's Key Rating Guide to write individual bonds up to ten percent (10%) of policyholders surplus as shown in the A. M. Best's Key Rating Guide.

As an alternative to the requirement for an acceptable Performance Bond, the AgCenter will consider an irrevocable letter of credit in the amount of \$1,000,000. The letter of credit is to be in a form reasonably acceptable to AgCenter and shall be issued by a FDIC or FSLIC insured financial institution. This letter of credit shall be renewed annually, and a notarized copy shall be provided to the AgCenter.

The Performance Bond or irrevocable letter of credit shall not apply to secure the performance of Supplier in the event Supplier cannot obtain insurance coverage that is reasonably satisfactory to both LSU and ORM as provided in Section VIII (8.0 Insurance).

14.17 Equipment

The Supplier shall provide and maintain without cost to the AgCenter all equipment, supplies and uniforms, responsibly and reasonably necessary to conduct the operations within the Facility. The equipment must be clean, in good appearance, and in first-class working order at the time of installation and throughout the term of operation under the Agreement. All equipment shall be inspected semi-annually and any and all preventative maintenance shall be provided at no cost to the AgCenter. Equipment must meet all State, parish, and local safety and health requirements, as well as, Current Good Manufacturing Practices (CGMP), and any other requirements established in the Alison Neustrom Act. The equipment, supplies and uniforms must be mutually agreed upon by the AgCenter and Supplier.

14.18 Banking

As required by the SFO, Supplier shall establish and maintain a relationship with a Louisiana based financial institution to provide banking services throughout the term of this Agreement. Any proposed changes in financial institution after initiation of this Agreement shall be reported by Supplier to LSU in writing and shall be subject to LSU's advance written consent, which consent shall not be unreasonably withheld.

14.19 Commencement of Operations

The Supplier must follow its Gantt chart timeline submitted in the Supplier's Response to LSU's Solicitation for Offers and comply with all deadlines, subject to reasonable accommodations. The Supplier may request in writing to the AgCenter for the authorization to vary from the original timeline which the AgCenter may grant or deny in its sole discretion, which approval will not be unreasonably held.

14.20 Educational Program(s)

As outlined in the Supplier's Best and Final Offer submitted to the LSU Procurement Office on Monday, June 5, 2017, the Supplier and the AgCenter will develop an educational program relative to Medical Marijuana for patients, providers and dispensary pharmacies.

14.21 Other Supplier Obligations

Supplier must provide for the following needs and services for AgCenter personnel working within the Facility:

1. Identification Badges;
2. Access Badges- 24 hour access to the Facility;
3. Access to common areas of the Facility including but not limited to kitchen, break-room, restrooms and conference areas;
4. Accepting of mail and parcel deliveries and other necessary deliveries; and
5. Parking.

14.22 Improvement of Product and Services

Supplier will work with the AgCenter to establish policies and procedures for dispensary pharmacies, providers, and patients to provide comments and concerns for improvement of product and services.

SECTION XV AGCENTER OBLIGATIONS

15.0 AgCenter Obligations

The AgCenter agrees to provide the following at a minimum:

1. The AgCenter will establish a Project Manager for this initiative. All requests, inquiries, documents, correspondence, payments or any other communication between the Supplier and the AgCenter shall be directed to the Project Manager.
2. The AgCenter will approve, said approval shall not be unreasonably withheld, all plans and specifications for additions, alterations, and improvements prior to installation of any work, and all such work will be performed to the approval of the AgCenter's Office of Facilities Planning and Project Manager.
3. The AgCenter will provide oversight to the routine inspection and maintenance of all spaces occupied by the Supplier. The AgCenter shall have access to all spaces occupied by the Supplier.
4. The AgCenter shall respond timely in addressing any issues that arise from the Facility and any personnel issues with regard to AgCenter personnel.
5. The AgCenter is responsible for reporting equipment issues to the Supplier in a timely manner. Any damage resulting from negligence or misuse of equipment by AgCenter personnel shall be reported in writing, and shall be the responsibility of the AgCenter for repair.

