

FRANCHISE DISCLOSURE DOCUMENT



American Shaman Franchise System, LLC
a Nevada Limited Liability Company
1501 Iron Street
North Kansas City, MO 64116
(855) 427-2233
franchisedevelopment@cbdamericanshaman.com
AmericanShamanFranchise.com

We offer CBD American Shaman franchises for the development and operation of retail establishments that sell curated or proprietary hemp-derived cannabidiol (“CBD”) products (“Shaman Store(s)”).

The total investment for a franchisee to begin operation of a CBD American Shaman franchised business is \$88,100 and \$184,400. This includes between \$35,000 and \$40,000 that must be paid to us or our affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **NOTE, HOWEVER, THAT NO GOVERNMENT AGENCY HAS VERIFIED THE INFORMATION CONTAINED IN THIS DOCUMENT.**

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Tara Latil at 1501 Iron Street, North Kansas City, Missouri 64116, (855) 427-2233, tara@cbdamericanshaman.com.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: May 22, 2024

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

| QUESTION | WHERE TO FIND INFORMATION |
|--|--|
| How much can I earn? | Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits C and D. |
| How much will I need to invest? | Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use. |
| Does the franchisor have the financial ability to provide support to my business? | Item 21 or Exhibit E includes financial statements. Review these statements carefully. |
| Is the franchise system stable, growing, or shrinking? | Item 20 summarizes the recent history of the number of company-owned and franchised outlets. |
| Will my business be the only CBD American Shaman business in my area? | Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you. |
| Does the franchisor have a troubled legal history? | Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings. |
| What's it like to be a CBD American Shaman franchisee? | Item 20 or Exhibits C and D list current and former franchisees. You can contact them to ask about their experiences. |
| What else should I know? | These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents. |



What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Missouri. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Missouri than in your own state.
2. **Unregistered Trademark.** We do not have a federal registration for our principal trademark. Therefore, our trademark does not have as many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.
3. **Turnover Rate.** During the last year, 43 out of 207 franchised outlets were terminated, transferred, reacquired by franchisor or ceased operations for other reasons. The franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.



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EXHIBITS

- A State Administrators and Agents for Service of Process
- B CBD American Shaman Operations Manual Table of Contents
- C List of CBD American Shaman Current Franchisees
- D List of CBD American Shaman Former Franchisees
- E Financial Statements
- F Franchise Agreement
- G Franchisee Owner's Assumption, Guaranty, Confidentiality Agreement, and Assignment
- H Consent of Spouse/Domestic Partner
- I Franchise Termination and Covenant Survival Agreement and Release
- J Franchisee Information
- K ACH Payment Authorization Form
- L State Addenda
- M State Effective Dates
- N Receipt



ITEM 1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, “ASFS,” “we,” “us” and “our” means American Shaman Franchise System, LLC, the franchisor. “You,” “your” and “Franchisee” means the person, and its owners if the Franchisee is a business entity, who buys the franchise from ASFS.

The Franchisor, Its Predecessors, and Affiliates

We were incorporated in the State of Nevada on March 2, 2017 and converted to a Nevada limited liability company on January 6, 2020. We have no predecessors. Our principal business address is 1501 Iron Street, North Kansas City, Missouri 64116 (the “Shaman Office”). We do business under the trade name CBD American Shaman (the “Shaman Name”).

Our parent company, SVS Enterprises, LLC, is a Missouri limited liability company (“SVS”), whose principal business address is the Shaman Office, is wholly owned by our founder, Stephen Vincent Sanders (“Sanders”). Sanders has developed and owns the trade name and service marks, the trade dress, certain of our operating methods, and other intellectual property used by CBD American Shaman businesses (the “IP”) and licenses them to us with permission to sublicense to franchisees.

Sanders has also licensed the Shaman Name and IP to CBD American Shaman, LLC, a Missouri limited liability company owned by SVS (“CBDAS”) and has given CBDAS the right to develop CBD American Shaman locations. CBDAS’s principal business address is 2405 Southwest Boulevard, Kansas City, Missouri 64108. CBDAS sells CBD American Shaman branded products to retail and wholesale customers, including franchisees, through a website it operates. Since May 2018, CBDAS has owned and operated Shaman Stores that conduct the same business you will operate. The locations CBDAS operates use the same trade name, trademarks, IP, and business operating method we license to you and sell substantially the same products you will sell but will not be bound by a Franchise Agreement. CBDAS has never offered franchises.

SVS also owns Shaman Botanicals, LLC, a Missouri limited liability company (“SB”) with a principal business address of 2405 Southwest Boulevard, Kansas City, Missouri 64108 that processes and distributes products derived from hemp and other plants. SB has never conducted the type of business you will operate and has never offered franchises. You will be required to purchase products produced by SB to sell at your Shaman Stores through the website operated by CBDAS.

If the statutes, laws, ordinances, or rules, regulations, or requirements of any governmental entity or agency that apply to your franchise location (the “Franchise Location”) and/or the Franchised Business (as defined below in this Item) (the “Applicable Laws”) permit, and you choose to carry delta-8 THC or HHC products, you will purchase those products from another entity owned by SVS, The Company in Wyoming, a Wyoming limited liability company (“TCIW”) with a principal business address of 30 North Gould Street Suite R, Sheridan, Wyoming, 82801. TCIW manufactures the Zen Master™ product line sold exclusively at Shaman Stores. TCIW has never conducted the type of business you will operate and has never offered franchises.

Sanders, or a person or entity in which Sanders, or an entity owned by Sanders owns an interest, which owns an interest in us, or which is owned by an entity that owns an interest in us (each “Our Affiliate” and collectively, including Sanders, “Our Affiliates”) also own many other businesses that produce, manufacture, sell, or distribute hemp or hemp analogous products at retail or wholesale through online or brick and mortar stores, but none of those have ever offered franchises. Currently you are required to obtain products or services only from CBDAS, SB, and TCIW but you may be required to obtain products or services from other of Our Affiliates in the future.

We began offering CBD American Shaman franchises in April 2018. We do not presently operate any company-owned CBD American Shaman locations and do not expect to open or operate any company-owned CBD American Shaman locations. CBDAS currently operates 40 CBD American Shaman locations. Sanders has licensed the Shaman Name and IP to operators who operate stores that are not subject to a franchise agreement (“Unaffiliated Store(s)”). These Unaffiliated Stores are permitted to use the same trade name, trademarks, IP, and business operating method we license to you and have attended the same initial training described in Item 11 you will attend but are not required to pay any of the fees you are required to pay, will not be bound by a Franchise Agreement or any other written agreement, and are not subject to any merchandise restrictions or trade dress requirements. Unaffiliated Stores are permitted to use our proprietary point of sale software (the “POS System”) for a fee and sell substantially the same products you will sell but all but one Unaffiliated Store must purchase the products manufactured by SB at a higher price than the price you pay. Because one of the Unaffiliated Stores was one of the first retail locations to carry products manufactured by SB, that Unaffiliated Store receives a significant discount on purchases of those products. Another Unaffiliated Store operated by one of Our Affiliates in Florida, features a large lounge area decorated with spray paint wall art, showcases the delta-8 THC and HHC products, and uses the name Shaman Rec Room. Two franchisees opened Shaman Rec Room lounge areas in their Shaman Stores at a time when we were experimenting with the possibility of including Shaman Rec Rooms in stores generally. We decided not to pursue the Shaman Rec Room concept and you may not open a Shaman Rec Room or modify your Shaman Store in any way that does not meet the improvement, décor, and appearance specifications we provide in the Onboarding Packet, Shaman Manual, or on Franchise Resources (all as defined below).

We have not offered franchises in other lines of business nor do we presently engage in any other businesses.

Our agent for service of process in the State of Nevada is Registered Agents Inc., 401 Ryland Street, Suite 200-A Reno, Nevada 89502.

CBD American Shaman Franchises

We offer franchises for the development and operation of a Shaman Store at a specified location. Each Shaman Store sells a wide range of products featuring cannabidiol (“CBD”) in our proprietary form that is concentrated and terpene rich, derived from high-quality hemp, and produced according to Our Affiliates’ proprietary processes and procedures using Our Affiliates’ proprietary nanotechnology.

A Shaman Store typically occupies between 1,000 and 1,500 square feet of space, usually in a freestanding location adjacent to or part of a local or regional shopping center. Every Shaman Store includes a customer education lounge featuring a seating area with a combination of couches, tables, or chairs where customers can learn about and sample hemp and the various products sold at the Franchise Location (the “Customer Education Lounge”).

Shaman Stores use the Shaman Name and the registered trade and service marks American Shaman, CBNight, and various images including a feather made up of geometric shapes and designs (the “shaman feather”), an atom with orbital pathways made up of geometric shapes and designs, and a combination of the shaman feather and the Shaman Name, as well as other marks, commercial symbols, logos, and trade identifiers we may designate at any time, including CBGo and Zen Master™, some or all of which may be owned by Sanders and licensed to us and may not be registered with the United States Patent and Trademark Office (all the preceding items are collectively referred to as the “Shaman Marks”). Shaman Stores also use unique methods and techniques for the design, development, and operation of a CBD retailer, including proprietary layout, décor, and trade dress, a customized approach to customer education and service,

proprietary business management and operating methods and procedures, and proprietary training and quality maintenance procedures and standards, as well as other CBD American Shaman business operating, management, accounting, and administration techniques and methods, all of which together we call the “Shaman Business Method” and all of which are owned by us or Our Affiliates. As of the date of this FDD, Vitality, the former franchisee described in Item 3, has continued to use the Shaman Name and Shaman Marks after termination of its Franchise Agreement and we are pursuing enforcement action in arbitration.

The success of your relationship with us and the success of the CBD American Shaman franchise system (the “System”) depend on your strict adherence to our specific practices, procedures, methods, and standards of quality and performance that you are required to follow meticulously in all aspects of the development, maintenance, and operation of your CBD American Shaman franchise (the “Franchised Business”). We can change our requirements as we deem necessary and those changes may make it necessary for you to spend additional money on your Franchised Business.

You must sign our standard franchise agreement attached to this Franchise Disclosure Document as Exhibit F (“Franchise Agreement”). You may operate one CBD American Shaman Business for each Franchise Agreement you sign.

The Market and Competition

The CBD products you will sell at your Shaman Store are not seasonal and appeal to people of all demographics (subject to applicable age limitations on purchase of CBD products under state law).

Your Shaman Store will compete with the many local and national retail facilities and brands that sell cannabis products, including (without limitation) products manufactured by SB, TCIW, and other of Our Affiliates and sold at retail or wholesale at brick-and-mortar locations such as CBD stores, smoke shops, dispensaries, head shops, novelty stores, liquor stores, supermarkets, grocery stores, pharmacies, specialty stores, and convenience stores, online by Our Affiliates or others, or through home delivery or subscription services. You will have many direct and indirect competitors in the well-developed and highly competitive marketplace for cannabis products. A significant portion of Shaman Stores have experienced rising competition as more states have enacted cannabis legislation permitting the increased availability of legal medical and/or recreational marijuana and other cannabis derivatives and varieties. The expected legalization of marijuana and other cannabis derivatives and varieties in more states creates the continued and growing risk that you will encounter increased competition from vendors selling marijuana as well as the products you sell. You will also compete with Unaffiliated Stores and Shaman Stores owned by other franchisees or Our Affiliates. Many states that permit sale of cannabis products only by licensed dealers also have substantial unlicensed, illegal operations that exceed the capacity of law enforcement to shut down.

Industry Laws

Many federal, state, county, and municipal laws that apply to all businesses will regulate your Shaman Store and its operation. On the federal level, the generally applicable laws that may have the greatest impact on the development and operation of your Shaman Store include the Americans with Disabilities Act and particularly its parking and accessibility requirements, the Payment Card Industry Data Security Standards and other consumer privacy laws, antidiscrimination laws, and the many laws affecting employees, including (without limitation) the Occupational Safety and Health Act, the Equal Employment Opportunity Act, the Affordable Care Act, and laws prohibiting sexual harassment. Many states have similar, and sometimes more stringent, laws.

You will also have to comply with the multitude of federal, state, county, and municipal laws affecting possession, sale, advertising, and use of products of the plant *Cannabis sativa L.*, commonly known as cannabis. State law may limit the purchase of such products to individuals that are 18 and older or 21 and older. The two primary classifications of cannabis plants are hemp and marijuana plants. The chemical compounds found in cannabis are called cannabinoids and the two most popular cannabinoids are cannabidiol, or CBD, a non-psychoactive chemical compound, and delta-9 tetrahydrocannabinol (“THC”), the chemical that produces intoxicating and psychoactive effects.

Until 2018 the federal Controlled Substances Act did not distinguish between hemp and marijuana, broadly categorizing all cannabis as a Schedule I controlled substance and making it illegal under federal laws. The Agriculture Improvement Act of 2018 (the “2018 Farm Bill”) redefined marijuana and carved out a definition for hemp to reduce its regulation. Hemp is now defined as any cannabis plant containing a delta-9 THC concentration of 0.3 percent or less by dry weight and marijuana is defined as any cannabis plant containing more than 0.3 percent delta-9 THC by dry weight. The 2018 Farm Bill made hemp and hemp-derived products legal in all 50 states. All products SB manufactures contain hemp-derived CBD that is made legal by the 2018 Farm Bill.

Because marijuana continues to be categorized as a Schedule I controlled substance that is illegal under federal laws, you may not display, carry, offer, trade, or sell any marijuana product at the Franchise Location, through the Franchised Business, or using the Shaman Name or any of the Shaman Marks.

Under federal law, the legal status of other cannabinoids remains unclear. The only cannabinoid explicitly mentioned in the 2018 Farm Bill is delta-9 THC. Cannabis also contains trace quantities of delta-8 THC, a cannabinoid with effects similar to those of delta-9 THC, and hexahydrocannabinol (“HHC”), a hydrogenated version of THC with an intoxicating effect similar to delta-9 THC but concentrated delta-8 THC and HHC can be manufactured from federally legal hemp. Because they are not mentioned in the 2018 Farm Bill, it is unclear whether delta-8 THC and HHC are legal under federal law. Consequently, state regulation of minor cannabinoids varies wildly, with some states banning delta-8 THC as a Schedule I controlled substance and others allowing and regulating its sale as a legal hemp product. Similarly, many states treat HHC as a legal hemp product, permitting sales to persons over 18 or 21, but most states do not yet have any HHC specific legislation. Out of an abundance of caution for varied and continually evolving cannabinoid specific legislation, we strongly recommend but do not require you to limit all sales of delta-9 THC, delta-8 THC, HHC, or any other psychoactive cannabis product to persons over the age of 21 even if Applicable Laws in the territory in which your Franchise Location is situated permit sales of these products to persons under the age of 21.

We contend that all products TCIW manufactures comply with the 2018 Farm Bill because they are derived from hemp but many of them contain delta-8 THC and HHC which the 2018 Farm Bill does not explicitly make legal. You must investigate, become thoroughly familiar with, and stay up to date with all the legal requirements and restrictions surrounding the sale of cannabis and cannabis products, including (without limitation) delta-8 THC and HHC, in your area before displaying, carrying, offering, trading, or selling any cannabis and cannabis products, including (without limitation) delta-8 THC or HHC products, at your Franchise Location or through the Franchised Business. Many states are very aggressive in their control of these substances and you can easily find yourself in trouble if you are not vigilant and do not attend to the subtle variances in legality.

There are also federal laws and laws in every state and many counties and municipalities that impose special requirements on businesses that sell food, health products, dietary supplements, or other consumables. All foods (including animal feed), dietary supplements, and cosmetics, including those containing hemp or hemp-derived products, are regulated by the United States Food and Drug Administration (“FDA”) under the authority of the Federal Food, Drug, and Cosmetic Act (“FDCA”). The FDA’s current position is that

the FDCA prevents hemp from being added to food or dietary supplements, but rather than take aggressive enforcement action, the FDA has issued informal advisory warning letters to companies marketing CBD as a dietary supplement, adding CBD to human and animal food, or claiming CBD prevents, diagnoses, treats, or cures serious diseases. CBDAS received a warning letter addressing some of these concerns from the FDA on November 16, 2022 (the “Warning Letter”) and promptly discontinued a variety of products, commenced a review of product labels, webpages, and social media sites, and responded to the FDA. See Item 3 for more details on the Warning Letter and the actions taken and responses submitted by CBDAS. The abundance of hemp-infused edibles in the market has driven numerous states to regulate the manufacture, labeling, and sale of those products. You must determine exactly what is permitted where your CBD American Shaman business is located and vigilantly remain up to date on this dynamic area of the law.

Sales of products containing cannabinoids are experiencing tremendous growth and the federal, state, county, and municipal regulations surrounding the transportation, possession, sale, marketing, and use of CBD, delta-9 THC, delta-8 THC, hemp, and marijuana, and the use of CBD as an ingredient in foods, dietary supplements, and cosmetics vary wildly and are often inconsistent and even contradictory. Although we anticipate that many emerging regulatory changes will reduce restrictions on cannabis products, other legislation may establish more burdensome processes or requirements with which you must comply or which may restrict your ability to carry, sell, or market certain cannabis products. You must investigate and become thoroughly familiar with all the licensing, permitting, sales, and other legal requirements in your area that apply to the various goods and products you will sell and services you will offer, remembering that you will have to be constantly vigilant to keep up to date with this dynamic area of law and consult with your own attorney both before you sign any contract or make any investment with us and throughout your operation of your CBD American Shaman business. You are personally responsible for complying with all laws applicable to your CBD American Shaman business and must obtain and maintain all permits and licenses required by governmental entities or agencies in your particular area.

ITEM 2. BUSINESS EXPERIENCE

Stephen Vincent Sanders—President

Mr. Sanders serves as our President and Director in North Kansas City, Missouri and has done so since our inception in March 2017. Mr. Sanders also serves as Manager in North Kansas City, Missouri for CBDAS and has done so since its inception in March 2015. Mr. Sanders also serves as Manager in North Kansas City, Missouri for SVS and has done so since its inception in August 2019. From January 2017 through October 2019, Mr. Sanders served as President and Director in North Kansas City, Missouri for Shaman Botanicals, Inc., our affiliate SB’s predecessor in interest.

Mr. Sanders or an entity owned by Sanders also owns many other entities that are in businesses directly or tangentially related to the manufacture, production, distribution, and sale of hemp and hemp analogous products. Sanders is based at the Shaman Office.

Tara Latil—Director of Franchise Operations

Ms. Latil has been our Director of Franchise Operations since February 2024 in Kansas City, Missouri. Ms. Latil also serves as a Managing Member of Rooted in Wellness in Orange, Texas and has done so since June 2019.

Morgan Sanders—Franchise Support

Ms. Sanders has been our Franchise Support in Kansas City, Missouri since February 2024. Prior to this position, she was a Customer Service Representative for us in Kansas City, Missouri from March of 2019 to January 2024.

Jamie Cheatwood—Franchise Sales, Training and Development

Mr. Cheatwood has served as Franchise Sales, Training and Development in Kansas City, Missouri since April 2023. Prior to this position, Mr. Cheatwood was the owner and operator of Shaman Tampa Bay LLC, a Shaman franchise in Tampa, Florida from March 2020 to March 2023. From April 2015 to August 2022, Mr. Cheatwood was a self-employed Life Coach in Tampa Bay, Florida.

ITEM 3. LITIGATION

Pending Actions

On February 8, 2022, the owners of American Shaman Holladay, LLC, now known as Vitality Advantage Holladay, LLC, a Utah limited liability company (“Vitality”), a former Shaman Store franchisee that abandoned its operations filed a demand for arbitration with the American Arbitration Association claiming we violated the FTC Franchise Rule, the Utah Business Opportunity Act, and the Franchise Agreement and committed fraud, negligent representation, unfair trade practices and seeking promissory and equitable estoppel, among other remedies. Dawn Johancsik and Tracy Johancsik v. American Shaman Franchise System, Inc., AAA Case Number 01-22-0000-5650 (Kansas City, Missouri). The claimants seek damages of \$500,000 to \$1,000,000. An arbitrator was appointed on March 24, 2022 and a preliminary hearing was held on June 30, 2022. The claimants provided a modified statement of their claims on September 26, 2022, asserting additional federal and state statutory, tort, contract, and equitable claims, including fraud; prima facie tort; breach of the franchise agreement, the Franchise Disclosure Document, the covenant of implied good faith and fair dealing, express warranty, implied warranty of merchantability, implied warranty of fitness for a particular purpose, and a promise enforceable by promissory estoppel; violation of the FTC Rule, Utah Business Opportunity Disclosure Act, Utah Hemp and Cannabidiol Act under U.C.A. §4-41, Utah Industrial Hemp Rules under Utah Administrative Code R68, Utah Antitrust Act under Title 76-10-3101, Section 1 of the Sherman Act under 15 U.S.C. § 1, Special Incidents on Sale or Return under U.C.C. § 2-327(1)(c), Robinson-Patman Act under 15 U.S.C. § 1, and 15 U.S.C. § 1125(a); RICO under 18 U.S.C. § 1962(c); unjust enrichment, unfair competition, tortious interference with prospective commercial relationships, loss of consortium, and common law unfair competition. The claimants added Vitality as an additional claimant on September 29, 2022. On November 4, 2022, we filed an Answer and Affirmative Defenses and Counterclaims asserting various counterclaims, including breach of the Franchise Agreement, breach of the Restrictive Covenants, Confidential Information and Non-Compete Agreement, trademark infringement/false designation of origin/unfair competition, defamation, injurious falsehood, and tortious interference with existing relationships and reasonable business expectancies. As of the date of this Franchise Disclosure Document, we are in discovery and the hearing has been scheduled for June 2024.

Pending Agency Action

On November 16, 2022, the FDA issued a Warning Letter to CBDAS objecting to the marketing and sale of CBD-infused human and animal edibles and a topical sunscreen and noting that an FDA analysis performed on a cookie product claiming to contain 10mg of CBD per serving found 19.3mg per serving and 17.6mg per serving in their original and check analyses, respectively. MARCS-CMS 628753. CBDAS delivered an initial response letter to the FDA on December 5, 2022, outlining its intention to review and update its product labels, webpages, and social media sites to ensure compliance with the FDCA and

explaining that, for unrelated business reasons, the sunscreen and six of the eight items intended for human consumption to which the FDA had objected had been discontinued. Although there has been no formal letter to that effect, CBDAS does not anticipate there will be any objection to the sale of the other items. CBDAS delivered a supplemental response letter to the FDA on February 15, 2023, describing the revisions made to their product labels, webpages, and social media sites and imploring the FDA to exercise enforcement discretion to permit CBDAS to categorize their CBD-infused animal products as non-feed animal health products so the products comply with the FDCA. The FDA has not yet responded to either letter.

Currently Effective Government Actions

In the Matter of American Shaman Franchise System, LLC, DFI Case No. S-242323 (FX) (the “Wisconsin Action”). On May 5, 2021, the Wisconsin Department of Financial Institutions issued a Consent Order to Cease and Desist in the Wisconsin Action. The Consent Order was issued because (i) we sold a franchise in Wisconsin in 2019 five days after our registration in that state had expired and (ii) our Franchise Disclosure Document failed to disclose a bankruptcy petition filed in 2012 by our former Director of Franchise Development, Kathi Miley. The Consent Order required us to refrain from offering or selling franchises until we were registered or exempted from registration in Wisconsin.

Statement of Charges and Notice of Intent to Enter Order to Cease and Desist in the Matter of Determining Whether there has been a violation of the Franchise Investment Protection Act of Washington by: American Shaman Franchise Systems, Inc. d.b.a. CBD American Shaman, et al., State of Washington Department of Financial Institutions Securities Division. Order No. S-19-2786-21-SC01 (the “Washington Action”). On June 15, 2021, the Washington Department of Financial Institutions Securities Division (the “Division”) filed the Washington Action citing us with offering unregistered franchises and failing to disclose Ms. Miley’s 2012 bankruptcy petition. We are currently negotiating a settlement with the Division concerning these allegations.

In the Matter of: The Commissioner of Financial Protection and Innovation v. American Shaman Franchise System, Inc., dba CBD American Shaman (the “California Action”). On February 11, 2022, the California Department of Financial Protection and Innovation issued a Consent Desist and Refrain Order against us for failing to disclose Ms. Miley’s 2012 bankruptcy petition in our 2019 franchise registration application, an application we ultimately abandoned. We promptly paid the administrative penalty and have not since offered franchises in California.

ITEM 4. BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5. INITIAL FEES

Initial Franchise Fee

You must pay us a \$10,000 initial franchise fee in a lump sum when you sign the Franchise Agreement. The initial franchise fee is uniform and fully earned when paid and is not refundable under any circumstances, including if we terminate your Franchise Agreement because you fail to (a) locate a suitable Franchise Location and sign a Lease as required by the Franchise Agreement or (b) successfully complete the initial training program described in Item 11. We did not discount any initial franchise fees in our fiscal year ending December 31, 2023. During our last fiscal year ending December 31, 2023, we collected \$10,000 in initial franchise fees.

Reserve Deposit

You must pay us a \$5,000 security deposit in a lump sum when you sign the Franchise Agreement (the “Reserve Deposit”). If you default in performance of any provision of the Franchise Agreement or any other agreement between you and us or any of Our Affiliates, we may use the Reserve Deposit, or any portion of it, to cure the default or to compensate us or Our Affiliate for any and all damages or expenses we or they incur because of your default. We may also use the Reserve Deposit to pay any late charges, interest, penalties, or fees you owe to us or Our Affiliates and any costs and/or charges due us for performing obligations you do not perform and we are entitled to perform for you. If monies are owed to us or become due to us as a result of or on or after termination or expiration of the Franchise Agreement for any reason, we may use all or any part of the Reserve Deposit to pay those sums.

If we use any part of the Reserve Deposit before the end of the Franchise Agreement term, you must replenish it. If we terminate the Franchise Agreement because you do not locate a site that meets our site selection criteria within the time period required by the Franchise Agreement or you do not successfully complete our training program, we will refund the Reserve Deposit you have paid us less any permitted deductions and offsets after you sign and deliver our form of General Release and Covenant Survival Acknowledgment. If you are not in default in performance under the Franchise Agreement or any other agreement with us or any of Our Affiliates on the date the Franchise Agreement expires or is terminated for any other reason, we will return the remaining balance of the Reserve Deposit to you within 30 days after you sign and deliver our form of General Release and Covenant Survival Acknowledgment.

Initial Inventory

You will be required to purchase inventory and gift cards, costing between \$20,000 and \$25,000 from us or Our Affiliates. The cost of these goods is not refundable under any circumstances.