SECTION XVI JOINT OBLIGATIONS

16.0 Joint Obligations

The AgCenter and Supplier shall develop policies and procedures for:

- permitting/restricting personnel access to designated areas within the Facility
- use of research space and equipment unrelated to Medical Marijuana
- utilization of resources within research space
- research opportunities with 3rd party sponsors

SECTION XVII NON-COMPETE AND NON-SOLICITATION

17.0 Non-Compete and Non-Solicitation

Throughout the entire term on this Agreement, the Supplier agrees that it will not, directly or indirectly, either individually or in conjunction with any other entity or person, including any of its employees, suppliers, or agents, establish or take any steps to establish or otherwise participate or engage in, own or have any financial or other interest in, or side agreement in, provide advice or any assistance to, or participate in the ownership, management, operation or control of an entity or person within the State of Louisiana to: (i) compete with LSU's or AgCenter's interests to conduct research and development, (ii) seek to do business with Southern University and/or the Southern University Agricultural Center, or an entity or person providing any services to Southern University, or any other entity, including but not limited to agencies, institutions of higher education (public or private), corporations, Limited Liability Corporations, C-corporations, etc., hereafter authorized by applicable laws for services similar in scope to those outlined in this Agreement.

All parties to this Agreement agree that they will not, directly or indirectly, either individually or in conjunction with any other person, including any of its employees or agents, without prior written consent, induce any employee of the other party to this Agreement to leave their employment for another party to this Agreement.

SECTION XVIII
ASSIGNMENT OF AGREEMENT

18.0 Assignment of Agreement

This Agreement or any portion thereof, or any interest therein, shall not be assigned, transferred, conveyed, sublet or disposed of without receiving prior written consent of the AgCenter. All Agreements and stipulations herein contained and all obligations assumed in the Agreement shall be binding upon the heirs, successors and assigns of the parties thereto.

SECTION XIX
DISCRIMINATION

19.0 Discrimination

The Supplier agrees to abide by the requirements of the following as applicable: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, Federal Executive Order 11246 as amended, the Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, the Fair Housing Act of 1968 as amended, and Supplier agrees to abide by the requirements of the Americans with Disabilities Act of 1990. Supplier agrees not to discriminate in its employment practices, and will render services under this Agreement without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, veteran status, political affiliation, disability, or age in any matter relating to employment. Any act of discrimination committed by Supplier, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this Agreement.

SECTION XX
NOTICES

20.0 Notices

All notices, statements and payments provided for herein shall be in writing and deemed given if delivered in person or sent postage paid via registered or certified mail, return receipt requested, or by a nationally recognized overnight delivery service, including without limitation courier delivery, all fees prepaid, or electronic mail, delivery receipt requested, to the parties at the addresses given below or such other addresses as either party may designate to the other, and shall be deemed to have been given at the time it is sent addressed to the parties as set forth below:

If to AgCenter:

Ashley Mullens
Project Manager
Coordinator of External and Governmental Affairs
Office of the Vice President for Agriculture
LSU AgCenter
101 J. Norman Efferson Hall- LSU
Baton Rouge, Louisiana 70803
Telephone: 225-578-2906
Fax: 225-578-4163
Email: awmullens@agcenter.lsu.edu

With copy to:

Sally McKechnie
Assistant Vice President for Procurement and Property Management
Louisiana State University Agricultural and Mechanical College
Office of Procurement
213 Thomas Boyd Hall
Baton Rouge, Louisiana 70803
Telephone: 225-578-2176
Fax: 225-578-2292
Email: smckechnie@lsu.edu

If to Supplier:

Ksenia Griswold
Chief Financial Officer
GB Sciences Louisiana, LLC
3550 W. Teco Avenue
Las Vegas, NV 89118
Telephone: 775-622-6928
Fax: 702-754-5741
Email: ksenia@gbsciences.com

With copy to:

Susan Hays
General Counsel
GB Sciences Louisiana, LLC
3550 W. Teco Avenue
Las Vegas, NV 89118
Telephone: 214-557-4819
Fax: 214-432-8273
Email: susan@gbsciences.com

With copy to:

John B. Davis
Baker, Donelson, Bearman, Caldwell & Berkowitz, PC
450 Laurel Street
20th Floor
Baton Rouge, LA 70801
Telephone: 225.381.7026
Fax: 225.382.0226
Email: jbavis@bakerdonelson.com

**SECTION XXI
ANNUAL REPORT**

21.0 Annual Report

As required under the Alison Neustrom Act, an annual report must be prepared detailing the following: (1) the amount of gross Medical Marijuana and product produced by the Supplier during the calendar year; (2) the details of all production costs including but not limited to seed, fertilizer, labor, advisory services, construction, and irrigation; (3) the details of any items or services for which the licensee subcontracted and the costs of each subcontractor directly or indirectly working for the supplier ; (4) the amount of products produced resulting from

the Medical Marijuana grown; (5) the amounts paid each year to the AgCenter related to Supplier's production of Medical Marijuana and product; and (6) the amount of Medical Marijuana and product distributed to each dispensary pharmacy licensed to dispense Medical Marijuana in this state during each calendar year. The report shall cover the previous calendar year and be received by the AgCenter for submittal to the department no later than January 31 of each year.