ITEM 6. OTHER FEES

| Type of Fee ⁽¹⁾ | Amount | Date Due | Remarks |
|----------------------------|---|---|--|
| Monthly Royalty | Presently zero but we may impose a royalty fee of up to 6% of Gross Revenue ⁽²⁾ during the preceding calendar month by delivering 90 days written notice to you. | N/A but if imposed, due on the first Tuesday of each calendar month | Payable only if imposed. Our royalty fees are not uniform. We may require franchisees to pay different royalty amounts based on a variety of factors, including (without limitation) the Franchise Location’s monthly revenue and how long the Franchise Location has been open to the public. |

| Type of Fee ⁽¹⁾ | Amount | Date Due | Remarks |
|--|--|--------------|--|
| Inventory of goods and products, including CBD flower, electronic vapes, ingestibles, topical products, etc. | Variable based on purchases but presently estimated to be between \$10,000 and \$25,000 per month, depending on sales volume and market price. | When ordered | You must purchase the majority of your inventory from Our Affiliates. That includes (a) if you choose to carry and Applicable Laws permit you to sell Zen Master Products (as defined in Item 8), Shaman Products (as defined in Item 8) with a wholesale cost of no less than \$2,500 and Zen Master Products with a wholesale cost of no less than \$2,500 every calendar month during the term of your Franchise Agreement or (b) if you choose not to carry or Applicable Laws do not permit you to sell Zen Master Products, Shaman Products with a wholesale cost of no less than \$5,000 every calendar month during the term of your Franchise Agreement (collectively, the “Minimum Purchase Commitment”). If you do not comply with the Minimum Purchase Commitment for three consecutive calendar months, unless prohibited by Applicable Law, we may, but are not obligated to, terminate your Franchise Agreement. See Item 8 for additional information. |
| Gift Cards | Variable based on purchases. | When ordered | You must purchase from us or Our Affiliates or a supplier we designate and offer for sale at your Shaman Store a selection of CBD American Shaman gift cards in various denominations we offer. You may not sell any other gift cards, including gift cards that can only be used in your Shaman Store. See Item 8 for additional information. |

| Type of Fee ⁽¹⁾ | Amount | Date Due | Remarks |
|-------------------------------|---|---|--|
| Reserve Deposit Replenishment | Varies (up to \$5,000) | As incurred | If we use any part of the Reserve Deposit before the end of the Franchise Agreement term, you must replenish it. See Item 5 for more information on the Reserve Deposit. |
| National Marketing Fund fee | Amount in the latest fee schedule in the Shaman Manual (as defined below) (the “Fee Schedule”). Currently \$800.00 per month. | Paid in four equal installments on each of the first four Tuesdays of each month beginning on the first Tuesday of the first calendar month after the date the Franchise Location opens to the public for business (the “Opening”). If the Opening does not occur on the first day of the calendar month, the National Marketing Fund fee for the first month after the Opening is prorated | We will withdraw the National Marketing Fund fee from your bank account each week it is due. We reserve the right to increase the National Marketing Fund fee upon 90 days written notice to up to \$1,200 per month. See Items 8 and 11 for additional information. |
| Technology Fee | Amount in Fee Schedule. Currently \$200 per month. | Paid in four equal installments on each of the first four Tuesdays of each month beginning on the first Tuesday of the first calendar month after your Opening. If the Opening does not occur on the first day of the calendar month, the technology fee for the first month after the Opening is prorated | You will pay us for your use of and the maintenance and support for the POS System, Shaman Feather Rewards Program (described in Item 8), Proprietary Product Websites (as defined in Item 7), WAL (as defined in Item 11), the Website (as defined in Item 11) and any other software or technological innovations we create and require you to use and for any upgrades to any of them (the “Technology Fee”). We will withdraw the Technology Fee from your bank account each week it is due. |

| Type of Fee ⁽¹⁾ | Amount | Date Due | Remarks |
|----------------------------------|---|---|--|
| Audit fee | Cost of audit | Within 10 days after receipt of invoice | Payable only if you fail to provide monthly financial statements when requested or we institute a royalty fee and we conduct an audit that shows you have understated Gross Revenue by more than 2%. This is in addition to the required payment of any additional royalties or other fees that the audit shows were underpaid. We may withdraw this fee from your bank account if it is not paid by the due date. |
| Late fee | 10% of amount due with \$50 minimum | With late payment | Payable only if you fail to pay any amount due within 10 days after the due date. We may forego imposing this fee based on our discretionary assessment of the circumstances that caused the late payment. |
| Insufficient Funds Fee | Amount in Fee Schedule. Currently \$250 per occurrence. | With late payment | We will withdraw from your bank account the sums you owe us. We have the right to impose this fee if you do not have sufficient funds in your bank account for any withdrawal, but may not always impose the fee, depending on our discretionary assessment of the circumstances. |
| Collection and Enforcement Costs | Actual cost, which is variable. | With payment for which incurred | Payable only if your check is returned or funds collected electronically are not available when due or if we incur costs to collect monies you owe and do not pay or to enforce any of your other obligations. |

| Type of Fee ⁽¹⁾ | Amount | Date Due | Remarks |
|----------------------------|---|--|--|
| Noncompliance Fee | \$500 for the first month in which you are cited for noncompliance. If you remain noncompliant, \$750 for the second month and \$1,000 for each subsequent month. | Withdrawn from your account on the first Tuesday of the calendar month after the month in which you were cited for noncompliance | If you do not comply with the requirements of your Franchise Agreement that we regard as essential to the trade identity and reputation of the System or impact the quality of products or services at your Shaman Store, you must pay a monthly noncompliance fee until you are compliant. The Noncompliance Fee and the Noncompliant Goods Fee (as described below) are cumulative and do not preclude us from terminating your Franchise Agreement. |
| Noncompliant Goods Fee | 5% of Gross Revenue | Withdrawn from your account on the first Tuesday of the calendar month after the month in which you sold noncompliant goods | Imposed for any month during which you display, carry, offer, trade, or sell any Unpermitted Item (as defined in Item 8). The Noncompliance Fee and the Noncompliant Goods Fee are cumulative and do not preclude us from terminating your Franchise Agreement. |
| Liquidated Damages | \$50,000 | Within ten days of the termination date | If we terminate your Franchise Agreement because you display, carry, offer, trade, or sell any product that violates Applicable Laws, any marijuana product, or any Unpermitted Item that contains hemp, you must pay us a termination fee as liquidated damages. The liquidated damages are cumulative and does not preclude any other payment, right, remedy, damages, or relief given to us by the Franchise Agreement or Applicable Laws. |

| Type of Fee ⁽¹⁾ | Amount | Date Due | Remarks |
|----------------------------------|--|--|---|
| Remedial Actions and Service Fee | Charges we incur plus interest and 5% of cost of corrective action, which is variable, but not less than \$50. | On demand | If you do not take certain actions required by the Franchise Agreement, we can take those actions and charge you for the expenses we incur and a service fee. |
| Interim Manager Payments | Currently \$250 per day but we may increase at any time in any amount. ¹ | See Note 3 | See Note 3. |
| Additional Training Fee | To be determined by us, but not to exceed \$500 per person. | Before beginning additional training | Payable only if we determine that additional training is warranted or you request additional assistance or additional training for your existing or new manager who will be responsible for the day-to-day operation of the Shaman Store (the “Manager”) or your existing or new Operating Partner. |
| Annual Meeting Fee | Amount in Fee Schedule. Currently \$360 per attendee per year. | Paid in 12 equal installments on the first Tuesday of each calendar month, beginning on the first Tuesday of the first calendar month after your Opening, with any outstanding balance paid with your annual meeting enrollment. If you choose and are permitted to have more than one individual attend the annual meeting, you will pay the annual meeting fee for any additional individual upon their enrollment | You or your Operating Partner must attend the annual meeting. You may also choose to bring any Manager who has signed our current form of CBD American Shaman Nondisclosure Agreement (a “Nondisclosure Agreement”) that has been delivered to us. Fully refundable if you are unable to attend. |

| Type of Fee ⁽¹⁾ | Amount | Date Due | Remarks |
|--|--|--|--|
| Third Party Vendor and Product Evaluation Fees | Up to \$500, per product. | On demand | Payable only if you ask us to consider approval of alternate suppliers for nonproprietary goods, products, supplies, or services and we review the supplier. You must submit a complete Third Party Vendor and Product Approval Request Form for each individual item or flavor. See Item 8. |
| Renewal fee | Amount in Fee Schedule. Currently 20% of the then-current initial franchise fee. | Upon signing the renewal agreement | Payable only if you choose to renew the term of your Franchise Agreement. |
| Transfer fee | Amount in Fee Schedule at time of transfer. Currently 50% of the then-current initial franchise fee. | Due after transferee is approved by us and no later than before transferee signs Franchise Agreement | Payable if you request approval of the transfer of the Franchise Agreement or the assets of the Franchised Business, or approval of a change in ownership of the franchisee entity (other than a transfer of ownership interests as permitted by the Franchise Agreement to a family trust or existing owners of the franchisee entity in which case the transfer fee is limited to reimbursing us for any legal expenses we incur to prepare or review documentation related to the transfer). We may forego imposing this fee based on our discretionary assessment of the circumstance underlying the transfer. |
| Attorneys' Fees and Costs | Actual cost, which is variable. | On demand | Payable only if we use an attorney to collect money from you or otherwise enforce any provision of the Franchise Agreement or any other agreement with you. |

| Type of Fee ⁽¹⁾ | Amount | Date Due | Remarks |
|----------------------------|----------|-------------|---|
| Indemnification | Variable | As incurred | You must indemnify us for all costs and expenses (including attorneys' fees) we incur in connection with any claim arising out of or related to your Shaman Store or the Franchised Business. |

Notes:

1. Fees. All fees paid to us or our affiliates are uniform and not refundable under any circumstances once paid. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. We currently require you to pay fees and other amounts due to us or our affiliates via electronic funds transfer (“EFT”) or other similar means. You are required to complete the ACH authorization (in the form attached to this Franchise Disclosure Document in Exhibit K). We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement. Also, any fee expressed as a fixed dollar amount is subject to adjustment based on changes to the Consumer Price Index (“CPI”) in the United States. We may periodically review and increase these fees based on changes to the CPI (in addition to any other increase), but only if the increase to the CPI is more than 5% higher than the corresponding CPI in effect on: (a) the effective date of your Franchise Agreement (for the initial fee adjustments); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments). We will notify you of any CPI adjustment at least 60 days before the fee adjustment becomes effective. We will implement no more than one CPI-related fee adjustment during any calendar year.

If you default in performance of any provision of the Franchise Agreement or any other agreement between you and us or any of Our Affiliates, we may use the Reserve Deposit, or any portion of it, to cure the default or to compensate us or Our Affiliate for any and all damages or expenses we or they incur because of your default. We may also use the Reserve Deposit to pay any late charges, interest, penalties, or fees you owe to us or Our Affiliates and any costs and/or charges due us for performing obligations you do not perform and we are entitled to perform for you. If monies are owed to us or become due to us as a result of or on or after termination or expiration of the Franchise Agreement for any reason, we may use all or any part of the Reserve Deposit to pay those sums.

2. “Gross Revenue” means (a) the gross selling price or barter value of all goods and services sold, delivered, or performed in or from your Shaman Store or through your WAL (as defined in Item 11) or using the Shaman Name or any of the Shaman Marks, or any part of the Shaman Business Method, whether payment is by cash, check, credit, credit card, debit card, Google Pay, Apple Pay, Samsung Pay, PayPal, Venmo, Zelle, or similar account, cryptocurrency, charge account, credit for purchases of any kind, barter, or exchange, including (without limitation and whether or not authorized or permitted under the Franchise Agreement, but excluding items that violate Applicable Law or on which Applicable Law prohibits collection of royalties) the gross amount received for orders taken, originated, accepted, or received elsewhere but filled at or from your Shaman Store or with CBD American Shaman® or Zen Master™ branded goods, orders taken, originated, accepted, or received at your Shaman Store but filled, delivered, or performed elsewhere, and

orders placed through your WAL but filled, delivered, or performed by Our Affiliates; (b) less (i) permitted refunds made to bona fide customers in good faith; (ii) amounts actually paid for sales or excise taxes that were added to the selling price of goods and collected from customers; (iii) redemption of gift cards; (iv) complimentary items provided to your paid employees, which cannot exceed the maximum amount permitted in the latest version of the Shaman Manual available on Franchise Resources; and (v) sales of assets of the CBD American Shaman® business other than inventory sold in the ordinary course of business.

3. **Interim Manager.** If you are an individual and you die or become disabled, if you are an entity and your Operating Partner (as defined below) dies or becomes disabled, or if you are an entity and there is a deadlock among your owners, we may place a manager (who may be one of our employees) in your Shaman Store to operate it until you or your affected owner are capable of resuming operation, you or your successor has hired a manager, your dispute has been resolved satisfactorily, or a transfer of your interest is completed as required by the Franchise Agreement, as the case may be. We may charge you or your successor a fee for the manager and any travel, lodging, or living expenses.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

| Type of Expenditure | Amount | | Method of Payment | When Due | To Whom Payment is to be Paid |
|--|----------|----------|--------------------------------------|---------------------------------------|--|
| | Low | High | | | |
| Initial Franchise Fee ² | \$10,000 | \$10,000 | Lump sum payment | When you sign the Franchise Agreement | Us |
| Franchise Agreement Reserve Deposit | \$5,000 | \$5,000 | Lump sum | When you sign the Franchise Agreement | Us |
| Real property lease security deposit and one month's rent ³ | \$1,800 | \$10,000 | As arranged | As required by landlord | Landlord |
| Franchise Location build out and leasehold improvements ⁴ | \$25,000 | \$75,000 | As arranged with third-party vendors | As incurred | Various third-party vendors |
| Furniture, fixtures, and equipment ⁵ | \$4,000 | \$10,000 | As arranged with third-party vendors | As incurred | Various third-party vendors |
| Signage ⁶ | \$3,500 | \$10,000 | As arranged with third-party vendors | As incurred | Various third-party vendors |
| Opening inventory ⁷ | \$20,000 | \$25,000 | Lump sum | As incurred | Our Affiliates or Designated Suppliers |

| Type of Expenditure | Amount | | Method of Payment | When Due | To Whom Payment is to be Paid |
|---|----------|-----------|-------------------|------------------------|--|
| | Low | High | | | |
| Training period payroll and travel and living expenses ⁸ | \$2,000 | \$4,000 | Variable | During training | Trainees, airlines, hotels, restaurants, car rental agencies, and other providers. |
| Governmental permits and licenses | \$500 | \$1,500 | Lump sum | Upon application | City, County and/or State governmental entities and agencies |
| Utility deposits | \$100 | \$300 | Lump sum | When account opened | Utility companies |
| Insurance premiums (three months) | \$600 | \$1,800 | Lump sum | As required by carrier | Carrier |
| Additional funds—3 months ⁹ | \$15,600 | \$31,800 | As incurred | As incurred | Us or Our Affiliates and various third-party vendors |
| Total ¹⁰ | \$88,100 | \$184,400 | | | |

¹ When Due. We do not finance any fee or payment. None of these payments is refundable except, after termination or expiration of the Franchise Agreement, we will refund any balance of the Reserve Deposit remaining after permitted deductions and offsets within 30 days after you sign and deliver our form of General Release and Covenant Survival Acknowledgment.

² Initial Franchise Fee. You must pay us a \$10,000 initial franchise fee in a lump sum when you sign the Franchise Agreement. The initial franchise fee is fully earned when paid and is not refundable, including (without limitation) if we terminate your Franchise Agreement because you fail to (a) locate a suitable site location and sign a Lease as provided by the Franchise Agreement or (b) successfully complete the initial training program described in Item 11.

³ Real property lease security deposit and one month's rent. If you do not own adequate space for your franchise location, you will need to lease space. A Shaman Store occupies about 1,000 to 1,500 square feet of retail space. Rent and common area maintenance charges are estimated to be between \$1,500 and \$4,000 per month, depending on a variety of factors, including (without limitation) geographic location, size, condition, local rental rates, other businesses in the area, site profile, and other factors. Costs may be considerably higher in large metropolitan areas than in more suburban or small-town areas. Subject to Applicable Laws, Shaman Stores can be full sized stores or kiosks located in strip shopping centers, shopping malls, grocery stores, free-standing units, and other venues in commercial areas and in residential areas that allow for commercial zoning. Some landlords also charge percentage rent: additional rent based

on a percentage of revenue above a certain amount. Landlords usually require payment at the time a lease is signed of a security deposit equal to one month rent and prepayment of the first month rent. Sometimes the landlord will do construction or remodeling work to prepare the space for you, but then the landlord often requires payment of an additional security deposit equal to a month or two of rent at the time a lease is signed and sometimes then allows one or two months' rent free. See Item 11 for additional site information. If you lease the Franchise Location, you and the landlord must sign our standard form of Lease Addendum, to which landlords sometimes require certain revisions that we may not be willing to accept.

You may already own or purchase real estate on which a building suitable for use as a Shaman Store is already constructed or could be constructed. Because this is unlikely and real estate costs vary widely depending on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying, we cannot estimate these costs.

⁴ Franchise Location build out and leasehold improvements. You must have your Franchise Location built out, improved, fixtured, decorated, and branded to our specifications and requirements. Construction of these leasehold improvements may include floor to ceiling new construction starting with only stubbed out openings for electricity and plumbing or may require relatively minor remodeling, updating, or refurbishing. The cost is widely variable based not only on the extent of the work required for the space you locate and select but also the geographical location of the franchise location; for instance, a 1,500 square foot Shaman Store in a major city will be much more expensive to improve as required than will a 1,000 square foot space in a mall in a rural town. As mentioned in Note 3, a landlord may do the construction or remodeling work to prepare the space for you or advance the money for that work, adding the cost to the monthly rent. The lower figure assumes that you remodel an existing building; the higher figure assumes the construction of a new building on a pad site.

⁵ Furniture, fixtures, and equipment. You must equip your Shaman Store with all the furnishings, fixtures, and equipment, including a Customer Education Lounge featuring a seating area with couches, tables, and/or chairs, a dedicated Windows or Linux tablet capable of running our POS System, a receipt printer compatible with the operating system you have chosen, a cash drawer that connects to the POS System, a credit card processing terminal, and telephone system we designate.

⁶ Signage. You must install the signage we require both inside and outside your Franchise Location in locations we designate.

⁷ Opening inventory. Within 14 days after you have completed all items on the New Franchisee Checklist we have delivered to you as part of the Onboarding Packet described below in this Item (the "Website Access Date"), we will give you access to a variety of websites operated by Our Affiliates through which you must order an opening inventory of Proprietary Products (as defined in Item 8), promotional material, and other supplies (the "Proprietary Product Websites"). Although the Proprietary Product Websites feature Our Affiliates' complete product lines, you may only order items that comply with Applicable Laws, including (without limitation) delta-8 THC and HHC regulations. You must investigate, become thoroughly familiar with, and stay up to date with all legal requirements and restrictions applicable to the sale of delta-8 THC and HHC in your area before displaying, carrying, offering, trading, or selling any delta-8 THC or HHC products at your Franchise Location or through the Franchised Business. You must purchase at least ninety percent of your inventory from us or Our Affiliate. We anticipate that you will purchase between \$20,000 and \$25,000 of inventory from us.

⁸ Training period payroll and travel and living expenses. The number of people you train, whether you need to provide food, lodging, and transportation for them during training, and the distance they must travel are among the factors that will affect your training travel, lodging, and related expenses. You must also pay

wages and related payroll expenses for your trainees during training. See Item 11 for additional information.

⁹ Additional funds—3 months. This is an estimate of the funds you will need for operating expenses during the first three months after you open your Shaman Store. Those expenses include payroll, utilities, taxes, rent, inventory, the National Marketing Fund fee, insurance premiums, local marketing and advertising costs, the Technology Fee, the fee paid to the Franchisee Association (as defined in Item 11), and similar costs. The estimate does not include any salary for you, even if you work in the business. New businesses typically have expenses greater than revenue for some period of time. Our use of three months is not a guarantee that you will need only three months of initial operating expenses or that you will be profitable or even break even after only three months. You may not have income for a longer period than three months. The exact amount of your costs will depend on a variety of factors, including (without limitation) your technical, marketing, management, budgeting, and general business skill and acumen; local and general economic conditions; competition in your local area; the local market for CBD American Shaman products; the prevailing wage in your area; the availability and cost of competent help and the extent to which you hire employees; other operating costs in your local area; and the volume of sales you reach during the initial operating period.

¹⁰ Like every business, investing in and operating a CBD American Shaman franchise involves many significant economic risks that cannot be eliminated. Significant investment beyond what is described in this Franchise Disclosure Document may be required for you to succeed. Your revenue, profit, income, and success are dependent on many factors, including (without limitation) your personal financial, management, and other business skills, resources, acumen, and judgment, your willingness to work hard and invest in the success of your business, and your adherence to the Shaman Business Method. We cannot and do not guarantee your success.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must develop and operate your Shaman Store as required by our detailed operating guidelines and procedures and use all the elements of the Shaman Business Method, which you will learn during training and have in the Shaman Manual.

Your Shaman Store Location and Lease

When we deliver to you a counterpart of the Franchise Agreement signed on our behalf (the “Effective Date”), we will also deliver a set of checklists, specifications, and guidelines you must use to select, build out, and equip your Franchise Location, all of which will also be available on Franchise Resources (the “Onboarding Packet”). The Onboarding Packet contains our proprietary site selection criteria checklist, including the requirements and specifications for the Customer Education Lounge. Your Shaman Store must be operated from a location that meets our site selection criteria. You may either own, lease, or purchase the premises for your Shaman Store but most franchisees lease a location. If you lease the premises for your Shaman Store, the lease must be for a term of at least five years or be renewable at your option for an additional term or terms that, together with the initial term, equal or exceed five years and you must exercise a sufficient number of renewal options to total no fewer than five years of occupancy. Whether the location is already owned, leased, or purchased, it must be remodeled, improved, built out, equipped, decorated, and branded as we require so it has the unique appearance and trade dress of a Shaman Store.

Shaman Store Design, Improvements, Décor, and Appearance

Style and appearance are an integral part of the Shaman Store brand identity and customer experience, so we impose various layout, design, appearance, and decoration specifications for your Shaman Store but also permit you to personalize some aspects of your Franchise Location. We designate the materials and appearance for the front counter and countertop, wall covering, floor treatment, décor, and signage of your Shaman Store all of which you may obtain from any vendor you choose but which must meet our specifications and requirements. Subject to our prior approval, you may make limited personal touches to the interior layout or appearance of your Shaman Store so long as none of them detract from or alter the fundamental standard trade dress and style of a Shaman Store. Your Shaman Store must have a Customer Education Lounge decorated and furnished to our specifications.

Furniture, Furnishings, Fixtures, and Equipment

You must equip your Shaman Store with all the furniture, furnishings, fixtures, and equipment (the “FFE”) we specify for it. The Onboarding Packet contains a list of all the required FFE and identifies any suggested or designated suppliers from whom you must obtain them.

Tablet or Computer, Receipt Printer, Cash Drawer, Credit Card Processor, and Point of Sale System

You must purchase and use at the front counter of your Shaman Store a newest generation Windows or Linux computer or tablet capable of running our POS System and seamlessly communicating data to us, a receipt printer compatible with the operating system you have chosen, a cash drawer that connects to the POS System, and a credit card processing terminal, all as designated in the latest Devices, Software, and Communication Services List in the latest version of the Onboarding Packet as it may be updated from time to time on Franchise Resources (the “Devices and Communication Services List”). The Devices and Communication Services List contains the name and model of a cash drawer that is compatible with the POS System and a receipt printer that is compatible with your computer or tablet but you are not required to purchase those brands. We will also give you a list of credit card processors you may use. The fee for your use of the POS System is included in the \$200 monthly Technology Fee.

Goods and Products

You must carry and offer for sale at the Franchise Location all (and only) goods and products we designate or approve from time to time (the “Approved Inventory”), including (without limitation) a wide assortment of hemp-derived CBD products that you must purchase only from us or Our Affiliates, including CBDAS and TCIW, (collectively, the “Proprietary Products”) or other suppliers we designate or approve. Your Approved Inventory (i) must include a full range of curated or proprietary hemp-derived CBD products (a) developed using SB’s proprietary processes and/or nanotechnology or (b) products acquired from others and enhanced or infused with CBD developed using SB’s proprietary processes and/or nanotechnology, including (without limitation) hemp flower, pre-rolled joints, and electronic vapes; topical lotions, serums, creams, balms, salves, oils, and tinctures; bath bombs; edible gummies, oils, tinctures, and other ingestibles; and non-feed animal health products and oils (the “Shaman Products”) and (ii) so long as you abide by any delta-8 THC or HHC regulations in your area, may include (a) curated or proprietary delta-8 THC, delta-9 THC, and HHC hemp products developed using TCIW’s proprietary processes and/or nanotechnology or (b) products acquired from others and enhanced or infused with delta-8 THC, delta-9 THC, or HHC developed using TCIW’s proprietary processes and/or nanotechnology, including (without limitation) hemp flower, pre-rolled joints, and electronic vapes; oil tinctures; and edible gummies, candies, baked goods, and other ingestibles (the “Zen Master Products”). When Our Affiliates develop new hemp-derived or infused



products you will be required to purchase those new proprietary products from us, Our Affiliates, or suppliers we designate or approve, unless Applicable Law prohibits you from fulfilling that requirement.

To ensure you can satisfactorily meet the needs of your clientele, you must always maintain an adequate stock of the full range of Shaman Products and, if Applicable Laws permit and you choose to carry them, Zen Master Products. To that end, you must comply with the Minimum Purchase Commitment. If you do not comply with the Minimum Purchase Commitment for three consecutive calendar months, unless prohibited by Applicable Law, we may, but are not obligated to, terminate your Franchise Agreement.

In addition to inventory items that are standard for a Shaman Store up to 10% of the total quantity of inventory in your Shaman Store may include goods, products, foods, or beverages you select that have been approved by us in writing, including hemp-derived CBD goods or products manufactured and distributed by others (the “Other Permitted Item(s)”). You must obtain our prior written approval of all the Other Permitted Items you offer and sell at your Shaman Store and you may not offer or sell at your Shaman Store any goods, products, foods, or beverages that are not Approved Inventory or Other Permitted Items (each an “Unpermitted Item”).

Third Party Vendor and Product Approval

To ensure all Shaman Stores carry high-quality, reliable, and uniform inventory, we strictly limit the brands you may carry and require you to purchase only from us, Our Affiliates, or suppliers we designate or approve. You may make a written request that we approve a particular supplier or a particular brand of any good or product not identified on the List of Permitted Third Party Vendors and Products available on Franchise Resources and updated from time to time (the “List of Permitted Third Party Vendors and Products”) by using our Third Party Vendor and Product Approval Request Form available on Franchise Resources. To request an evaluation of an Other Permitted Item not identified on the List of Permitted Third Party Vendors and Products, you must submit a completed Third Party Vendor and Product Approval Request Form along with (a) if you are requesting an evaluation of a CBD good or product manufactured and distributed by others, a sample of the CBD good or product, a certificate of analysis from a reputable, independent, third-party laboratory authorized to perform tests in the state in which your Franchise Location is located, and any other information we may subsequently request, including information regarding its producer, suppliers, and availability or (b) if you are requesting an evaluation of any other good, product, food, or beverage, a photograph of the good, product, food, or beverage and any other information we may subsequently request, including (without limitation) a product sample or information regarding its producer, suppliers, and availability. You must complete a Third Party Vendor and Product Approval Request Form for each product or flavor you submit for review. Promptly after receipt of any complete Third Party Vendor and Product Approval Request Form and the requisite supplemental information, we will review the item and vendor and make any investigation we deem necessary or desirable and you shall pay us within 15 days after receipt of an invoice up to \$500 per Third Party Vendor and Product Approval Request Form you submit. If we do not respond to your request for an Other Permitted Item approval within 60 days of your submission, the request will be considered disapproved and you may not sell that good, product, or brand in your Shaman Store.

If, in our subjective judgment, the suggested good, product, or brand is comparable or superior in quality, grade, performance, appearance, and reputation to the currently approved goods, products, or brands and its producer and suppliers are capable of supplying it at the times and in the quantities our franchisees are likely to require, we may add the suggested good, product, brand, or supplier to our List of Permitted Third Party Vendors and Products available on Franchise Resources and it will be included in the definition of Approved Inventory. But we may choose to refuse to approve additional goods, products, brands, or suppliers that are as good as or better than the approved ones only because we limit the total number of sources of supply for quality control and management purposes. If we conclude that the suggested good,

product, or brand and its suppliers should not be added to the List of Permitted Third Party Vendors and Products, we will promptly give you notice of that fact, setting forth the particulars on which we based our decision.

If at any time, we determine that any previously approved good, product, brand, or supplier no longer meets our approval requirements, you must cease doing business with that supplier and remove any remaining unapproved good or product from your inventory immediately upon receiving notice from us.

Gift Cards

You must purchase from us or Our Affiliates or a supplier we designate and sell and accept at your Shaman Store gift cards in all the denominations we require. You may not sell gift cards that are redeemable solely at your Franchise Location. Gift cards are not currently redeemable on our website.

Cryptocurrency Automated Teller Machines

We have an agreement with GPD Holdings LLC, d/b/a CoinFlip, a Delaware limited liability company (“CoinFlip”) allowing CoinFlip to offer to place a cryptocurrency automated teller machine (each a “CCATM”) in the Franchise Location of our franchisees it selects. Selection of Franchise Locations will be at CoinFlip’s subjective determination. If the franchisee agrees to participate, CoinFlip will pay a \$300 monthly fee to franchisees for each CCATM it places with one of our franchisees. Franchisees are not required to accept a CoinFlip offer and CoinFlip has no obligation to make an offer to any franchisee. You may not contract with any other CCATM provider without our prior written consent.