SECTION XXII JURISDICTION AND VENUE

22.0 Jurisdiction and Venue

The terms of this Agreement shall be interpreted under Louisiana Law. Venue for any claims arising out of this Agreement is proper in the Nineteenth Judicial District Court, Parish of East Baton Rouge, and State of Louisiana.

SECTION XXIII WAIVER

23.0 Waiver

Waiver of any breach of any term or condition of this Agreement shall not be deemed a waiver of any prior or subsequent breach. No term or condition of this Agreement shall be held to be waived, modified or deleted except by the written consent of both parties.

SECTION XXIV AMENDMENTS

24.0 Amendments

All amendments or modifications to this Agreement must be in writing and signed by an authorized representative of each party hereto. No oral understanding or agreement not incorporated in the contract is binding on any of the parties.

SECTION XXV ENTIRE AGREEMENT AND ORDER OF PRECEDENCE

25.0 Entire Agreement and Order of Precedence

This Agreement (together with any attachments and any exhibits specifically incorporated herein by reference) constitutes the entire Agreement between the parties with respect to the subject matter.

This Agreement; LSU's Solicitation for Offers, Solicitation No. 0000000165, and any addenda; Supplier's Best and Final Offer submitted to the LSU Procurement Office on Monday, June 5, 2017; and Supplier's Response to LSU's Solicitation for Offers and other supplemental submissions, represent the entire agreement between the parties and supersede any and all prior agreements. In the event of any conflict between the documents that constitute this Agreement, the following order of precedence shall apply:

- (a) This Agreement;
- (b) Supplier's Best and Final Offer submitted to the LSU Procurement Office on Monday, June 5, 2017;
- (c) Supplier's Response to LSU's Solicitation for Offers and other supplemental submissions;
- and
- (d) LSU's Solicitation for Offers, Solicitation No. 0000000165 and any addenda.

THUS DONE AND SIGNED by Louisiana State University in triplicate originals as of the 14 day of September, 2017, in the presence of the undersigned competent witnesses who have hereunto signed their names with the parties hereto.

WITNESSES as to LSU:

Della Richards
C. G. Huel

BOARD OF SUPERVISORS OF
LOUISIANA STATE UNIVERSITY AND
AGRICULTURAL AND MECHANICAL COLLEGE

BY: F. King Alexander
F. King Alexander, President

THUS DONE AND SIGNED by Successful Supplier in triplicate originals as of the 14 day of September, 2017, in the presence of the undersigned competent witnesses who have hereunto signed their names with the parties hereto.

WITNESSES as to GB Sciences Louisiana, LLC:

GB Sciences Louisiana, LLC

DocuSigned by:
[Signature]
8AA553D073E54F4

DocuSigned by:
BY: John Poss
JOHN POSS
Chairman and Chief Executive Officer

DocuSigned by:
Monica Poss
8A6CC82E1AB040F

Appendix 1 Payment Schedule

All payments to the AgCenter shall be made on or before the following dates:

2017

Research Investment	Commencement Date of Contract 2017
Guaranteed Minimum Financial Payment	Sunday, April 01, 2018
Payment As Percentage of Gross Receipts	Friday, June 01, 2018

2018

Research Investment	Anniversary of Commencement Date of Contract 2018
Guaranteed Minimum Financial Payment	Monday, April 01, 2019
Payment As Percentage of Gross Receipts	Saturday, June 01, 2019

2019

Research Investment	Anniversary of Commencement Date of Contract 2019
Guaranteed Minimum Financial Payment	Wednesday, April 01, 2020
Payment As Percentage of Gross Receipts	Monday, June 01, 2020

2020

Research Investment	Anniversary of Commencement Date of Contract 2020
Guaranteed Minimum Financial Payment	Thursday, April 01, 2021
Payment As Percentage of Gross Receipts	Tuesday, June 01, 2021

2021

Research Investment	Anniversary of Commencement Date of Contract 2021
Guaranteed Minimum Financial Payment	Friday, April 01, 2022
Payment As Percentage of Gross Receipts	Wednesday, June 01, 2022