Shaman Feather Rewards Program

We have established and operate the Shaman Feather Rewards Program, a loyalty rewards program through which customers earn points for purchases of Proprietary Products made at any Shaman Store and redeem those points for Proprietary Products at any Shaman Store (the “Shaman Feather Rewards Program”). You must participate in the Shaman Feather Rewards Program and adhere to all procedures, guidelines, and restrictions described in the latest version of the Shaman Manual available on Franchise Resources. SB will provide you with a credit for the cost of any item redeemed through the Shaman Feather Rewards Program that you may use to purchase additional Proprietary Products. The store credit we provide is based on the purchase price of the redeemed product or credit. For example, if you redeem a \$10 in-store credit and the purchase price percentage for reimbursement is 39.5%, you will receive \$3.95 as reimbursement

Insurance

In addition to any insurance requirements of Applicable Laws, you must carry (a) commercial general liability insurance with a single combined liability limit of not less than \$1,000,000, insuring against all liability of you and your agents and employees arising out of or in connection with the existence or operation of your Shaman Store; (b) hired and non-owned automobile liability insurance with a single combined liability limit of not less than \$1,000,000; and (c) at least \$25,000 in product liability insurance. You shall obtain any other or additional insurance you think is appropriate or desirable, including (without limitation) fire, theft, extended coverage, and business interruption insurance for your Shaman Store. We may change the amounts and the required coverages at any time. In addition to these insurance requirements, we recommend adding product liability to your policy after you open your Shaman Store.

All insurance policies must be written by an insurance company with an A.M. Best rating of BBB or higher and you must name us an additional named insured on the insurance coverage other than worker’s compensation insurance.

If we at any time engage an insurance company to provide an insurance package for all franchisees, you will be required to purchase that insurance. We do not represent that any insurance package we designate will include the appropriate insurance limits or all the insurance you should carry. You may and should supplement any insurance package we designate with any additional coverage limits or additional insurance you choose.

Revenue from Franchisee Purchases

At this time, the purchases and payments described in this Item will be 76% to 86% of your total purchases in establishing your Shaman Store and approximately 81% to 94% of your total purchases during your operation of your Shaman Store.

We receive a 10% commission from Our Affiliate and SB for sales of products sold by it to our franchisees. We anticipate negotiating additional rebates or commissions from approved suppliers or designated suppliers in the future. The Franchisee Association receives a 10% commission from some of our approved vendors Odyssey Elixir, Delta Beverages, LLC, W&W Enterprises, LLC, Artisan Grange, and The Happiest Hour for sales of products sold by them to our franchisees.

In our fiscal year ending December 31, 2023, our revenues from the sale or lease of products and services to franchisees totaled approximately \$644,804, which represented 22.6% of our total revenue.

In 2023, SB, one of Our Affiliates from whom franchisees are required to purchase most of the Approved Inventory, had revenue of \$6,593 related to those purchases and TCIW, another of Our Affiliates from whom franchisees are permitted to purchase some of the Approved Inventory, had revenue of \$6,671 related to those purchases.

Cooperatives and Other Benefits

Currently there are no purchasing or distribution cooperatives for our franchisees. We do not provide any material benefits to you based on use of designated or approved sources.

Negotiated Prices

We may negotiate purchase arrangements with suppliers (including price terms) for the benefit of the franchise. We have negotiated vendor agreements with our suppliers and the terms of the Cryptocurrency Automated Teller Machine agreement.

ITEM 9. FRANCHISEE'S OBLIGATIONS

This Table lists your principal obligations under the Franchise Agreement and Other Agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

| Obligation | Sections in the Franchise Agreement | Franchise Disclosure Document Item |
|---|--|------------------------------------|
| a. Site selection and acquisition/lease | Article 4 | Items 7, 8, 11, and 12 |
| b. Pre-opening purchases/leases | Articles 5 and 6 | Items 7, 8, and 11 |
| c. Site development and other pre-opening requirements | Articles 4 and 5 | Items 7 and 11 |
| d. Initial and ongoing training | Article 7 | Item 11 |
| e. Opening | Article 9 | Item 11 |
| f. Fees | Articles 3, 7, and Sections 10.3, 10.4, 12.10, 14.6, 14.10, 16.1, 21.1, 23.2, 26.2, 29.1, and 29.3 | Items 5 and 6 |
| g. Compliance with standards and policies/Shaman Manual | Article 8 | Items 8, 11, and 16 |
| h. Trademarks and proprietary information | Articles 1 and 8; Schedule 1 | Items 13 and 14 |
| i. Restrictions on products/services offered | Articles 8 and 10; Section 1.3 | Item 16 |
| j. Warranty and customer service requirements | Sections 14.11 and 16.3 | Item 11 |
| k. Territorial development and sales quotas | Section 1.2 | Item 12 |
| l. Ongoing product/service purchases | Article 10 | Item 8 |
| m. Maintenance, appearance and remodeling requirements | Article 11; Sections 5.2 and 14.12 | Item 11 |
| n. Insurance | Article 17 | Items 7 and 8 |
| o. Advertising | Article 14 | Items 7, 8, and 11 |
| p. Indemnification | Article 18 | Item 6 and 13 |
| q. Owner's participation/management/ staffing | Article 15 | Items 11 and 15 |
| r. Records and reports | Article 12 | Item 11 |

| Obligation | Sections in the Franchise Agreement | Franchise Disclosure Document Item |
|--|---|------------------------------------|
| s. Inspections and audits | Sections 5.1, 12.9, 12.10, 16.1, and 16.2 | Items 6 and 11 |
| t. Transfer | Articles 20 and 21 | Item 17 |
| u. Renewal | Section 2.2 | Item 17 |
| v. Post-termination obligations | Articles 26 and 27 | Item 17 |
| w. Non-competition covenants | Section 13.1 | Item 17 |
| x. Dispute resolution | Article 30 | Item 17 |
| y. Assumption and guarantee of franchisee's obligations, assignment of inventions and innovations ¹ | | Item 14 |

¹ Each individual who owns an interest in a franchisee business entity must sign an agreement (a) not to compete, (b) assuming and agreeing to perform all of the franchisee's obligations under the Franchise Agreement, and (c) assigning to us all inventions, improvements, or innovations he, she, or they develops while operating a Shaman Store that relate to the Shaman business (Exhibit G: Franchisee Owner's Assumption, Guaranty, Confidentiality Agreement, and Assignment).

ITEM 10. FINANCING

We do not provide any financing of any of the fees or costs of purchasing, developing, or operating a CBD American Shaman franchise. We do not guaranty your lease or any other obligation you incur.

ITEM 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Pre-Opening Assistance

Before you open your Shaman Store, we or our designee will:

1. Give you the Onboarding Packet. (Franchise Agreement, Article 4);
2. Review the locations you propose and confirm that the location you select fulfills our basic site selection criteria. (Franchise Agreement, Article 4);
3. Review the lease of the location you select to confirm that it fulfills the requirements of the Franchise Agreement. (Franchise Agreement, Article 4);
4. Provide mandatory and suggested layout, specifications, design, and décor criteria for your Shaman Store. (Franchise Agreement, Article 5);
5. Give you a list of FFE you must acquire and install in your franchise location and a list of suppliers that generally carry the FFE. (Franchise Agreement, Article 5);

6. Give you an opening inventory list. (Franchise Agreement, Article 6);
7. Give you a list of all approved and designated suppliers. (Franchise Agreement, Article 6);
8. Train you (or your Operating Partner) and your Manager, if any, each of whom has signed a Nondisclosure Agreement that has been delivered to us. (Franchise Agreement, Article 7) We describe this training below in this Item;
9. Give you our proprietary Shaman Manual that contains pre-opening and standard practices and procedures, sales techniques and training, marketing and advertising practices and strategies, guidelines for and restrictions on your internet and social media presence , the POS System manual, a primer on CBD, the Proprietary Products, and CBD legal compliance that is meant to supplement but not substitute for expert legal advice, and other information you must or may use in the operation of your Shaman Store, the current table of contents of which is in Exhibit B. (Franchise Agreement, Article 8);
10. On the Website Access Date, give you electronic access to the Proprietary Product Websites so you can order opening inventory (Franchise Agreement, Article 6);
11. On the Website Access Date, give you electronic access to Franchise Resources. (Franchise Agreement, Section 8.1);
12. Add your Shaman Store to the list on the Website. (Franchise Agreement, Section 14.4B);
13. Approve materials for your initial local advertising. (Franchise Agreement, Section 14.2);
14. Give you an individual Wholesale Affiliate Link to distribute to customers. (Franchise Agreement, Section 14.5);
15. Provide at your expense any additional initial training you request. (Franchise Agreement, Article 7).

Assistance During Operation

During the operation of your Shaman Store, we or our designee will:

1. Approve materials for your grand opening promotion. (Franchise Agreement, Section 9.2);
2. Provide additional and/or periodic refresher training to you or your Operating Partner and/or Manager who has signed a Nondisclosure Agreement that has been delivered to us. We charge you for additional training you request and you must pay for all travel, living, and other expenses of your trainees related to their attendance at the training. (Franchise Agreement Section 7.2);
3. Update the Shaman Manual as we find necessary. (Franchise Agreement, Sections 1.4B and 8.1);
4. Update and improve standard operating techniques as we find necessary or desirable and upload any resulting Shaman Manual updates to Franchise Resources. (Franchise Agreement Sections, 1.4B and 8.1);
5. Maintain the Website and include your Shaman Store in the list of Shaman Store locations on it so long as you have fully complied with your Franchise Agreement. (Franchise Agreement, Section 14.4);

6. Consult with you regarding any local advertising you propose to use and review and comment upon or approve your proposed advertising. You cannot use any advertising unless we approve it. We will deliver our approval or disapproval within 20 business days after we receive the material and your request. (Franchise Agreement, Section 14.2);
7. Develop and conduct marketing, advertising, public relations, and promotional campaigns for the benefit of the System as we deem necessary, in which you must participate. (Franchise Agreement, Article 14);
8. Maintain and administer the National Marketing Fund (as defined below). We may reimburse ourselves from the National Marketing Fund for the costs and expenses we incur in its management. (Franchise Agreement, Section 14.10);
9. Cooperate and communicate with the Franchisee Association as we deem necessary. (Franchise Agreement Section 16.4); and

Site Selection

The site you select for your Shaman Store must fit our site selection criteria. (Franchise Agreement, Section 4.1) The factors in our site selection criteria include traffic patterns, availability and proximity of parking, site location type and physical characteristics (including size), proposed lease terms, proximity of competition from other similar businesses, the proximity of other Shaman Stores, and other factors we consider relevant in a particular case. Our approval of your selected site is not a guarantee your Shaman Store will succeed at that site; it is only an indication that the site meets our basic site selection criteria. We may suggest one or more sites we have confirmed fit our site selection criteria, but you are not obligated to choose one of those sites nor does our suggestion of a site mean you will succeed in operating a Shaman Store at a particular site.

If the site of your Shaman Store is not described in Exhibit A to the Franchise Agreement, we will deliver the Onboarding Packet containing our proprietary site criteria checklist to you on the Effective Date. You will have 90 days from the Effective Date to deliver to us a request for approval of at least one site that fits our basic site selection criteria (the “Proposed Site(s)”) using the Preliminary Location Application in the Onboarding Packet (the “Preliminary Location Application”). Within 30 days after we receive the Preliminary Location Application from you, we will give you written notice whether the Proposed Site is located in an acceptable geographical area. If we deliver notice that your Proposed Site is located in an acceptable geographical area, you must deliver to us within 30 days a form of lease for the Proposed Site, a map of any shopping center, mall, or other commercial facility of which the Proposed Site is a part, a comprehensive set of photographs of the interior and exterior of the Proposed Site, the Proposed Site’s existing floor plan and dimensions, and any other documents or information about the Proposed Site we request (the “Location Application Package”). Within 14 days after we receive the Location Application Package from you, we will deliver to you written notice whether the Proposed Site meets our basic site selection criteria and the Lease meets our lease requirements. We do not assist you in conforming the premises to local ordinance and building codes nor do we assist you in obtaining any required permits. We do not assist you in remodeling or decorating your Shaman Store. We do not deliver or assist with the installation of any fixtures, furnishings, equipment, signs or other supplies. We may terminate the Franchise Agreement if you and we cannot agree on an acceptable location for your Shaman Store.

If we deliver notice that your first Proposed Site does not meet our basic site selection criteria, you must continue diligent efforts to propose and deliver a Preliminary Location Application for one or more other Proposed Sites until we notify you that a Proposed Site fulfills our basic site selection criteria. If you have not succeeded in obtaining a Franchise Location that fulfills our basic site selection criteria within 164 days

after the Effective Date, we may (but are not obligated to) terminate the Franchise Agreement by delivering notice of termination. If we deliver notice of termination, we will refund any balance of the Reserve Deposit remaining after permitted deductions and offsets within 30 days after you sign and deliver our form of General Release and Covenant Survival Acknowledgment.

Within 14 days after we deliver notice that your Proposed Site meets our basic site selection criteria and the form of Lease meets our lease requirements, you must deliver to us a complete copy of the proposed final form of Lease. Within 14 days after our receipt of the proposed final form of Lease, we will deliver to you written notice that the Lease complies with the requirements of the Franchise Agreement (the “Confirmation Notice”) or a statement of the Lease terms that require revision (a “Correction Notice”). If we deliver a Correction Notice, you will deliver to us a corrected form of Lease prepared by the landlord within seven days after you receive the Correction Notice. You may not sign any Lease until you have received a Confirmation Notice. You must deliver to us one fully signed counterpart original of a Lease and all exhibits and addenda in the form that was the subject of our Confirmation Notice within 14 days after you have received the Confirmation Notice.

Within 227 days after the Effective Date (the “Lease Deadline”), you must sign a Lease for a Proposed Site we have confirmed fits our site selection criteria in the form we have confirmed is acceptable to us. You may request one extension of the Lease signing deadline for up to 30 additional days, which we will grant if you provide satisfactory evidence of diligent attempts to enter into a Lease for a site that fits our site selection criteria. If you do not sign a Lease by the Lease Deadline, as and if extended as provided in this Paragraph, we may terminate the Franchise Agreement by delivering notice of termination. If we deliver notice of termination, we will refund any balance of the Reserve Deposit remaining after permitted deductions and offsets within 30 days after you sign and deliver our form of General Release and Covenant Survival Acknowledgment.

You must then engage the architect, contractor, or designer, submit plans for approval by the appropriate governmental entity, obtain building permits, if necessary, and build out your Shaman Store to our specifications. You must complete the build out of your Shaman Store to our specifications within 60 days after you and your landlord have signed your Lease, but you may request a 60 day extension if the build out is delayed due to extenuating circumstances; we may grant or deny the extension in our sole discretion.

Most CBD American Shaman franchisees will open their Shaman Store for business within one to 10 months after the Effective Date. If you do not open your Shaman Store within 90 days of taking possession of the premise of your Shaman Store, we may, but are not obligated to, terminate your Franchise Agreement. If we deliver notice of termination, we will refund any balance of the Reserve Deposit remaining after permitted deductions and offsets within 30 days after you sign and deliver our form of General Release and Covenant Survival Acknowledgment. Factors that may affect the time from our signing the Franchise Agreement until your Shaman Store opens include (without limitation) whether you choose a site we have already confirmed fits our basic site selection criteria; the time it takes you to locate a suitable site; how long it takes you to negotiate and sign a lease with the landlord that meets our lease requirements; how long it takes you to be approved for and obtain any financing you need to develop, decorate, furnish, fixtured, and equip your Shaman Store; how long it takes to build out your Shaman Store, including supply and/or construction delays; how long it takes you to staff your Shaman Store; and how long it takes you to comply with local ordinances and regulations and for governmental agencies to issue all necessary permits and licenses.

Advertising

We periodically develop and conduct System-wide marketing, advertising, public relations, and promotional campaigns for Shaman Stores in various media. We may require you to participate in any or all of them unless Applicable Laws prohibit your participation.

We may require you to purchase advertising or promotional material from us or our designated supplier, who may be one of Our Affiliates, and you must use or display that material in your Shaman Store in the manner and for the time period we designate. We may require you to participate in System-wide contests, product promotions, rebates, giveaways, and similar promotions unless Applicable Laws prohibit your participation. Those campaigns may include required discounts on featured products and may also award rebates to you for your participation. We will select the media we use for any advertising or promotional campaigns we conduct; those may include print, radio, television, electronic, or social media. There is no limit on what you may be required to spend to participate in required advertising or promotional campaigns or for the required materials.

We may produce advertising material ourselves or we may hire an advertising agency or similar third party to prepare it for us. We will also determine the geographical scope of the advertising, which may extend beyond the geographical area where your Shaman Stores is situated.

You will be required to (i) contribute to a National Marketing Fund, (ii) participate in the Franchisee Association; and (iii) conduct a grand opening campaign and then ongoing local marketing and advertising.

National Marketing Fund

We have established a national marketing fund (the “National Marketing Fund”) and require you to contribute to the National Marketing Fund the amount in the Fee Schedule, currently \$800 per month paid in four equal installments on each of the first four Tuesdays of each month, beginning on the first Tuesday of the first calendar month after your Opening, with the first payment prorated based on the number of days remaining in the month in which the Opening occurs. (Franchise Agreement, Section 14.10). The contribution amount may be increased upon 90 days’ written notice but will not be less than \$800 per month. We may also periodically loan money to the National Marketing Fund and charge the market interest rate for those loans. Monies in the National Marketing Fund may be used to repay those loans in future years as we determine. (Franchise Agreement, Section 14.10). We may but are not required to create an entity to operate the National Marketing Fund.

We will determine and supervise all National Marketing Fund activities. The National Marketing Fund will produce advertising materials in media we select and be used in geographical areas we select that may but will not necessarily include regional and (when we deem appropriate) national advertising programs, Website enhancement and maintenance, toll-free telephone costs, public relations, market research, and other advertising, promotion, and marketing activities. We may require you to participate in any System-wide advertising campaigns, programs, contests, drawings, and other promotional events or activities, unless Applicable Laws prevent you from participating. We may either designate a vendor for the materials in those campaigns from whom you must acquire the required materials (who may be us or Our Affiliate) or give you templates you must use to have the materials prepared by a vendor you select. We may use advertising and marketing professionals to advise and assist in the conduct of any or all of the National Marketing Fund’s activities. Advertising paid for by the National Marketing Fund may be prepared by our in-house advertising personnel or an outside agency. If our staff or the staff of any of Our Affiliates

provides in-house advertising services, we or Our Affiliates may be compensated from the National Marketing Fund.

We are not required to segregate or maintain a separate account for National Marketing Fund monies and may commingle the National Marketing Fund monies with our general or other funds. We may use some of that money to pay some or all of the costs we incur in connection with the National Marketing Fund, including to reimburse us for the portion of our overhead and employee salaries attributable to administration and management of the National Marketing Fund as well as for administrative costs, travel expenses, and similar costs related to the administration of the National Marketing Fund and its activities. (Franchise Agreement, Section 14.10)

Any amounts contributed to the National Marketing Fund that we do not spend in the fiscal year in which we receive them will be carried forward and included in the following year's advertising budget. Contributions to the National Marketing Fund will not be used to sell franchises but materials produced with National Marketing Fund monies may be used on the Website along with materials advertising the availability of Shaman Store franchises.

We are not required to spend National Marketing Fund money in any or every geographical area or to make expenditures proportionate or equivalent to contributions to the fund by franchisees operating in a particular geographical area, nor are we required to expend National Marketing Fund monies so that your Shaman Store franchise will benefit directly or in proportion to your contributions to the National Marketing Fund.

No later than 90 days after the end of each calendar year you may request and we will deliver to you within 30 days after we receive your request an accounting of the National Marketing Fund monies we collected in that year, showing the allocation of our advertising expenditures. Advertising receipts and expenditures will be administered by us and are not audited.

Although all franchisees contributed to the National Marketing Fund in 2019, we waived the National Marketing Fund fees for franchisees in 2020 and a portion of 2021 to alleviate some of the impact of the Covid-19 pandemic. As of January 2022, all franchisees have resumed contributions to the National Marketing Fund. In our last fiscal year ending December 31, 2023, the National Marketing Fund was spent as follows: 89 % on technology and promotions, 2% on production and 9% on administrative expenses.

Franchisee Association

In February 2020 we established the American Shaman Franchisee Association, a Missouri nonprofit corporation (the "Missouri Association") to provide a forum for us to disseminate information to franchisees, for franchisees to discuss relevant issues and communicate them to us, and through which franchisees could coordinate marketing, advertising, and promotion of the System. On December 28, 2022, the Missouri Association was dissolved by government order and ordered to cease all business except that necessary to wind up and liquidate its business and affairs because it failed to timely file the required annual Registration Report with the Missouri Secretary of State. After evaluating the situation and obtaining further legal advice, the former Board of Directors of the dissolved Missouri Association determined the organization would benefit from a different tax classification, so on April 27, 2023 the former Board of Directors of the Missouri Association formed and organized American Shaman Franchisee Association, Inc., a Delaware nonprofit corporation (the "Delaware Association", and collectively with the Missouri Association, the "Franchisee Association"). All CBD American Shaman franchisees must participate as members of the Franchisee Association ("Members"), but Shaman Stores operated by Our Affiliates or Others may not participate in the Franchisee Association. You must pay the Franchisee Association the fee set by the Franchisee Association Board of Directors, currently \$50 per month due on the first day of the first calendar month after your Opening. The Franchisee Association continued operations and collection

of these amounts during the period between the dissolution of the Missouri Association and the formation of the Delaware Association.

The Missouri Association Board of Directors was composed of (i) four franchisees that were elected to the Board of Directors by the Members, and (ii) Sanders and three individuals appointed by Sanders, one of whom was the immediately preceding former President of the Franchisee Association, so that he and his appointees were equal in number to the Members on the Board of Directors. Despite the Delaware Association being a new entity without previous Directors or At-Large Directors, as of the date of this Franchise Disclosure Document, the Delaware Association By Laws provide for a Board of Directors comprised of (i) a President and Vice President elected to the Board of Directors by the Members from among the previously serving Board of Directors, (ii) one Director elected to the Board of Directors by the Members from among the Members, and (iii) four At-Large Directors appointed by the Board of Directors from among the previously serving At-Large Directors. The Delaware Association By Laws do not address the election or appointment of the initial President, Vice President, or At-Large Directors. Despite the impossibility of electing a Board of Directors with the required qualifications, Sanders and his appointees were appointed At-Large Directors, but Sanders is no longer a Director.

The Franchisee Association is currently governed entirely by franchisees. After his resignation, Sanders continues to be accessible to the Board of Directors as a consultant or through an appointed representative. We and Our Affiliates shall have the right, but no obligation, to make any financial contribution to the Franchisee Association we deem necessary or beneficial.

Your Local Marketing and Advertising Requirements

You must spend at least \$750 per month on local marketing and advertising to promote your Shaman Store. You may pool your expenditures with other franchisees in your geographical area to increase the impact of your advertisements. (Franchise Agreement, Article 14). You may use the advertising and marketing materials provided on Franchise Resources or you may develop your own advertising and marketing material that has been approved by us. We will approve or disapprove your advertising and marketing materials within 20 business days after we receive your request. (Franchise Agreement, Article 14).

Within 120 days after the Opening, you must have a grand opening promotion lasting at least eight consecutive hours on which you spend between \$3,000 and \$5,000 for purposes we approve, which must include live entertainment, food for attendees, and grand opening marketing materials, including social media flyers for the event and your choice of additional radio, internet, and/or other media advertising.

You are not presently required to participate in an advertising cooperative. But we may establish a cooperative advertising program for all or any part of the System at any time and we may require you to participate in those programs. We do not have an advertising council comprised of franchisees. (Franchise Agreement, Section 14.9)

Website

We have developed and maintain a website to advertise, market, and promote CBD American Shaman locations and provide a resource for prospective and current franchisees (the "Website"). On the Website Access Date, we will give you access to a password-protected portion of the Website that serves as cloud-based file storage that we periodically update (the "Franchise Resources"). Franchise Resources includes (without limitation) training videos, an electronic or printed copy of the latest version of the Shaman Manual, the Onboarding Packet, the Fee Schedule, lists of designated and approved suppliers, and other forms, applications, notices, updates, rules, regulations, standards, specifications, lists, policies, procedures, instructions, directions, and guidelines for the outfitting, appearance, supply, and operation of the Franchise

Location and Franchised Business. Franchise Resources are also accessible from your POS System. You may not share your password for access to Franchise Resources with any person, including your Manager, except as expressly permitted by your Franchise Agreement. We will include your Shaman Store in the list of CBD American Shaman locations on the Website so long as you are not in default under your Franchise Agreement. We will update and modify the Website as and when we decide it is appropriate.

You may not have your own website and you may not sell Shaman Products or Zen Master Products or any other products produced or sold by us or Our Affiliates online. (As of the date of this Franchise Disclosure Document, we expect to pursue enforcement against a few franchisees that have violated these restrictions.) On the Website Access Date, we will deliver to you a website affiliate link (“WAL”) you may use to direct customers to the website operated by CBDAS. Within 14 days after a customer purchase using your WAL, SB will issue a credit to you for your use on our Proprietary Product Websites in the amounts set forth in the Fee Schedule, currently (a) all net revenue from all retail purchases made through your WAL (deductions from gross revenue include without limitation the wholesale price of the item, coupons clipped by customers, and shipping and handling fees) and (b) 25% of the revenue from all wholesale purchases made through your WAL (each a “WAL Commission”). If you owe us or Our Affiliates any past due sums, we may instead use the WAL Commission to pay down any portion of those sums. (Franchise Agreement, Section 14.5). You may promote your Shaman Store and your WAL on Facebook, Twitter, Tumblr, Instagram, Pinterest, TikTok, and other social media. But all your posts must comply with the social media policy in the latest version of the Shaman Manual available on Franchise Resources. You must remove and stop using any noncompliant content immediately upon notification from us. (Franchise Agreement, Section 14.7)

Internet Connection; Computer Requirements

You must have a business quality high speed, wireless internet connection at your Shaman Store. You may use any internet service provider you choose. But your connection must have the capacity to handle all the data you are required to make available to us or receive from us and to operate the POS System you are required to use, as well as any other electronic equipment or devices we may require you to have and use.

You must purchase and use at the front counter of your Shaman Store the newest generation Windows or Linux computer or tablet capable of running our POS System and seamlessly communicating data with us, a receipt printer compatible with the operating system you have chosen, a cash drawer that connects to the POS System, and a credit card processing terminal, all as designated in the Devices and Communication Services List. The Devices and Communication Services List contains the name and model of a cash drawer that is compatible with the POS System and a receipt printer that is compatible with your computer or tablet but you are not required to purchase those brands. We estimate that your computer system (including the POS System) will cost up to \$2,500.

You will pay us monthly the Technology Fee in the amount set forth in the Fee Schedule, currently \$200, for your use of and the maintenance and support for the POS System, Shaman Feather Rewards Program, Proprietary Product Websites, WAL, the Website and any other software or technological innovations we create and require you to use and for any upgrades to any of them. You will pay us the monthly Technology Fee in four equal installments on each of the first four Tuesdays of each calendar month beginning on the first Tuesday of the first calendar month 30 days after your Opening, with the first payment prorated based on the number of days remaining in the month in which the Opening occurs.

You must have a dedicated email address we can use to send you notices, updates, and other communications. Your email address may not include any part of our trade name unless it is modified by the word franchisee. As of the date of this Franchise Disclosure Document, a few franchisees have violated

this restriction and we expect to send noncompliance letters to those franchisees and will work with them to have their email addresses changed.

All the data on your computer or tablet created by or stored on it or your POS System, or created by or stored on any other electronic equipment or devices you use in your Shaman Store belongs to us. We may independently access and retrieve any and all of that data and use it in any way we choose at any time, including by copying the software, so long as we comply with privacy and other laws related to any data from customers. You may not take any action to prevent our access to that data and must take all action necessary to permit us to access the data, download it, and save it at all times. You may not use any of the data except as permitted by your Franchise Agreement. We may identify your Shaman Store as a source of the data in any materials in which we include it.

We may change the computer, tablet, and/or POS System requirements at any time and have no obligation to reimburse you for any costs associated with those changes.

Shaman Manual

We will give you a hard copy of the Shaman Manual at your initial training. We will give you electronic access to the most recent version of the Shaman Manual on Franchise Resources on the Website Access Date. The Shaman Manual includes our pre-opening and standard practices and procedures, sales techniques and training, marketing and advertising practices and strategies, guidelines for and restrictions on your internet and social media presence, the POS System manual, a primer on CBD, the Proprietary Products, and CBD legal compliance that is meant to supplement but not substitute for expert legal advice, and other information you must or may use in the operation of your Shaman Store. The Shaman Manual is proprietary and highly confidential and you must maintain its confidentiality, use it only in connection with the operation of your Shaman Store, and prevent unauthorized persons from obtaining access to it. The Shaman Manual remains our property and we may revise or amend any or all of it at any time using any medium we choose including (without limitation) by uploading updates, revisions, or amendments to Franchise Resources so long as no modification materially diminishes your rights under the Franchise Agreement. The Shaman Manual Table of Contents is Exhibit B to this Franchise Disclosure Document.

Training Program

After you have delivered to us a signed counterpart of the Franchise Agreement, the initial franchise fee, and the Franchisee Owner's Assumption, Guaranty, Confidentiality Agreement, and Assignment that is Exhibit G to this Franchise Disclosure Document signed by each of your owners (each, an "Owner's Agreement"), we will train up to two people who will manage the operation of your Shaman Store, which will include (i) you if you are an individual or your Operating Partner if you are an entity and (ii) your Manager, if any, each of whom has signed a Nondisclosure Agreement that has been delivered to us. (Franchise Agreement, Section 7.1)

You or your Operating Partner must complete this training to our satisfaction before you open your Shaman Store and we may terminate your Franchise Agreement if you or your Operating Partner do not successfully complete the training program. (Franchise Agreement, Section 7.1) If the Manager who has attended our training program does not complete the training to our satisfaction, you must hire a replacement and either train that Manager yourself or pay us the additional training fee in our Fee Schedule for us to train them before they perform any managerial work in your Shaman Store. You must compensate any employee who participates in the training program as required by law and pay any travel, lodging, and similar living expenses related to their attendance at the training. The cost of the initial training for your two trainees is included in your initial franchise fee so long as both train simultaneously.

We will train additional Operating Partners or Managers who will operate your Shaman Store as you request so long as you are not then in default under any agreement with us or Our Affiliates, they have signed a Nondisclosure Agreement that has been delivered to us, and you have delivered to us the required fee, if any, whether the training occurs prior to Opening or during your operation of your Shaman Store. The charge for additional training depends on the location, duration, frequency, purpose, and content of the additional training and is currently no more than \$500 but we may change that charge at any time.

Other than the initial training described above, you must train all managerial and nonmanagerial personnel you employ.

Our training program consists of 32 to 40 hours of classroom training conducted over three consecutive days at the Shaman Office, an online Hemp certification course we have developed accessible through the POS System that is completed at your own pace and takes an average of eight hours to complete, and 24 hours of in-store operation training conducted over up to two to three consecutive days at a Shaman Store owned and operated by CBDAS located in Overland Park, Kansas or in the Kansas City metropolitan area. We may reduce your training time if we determine you have experience or skills that make some part of the training unnecessary. We conduct training at least once a month for groups of two or more franchisees at a time. You, your Operating Partner, and any Manager must successfully complete the required training before you can order inventory or open your Shaman Store.

We may require you, Your Operating Partner, and/or your Manager to successfully complete periodic training programs at times and locations we designate during the operation of your Shaman Store. You or your Operating Partner must attend an annual meeting of all franchisees that will include various training courses and updates to the training materials. Any Manager of your Shaman Store who has signed a Nondisclosure Agreement that has been delivered to us may also attend the annual meeting. The cost for attending the annual meeting is presently \$360 per attendee but we may change it at any time by updating the Fee Schedule. The annual meeting will be held at a location we designate over no more than four calendar days during any calendar year.

The training is provided by our Manager of Franchise Development, Morgan Sanders, who provides POS and systems training, and our Director of Franchise Operations, Tara Latil, and our Franchise Sales Representative, Jamie Cheatwood, who provide field support training for franchisees. One of our franchisees may sometimes participate in the training by sharing their experience operating a Shaman Store.

We use the Shaman Manual as the principal instructional material for our training program. You can access additional training videos on Franchise Resources during operation of your Shaman Store.

The following table provides detailed information about the training program. The table shows the amount of time ordinarily spent on each of the subjects:

Training Program:

| Subject | Classroom Training Hrs. | Hours of On-The-Job Training | Location |
|----------------------|-------------------------|------------------------------|---------------|
| Company overview | 1 hours | 0 | Shaman Office |
| Factory Tour | 2 hours | 0 | Shaman Office |
| Hemp Laws/Compliance | 1 hour | 0 | Shaman Office |
| Business Basics | 1 hours | 0 | Shaman Office |
| Managing Employees | 1 hour | 0 | Shaman Office |
| POS System Training | 1 hours | 0 | Shaman Office |

| Subject | Classroom Training Hrs. | Hours of On-The-Job Training | Location |
|-------------------------------------|-------------------------|------------------------------|--|
| Shaman Feather Rewards Program | 1 hour | 0 | Shaman Office |
| Social Media | 1 hour | 0 | Shaman Office |
| Lead Tracking | 1 hour | 0 | Shaman Office |
| Marketing/Advertising | 2 hours | 0 | Shaman Office |
| Merchandising | 2 hours | 0 | Shaman Office |
| CBD Basics | 1 hour | 0 | Shaman Office |
| Store Operations | 4 hours | 0 | Shaman Office |
| Product Information | 3 hours | 0 | Shaman Office |
| Shaman Customer Experience | 1 hour | 0 | Shaman Office |
| Sales Training | 4 hours | 0 | Shaman Office |
| Hemp/Other CBD Certification Course | 2 to 13 hours | 0 | Online |
| In-Store Operation Training | 0 | 24 hours | Designated training store in Overland Park, Kansas or in the Kansas City metropolitan area owned and operated by CBDAS |
| TOTAL | 29 - 40 hours | 24 hours | |

ITEM 12. TERRITORY

You will not receive an exclusive territory. We, Our Affiliates, other franchisees, and others to whom Sanders has licensed the Shaman Name, Shaman Marks, or IP or to whom Our Affiliates sell Proprietary Products (the “Others”) can establish and operate a Shaman Store, an Unaffiliated Store, or another retail or wholesale outlet that sells Proprietary Products or other hemp or CBD products anywhere regardless of how close it is to your Shaman Store. You may face competition from other franchisees, from outlets we, CBDAS, or Others own, or from other channels of distribution or competitive brands, including those used, owned, or controlled by us or one of Our Affiliates. We do not presently have any plans to operate a competing franchise system offering goods, products, or merchandise that are the same as or similar to those you sell at your Shaman Store but we are not prevented from doing so.

We, Our Affiliates, any of our other franchisees, and/or Others can solicit or accept orders from customers anywhere, but, subject to Applicable Laws, so can you, using the internet and your WAL for that purpose. We, Our Affiliates, and Others may also use alternative channels of trade to sell the goods and products you sell in your Shaman Store, including (without limitation) on the internet, through mail order, catalogue sales, television marketing, newspaper, telemarketing, or by any other advertising media, regardless of how those other channels of trade may impact sales at your Shaman Store, but you do not have the right to use other channels of distribution to make sales outside your Store except that you may deliver orders or use a third-party delivery service and distribute and promote your WAL to customers anywhere, subject to Applicable Laws. Sales through the internet and for delivery will all be included in your Gross Revenue for all purposes.

Your Franchise Agreement gives you the right to operate one Shaman Store only at a single location. The specific street address of your Shaman Store location will be set forth in Exhibit A to your Franchise Agreement either when you sign the Franchise Agreement if it is known or after you select and acquire or lease a suitable location. You must operate your Shaman Store only at the location you select and we approve and you may not relocate your Shaman Store without first obtaining our written consent and our approval of the new location, neither of which we are required to grant. You do not have any right to




relocate your Shaman Store and you do not have any right to establish additional outlets, acquire additional franchises, or establish or operate another Shaman Store.

There is no minimum sales quota but you must comply with the Minimum Purchase Commitment and, unless prohibited by Applicable Law, we may terminate your Franchise Agreement if you do not comply with the Minimum Purchase Commitment for three consecutive calendar months.

ITEM 13. TRADEMARKS

The Marks and the System are owned by Sanders. and are licensed exclusively to us. Sanders has granted us an exclusive license (“Trademark License”) to use the Marks to franchise the System around the world. The Trademark License is for 10 years and began on January 6, 2020. It will automatically be renewed for subsequent 10-year periods so long as we are not in default or do not materially breach the Trademark License by engaging in any activity which damages the Marks or the goodwill of the System. If the Trademark License is terminated, Sanders has agreed to license the Marks directly to our franchisees until each franchise agreement expires or is otherwise terminated. Except for the Trademark License, no agreement significantly limits our right to use or license the Marks in any manner material to the CBD American Shaman Franchise.



Sanders has registered the following trademarks on the Principal Register:

| Mark | Registration No. | Registration Date | Status |
|---|------------------|-------------------|------------|
| CBD AMERICAN SHAMAN | 4,944,269 | April 26, 2016 | Registered |
|  | 4,944,414 | April 26, 2016 | Registered |
|  | 5,519,343 | July 17, 2018 | Registered |
|  | 6,959,780 | January 4, 2023 | Registered |

Sanders has filed the following trademarks on the Principal Register:

| Mark | Application # | Filing Date | Status |
|-----------------|---------------|-----------------|---------|
| AMERICAN SHAMAN | 90/243,095 | October 8, 2020 | Pending |
| CBNIGHT | 90/232,886 | October 2, 2020 | Pending |

We claim common law rights for the following trademarks:

| Mark | Serial No. | Filing Date | Status |
|---|----------------|----------------|------------|
| ZEN MASTER™ | Not applicable | Not applicable | Common Law |
| CBGO | Not applicable | Not applicable | Common Law |
|  | Not applicable | Not applicable | Common Law |
|  | Not applicable | Not applicable | Common Law |

Sanders does not have federally registered trademarks for the pending and common law marks listed above. Therefore, these trademarks do not have many legal benefits and rights as a federally registered trademark. If our right to use these trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Sanders has filed all affidavits and renewals for the Shaman Marks required to the date of this Franchise Disclosure Document and is required by his license agreement with us to file all required affidavits and renewals as they become due in the future. We will require you to use the Shaman Marks and we may also require you to use other trade and service marks we or Our Affiliates own and license to us that have not been registered with the United States Patent and Trademark Office. You are also permitted to use a logo similar to the Shaman Mark displayed above with Registration Number 4944414 containing a larger feather and the words “American Shaman” on the same line and the phrases and logos corresponding to CBGo and Zen Master™, to which we claim common law exclusive use rights. Except for the trademark license, no agreement significantly limits our right to use or license the Marks in any manner material to the CBD American Shaman Franchise.

You must follow our rules when you use the Shaman Name or any of the Shaman Marks. You must submit to us in writing all entity names and fictitious business or assumed names you will use for your Franchised Business and we will advise you of our approval or disapproval within 10 days after you submit that list. You may not use any entity, fictitious business, or assumed name we disapprove. You may not use the Shaman Name or any of the Shaman Marks as part of an entity name or with modifying words, designs, or symbols except as we designate or approve in writing. You may not use the Shaman Name in any fictitious business or assumed name. You may not use the Shaman Name in any domain name or email address. You may not use the Shaman Name or any of the Shaman Marks in any manner not authorized in writing by us or in connection with the sale of any goods, merchandise, products, or services except those we specifically authorize for your Shaman Store. (Franchise Agreement, Article 1) As of the date of this

Franchise Disclosure Document, a few franchisees have violated this restriction and we expect to pursue enforcement.

CBDAS has a license agreement with Sanders that permits CBDAS to use the Shaman Name and the same marks you will use, including the Shaman Marks, for any Shaman Store it develops and operates. Those outlets will be branded like your Shaman Store but are not subject to the same terms and restrictions as your franchised Shaman Store. Our Affiliates have also allowed others of Our Affiliates and Others to use the Shaman Name, Shaman Marks, and IP in retail and wholesale outlets that sell products purchased from SB and/or TCIW that are not subject to any Franchise Agreement. Those outlets may be branded and appear like your Shaman Store but are not subject to the same terms, requirements, and restrictions as your franchised Shaman Store.

There are no determinations of the United States Patent and Trademark Office, Trademark Trial and Appeal Board, or any state trademark administrator or court, or any pending interference, opposition, or cancellation proceedings or pending material litigation involving the Shaman Marks.

We have an agreement with Sanders regarding our use of the Shaman Name and Marks and the other intellectual property that comprises the Shaman Business Method (the “IP Agreement”). The IP Agreement gives us the right to sublicense the Shaman Name, Marks, and Business Method to you and prevents Sanders from using or permitting any third party to use the Shaman Name, Marks, or Business Method in a way that violates your rights under your Franchise Agreement. There are no other currently effective agreements other than the IP Agreement that significantly limit our right to use or license the use of the Shaman Marks in a manner material to the franchise.

You must notify us immediately of any unauthorized use of the Shaman Name or any of the Shaman Marks or any name or mark confusingly similar to the Shaman Name or any of the Shaman Marks or any claim or litigation against you involving the Shaman Name or any of the Shaman Marks of which you learn. We and Sanders have the right to control any administrative proceedings or litigation involving the Shaman Name and/or any of the Shaman Marks and you must cooperate fully in those actions. (Franchise Agreement Section 1.4F). We will indemnify you from all out of pocket costs and expenses we determine are reasonable and necessary that you incur in any action or proceeding brought against you by any party other than us arising out of your authorized use of the Shaman Name or any of the Shaman Marks in accordance with your Franchise Agreement, which will not include attorneys’ fees or any expenses you incur after you should have given us the notice described in this paragraph.

You must modify or discontinue use of the Shaman Name or any of the Shaman Marks as we require. We may modify or discontinue use of the Shaman Name or any of the Shaman Marks or adopt new names or marks in our discretion. If we do that, you may have to pay some or all of the cost of replacing items that use the Shaman Name or Marks that have been replaced. (Franchise Agreement, Section 1.3)

As of the date of this Franchise Disclosure Document, Vitality, the former franchisee described in Item 3, has violated the restrictions in this Item by continuing to use the Shaman Name and Shaman Marks after the termination of its Franchise Agreement and we are pursuing enforcement in arbitration.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

You do not receive any right to use any item covered by a patent. We claim all rights and interests, including (without limitation) all copyrights, in the information contained in the Onboarding Packet, Shaman Manual, any other manuals we provide you related to the Shaman Business Method, all promotional and advertising materials, and all our communications to you in any medium that describe or set forth our standards, requirements, operating procedures, or policies relating to the operation of a CBD American Shaman

franchise, as well as any revisions and additions to these materials, including (without limitation) all files on Franchise Resources. (Franchise Agreement Articles 1, 8, and 14) We have not registered the copyrights in any of those materials.

The information contained in the Shaman Manual and the information we give you during training for and operation of your Shaman Store is confidential and proprietary information owned by us or Our Affiliates. You and your employees who need to have it and have signed a Nondisclosure Agreement that has been delivered to us may use that confidential and proprietary information only in connection with the operation of your Shaman Store as permitted by the Franchise Agreement and only in the manner permitted by the Franchise Agreement, as described in more detail in Item 11. (Franchise Agreement, Articles 1, 7, and 8)

You must deliver written notice to us promptly upon learning about any unauthorized use of our copyrights or proprietary information. We are not obligated to take any action but will take any action we think appropriate. (Franchise Agreement, Article 1)

All names, marks, ideas, techniques, concepts, innovations, or improvements relating to a Shaman Store, the Shaman Business Method, hemp, CBD, delta-8 THC, delta-9 THC, HHC, or the CBD retail business that you develop during the term of the Franchise Agreement will become our property, trade secrets, and proprietary information. We have the sole right to register those names, marks, ideas, techniques, concepts, innovations, or improvements under applicable patent, trademark, copyright, or other intellectual property law in our name or in the name of any of Our Affiliates and to otherwise protect them. You must promptly disclose to us any changes or improvements you propose to make in the Shaman Business Method, any Shaman Products, Zen Master Products, or any of the fixtures or equipment in your Shaman Store and you may not use any of them except as we expressly permit you to use them. (Exhibit G: Franchisee Owner's Assumption, Guaranty, Confidentiality Agreement, and Assignment)

ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

If you are an entity or a person who owns at least 25% of your equity, either directly or indirectly, has the authority to bind you in all dealings, and has been approved by us (an "Operating Partner") you must (i) have satisfactorily completed our training program before your Opening and (ii) be personally present in and operate your Shaman Store for at least 40 hours every week during the first six months after your Opening. After your Shaman Store has been open and operating for six months, we no longer require you or your Operating Partner personally to be present in and operate your Shaman Store but you or your Operating Partner must (i) at all times be personally responsible for the day to day oversight and administration of your Shaman Store and (ii) visit your Shaman Store and review its appearance and the conduct of business at it no less than once each calendar week. If you or your Operating Partner are not personally present in and running your Shaman Store on a daily basis, it must be managed on a daily basis by someone who we or you have trained and remains qualified to be a person responsible for the day-to-day operation of the Shaman Store (a "Manager"), who must be present at your Shaman Store and actively engaged in the on-site operation of the Shaman Store no less than 50 weeks of each calendar year, no less than 40 hours each week, no less than eight hours a day, and supervise, oversee, administer, and manage operation of the Shaman Store during those hours. Your Manager need not have an equity interest in the business but will be required to execute a Nondisclosure Agreement that has been delivered to us prior to beginning training.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer and sell only those goods and services we have designated or approved for your Shaman Store as described in Item 8 above. You must stock and sell all the goods and products we designate for

your Shaman Store. To address the varying legal status of cannabis and cannabis products in different states, the products we require or permit some Shaman Stores to carry may differ from those required or permitted to be carried by other Shaman Stores. You may not display, carry, offer, trade, or sell any product that violates Applicable Laws, any marijuana product, or any Unpermitted Item. There are no limits on our right to change, add, or eliminate goods, products, or services you are permitted or required to offer at your Shaman Store. You are responsible for staying informed about the legal status of all the goods, products, and services you offer at your Shaman Store. You may not establish an account or participate in any social networking sites, crowdfunding campaigns or blogs or mention or discuss the American Shaman Franchise, us or any of our affiliates without our prior written consent and as subject to our online policy.

Except as described in the preceding paragraph and in Item 12, there are no restrictions regarding customers to whom you may sell.

ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Franchise Disclosure Document.

THE FRANCHISE RELATIONSHIP

| Provision | Section in franchise or other agreement | Summary |
|--|---|---|
| a. Length of the franchise term | Section 2.1 | The term of the Franchise Agreement begins on the Effective Date and ends five years after the date the Franchise Location opens to the public for business. |
| b. Renewal or extension | Section 2.2 | You may renew your Franchise Agreement for one additional five-year term. |
| c. Requirements for you to renew or extend | Section 2.2 | You may renew the Franchise Agreement for one additional five year term by: (i) giving us written notice of the exercise of that right not less than 210 days prior to expiration of the existing term of the Franchise Agreement; (ii) executing the form of Renewal Franchise Agreement we are then offering to renewing franchisees which may include (without limitation) a higher royalty fee or higher advertising contribution than contained in this Franchise Agreement; (iii) subject to any limitations imposed by Applicable Laws, executing the form of General Release and Covenant Survival Acknowledgment we are then using; and (iv) paying us at least 30 days before the expiration of the existing term a renewal fee equal to 20% of the then-current initial franchise fee. We may refuse to permit you to renew the Franchise Agreement if |

| Provision | Section in franchise or other agreement | Summary |
|---------------------------------------|---|---|
| | | you have received two or more notices of default during any 12-month period during the existing term or more than five notices of default throughout the existing term, whether or not those defaults were cured. You may not renew the Franchise Agreement at any time when you have breached and not cured or are in default under the Franchise Agreement or any agreement between you and us or any of Our Affiliates. |
| d. Termination by you with cause | Article 24 | You may not initiate any action to terminate the Franchise Agreement because of our default unless you have delivered a written detailed description of your claims and then met and conferred with us during the next 45 days to attempt to resolve them. After that, you may terminate the Franchise Agreement if we default in the performance of any material obligation under it and that default is not cured within 60 days after we receive a written notice of the default from you, or, if the default is not susceptible of cure within a 60 day period, if corrective action has not been commenced within the 60 day period. |
| e. Termination by us without cause | None | |
| f. Termination by us with cause | Article 25; Sections 4.1B and 7.1A | We can terminate your Franchise Agreement if you (1) do not locate a site that meets our site selection criteria within the time period required by the Franchise Agreement, (2) do not successfully complete our training program, or (3) display, carry, offer, trade, or sell any product that violates Applicable Laws, any marijuana product, or any Unpermitted Item that contains hemp. |
| g. "Cause" defined – curable defaults | Sections 25.1(a), (b), (c), (d), (g), (j), (k), (n), (q), (t), (u), (v), (x), and (y) | Not curing within 3 days after notice any failure to adhere to standards, rules, and procedures, trade identity use requirements, or inventory requirements; not curing within 5 days after notice any failure to pay sums due with late charges, make any report, deliver evidence of required insurance coverage, comply with |

| Provision | Section in franchise or other agreement | Summary |
|--|---|---|
| | | <p>law, pay taxes; failure to contribute to or participate in the Franchisee Association; failure to replace insurance that will be cancelled no less than 5 days before cancellation; failure to obtain release of writ within 5 days after levy; failure to cure within 5 days use of any reporting or data systems other than the POS System we designate for your use; failure to satisfy final judgment against your Shaman Store or its assets for 30 days without posting bond; entry of an order for relief in involuntary bankruptcy or similar case or appointment of receiver remaining in effect for 60 consecutive days; failure to cure within time permitted any default under any other agreement with us, any of Our Affiliates, or any third party related to your CBD American Shaman[®] business; failure to cure within time permitted any default under any agreement between any entity or business owned or partially owned by you or any of Your Interested Parties (as defined below) and us, any of Our Affiliates, or any third party related to your CBD American Shaman business; failure to cure within 10 days after notice any default in performance under your Franchise Agreement not mentioned previously or in item (h) below.</p> |
| <p>h. “Cause”, defined—non-curable</p> | <p>Articles 4 and 5; Sections 9.1, 25.1(e), (f), (h), (i), (l), (m), (o), (p), (r), (s), (w), (z), (aa), and (bb)</p> | <p>Failure to submit at least one proposed franchise location that fits our basic site criteria within 90 days after the Effective Date of your Franchise Agreement; failure to select a franchise location that fits our basic site criteria within 164 days after the Effective Date of your Franchise Agreement; failure to sign a lease for a suitable site we have confirmed fits our basic site criteria within 227 days after the Effective Date of your Franchise Agreement (subject to a discretionary extension of up to 30 days); failure to complete the build out of your Shaman Store within 60 days after you and your landlord have signed a lease; failure</p> |

| Provision | Section in franchise or other agreement | Summary |
|-----------|---|--|
| | | <p>to open your Shaman Store for business within 90 days after you take possession of the Franchise Location; cease to have the right to occupy the franchise location and do not have a right to relocate or fail to meet milestones and open replacement location if right to relocate is available; violation of the restrictions on use of our trade identity; disclosure of any part of the Shaman Manual, Onboarding Packet, Franchise Resources, or any of our proprietary information; failure to enter any item of Gross Revenue in the POS System; use any point of sale system other than the POS System we designate for your use; submission of three or more reports that audit(s) shows to understate Gross Revenue by 2% or more; failure to have you, your Operating Partner and/or Manager present at your Shaman Store as required; assignment, transfer, or encumbrance of the Franchise Agreement or business in violation of restrictions and requirements; cessation of operations or failure to open your Shaman Store for two days in succession unless excused; display, carry, offer, trade, or sell any product that violates Applicable Laws, any marijuana product, or any Unpermitted Item that contains hemp at your Franchise Location or through Franchised Business; failure to comply with the Minimum Purchase Commitment for three consecutive calendar months; failure to pay monies when due to us on three or more occasions in any 12 month period; failure to comply with all other terms of Franchise Agreement on three or more occasions in any calendar year or more than five occasions throughout the term; commencement of voluntary bankruptcy or similar case or consent to appointment of receiver or similar official, failure to pay debts as due, or similar occurrences; act or conduct that reflects materially and unfavorably on us, our trade</p> |

| Provision | Section in franchise or other agreement | Summary |
|---|---|--|
| | | identity or reputation, or the business; or making any material misrepresentation to us. |
| i. Your obligations on termination or non-renewal | Articles 26 and 27 | You must cease operation of your CBD American Shaman business; de-identify and deliver to us within five days after the cancellation, termination, or expiration photographs and/or videos of the Franchise Location evidencing any required debranding and deidentification of the Shaman Name, any of the Shaman Marks, or any item we designate as trade dress; pay us all money you owe us; lease us the premises of your Shaman Store if you own it or assign us any lease of your Shaman Store if we choose to take it over; sell us certain assets if we choose to purchase them; cease accessing the Shaman Manual and Franchise Resources and return all our branded material and other confidential information; assign your telephone numbers and domain names to us; stop using any element of the Shaman Business Method, Shaman Name, or Shaman Marks; and otherwise wind up the Franchised Business and our relationship as required by Article 27 of the Franchise Agreement. We can do some of these things if you fail to do them. If we terminate your Franchise Agreement prior to expiration of its term because you display, carry, offer, trade, or sell any product that violates Applicable Laws, any marijuana product, or any Unpermitted Item that contains hemp you must pay us a \$50,000 Termination Fee as liquidated damages. |
| j. Assignment of contract by us | Section 20.5 | We have the unrestricted right to assign our interest in the Franchise Agreement or the System to any person or entity who expressly assumes those obligations in writing at the time of the transfer. We may encumber all or any part of our interest in the Franchise Agreement or the System at any time. |
| k. "Transfer" by you—definition | Section 20.3 | Any partial or complete assignment, sale, transfer, or encumbrance of any |

| Provision | Section in franchise or other agreement | Summary |
|--|---|--|
| | | <p>interest in your Franchise Agreement or your Shaman Store or any of its assets, and certain changes in ownership of you if you are an entity. Includes any transfer to a corporation, partnership, limited liability company, or other entity; a transfer to a trust, including a family trust; any conversion, dissolution, merger, consolidation, or other reorganization, or sale or other transfer of any shares or membership units to a person or entity that is not an existing shareholder or member, or any sale of assets or change in the chief executive, operating, or financial officer or any manager; any change in or withdrawal of any partner or conversion, merger, consolidation, or other reorganization or any dissolution of the partnership; and any transfer from one person to any other.</p> |
| <p>l. Our approval of transfer by you</p> | <p>Section 20.1</p> | <p>No transfer without our prior written consent, but we will not unreasonably withhold consent</p> |
| <p>m. Conditions of our approval of transfer</p> | <p>Article 21; Sections 20.1 and 20.2</p> | <p>Transfer is not directly or indirectly (through ownership of an entity) to the trustee of a trust through which ownership of the Franchised Business would pass automatically on your death; transferee or transferee's Operating Partner and Manager, if any, are approved and trained by us; you are not in default and do not default prior to transfer; you pay us and Our Affiliates and all vendors all money due, including a transfer fee; transferee signs our then-current Franchise Agreement modified to be for the remaining term of your Franchise Agreement; transferee signs all other agreements we then require franchisees or their owners to sign; you sign the form of General Release and Covenant Survival Acknowledgment we are then using unless law prohibits; you transfer all the agreements related to your Shaman Store and all of its assets to the transferee. See noncompetition agreement described in item r below. If you transfer to an entity you own, you must own a</p> |

| Provision | Section in franchise or other agreement | Summary |
|---|---|---|
| | | controlling interest in the entity and agree to be its principal executive and sign our form of personal guaranty. |
| n. Our right of first refusal to acquire your business | Article 22 | We or our nominee may acquire your Shaman Store on the same terms as any third party offer you are willing to accept except that we may substitute cash for any consideration other than cash. |
| o. Our option to purchase your business on termination or non-renewal | Section 27.1.B. | On termination or expiration, we may purchase all or any part of the physical assets of your Shaman Store. |
| p. Your death or disability | Article 23 | If you die or are disabled as defined in the Franchise Agreement or if there is a deadlock among your owners, we can require sale of your Shaman Store to an approved buyer within 180 days for the best offer obtained within 120 days (subject to our right of first refusal as described above). During any period of your incapacity or the incapacity of your Operating Partner and/or until the business is sold, we can place a manager in your Shaman Store and you must pay us the manager's salary, transportation, lodging and related living expenses, and our management administration fee. |
| q. Non-competition covenants during the term of the Franchise | Section 13.1 | Neither you, anyone with a direct or indirect ownership interest in you, any of your Managers trained in the Shaman Business Method or with access to the Shaman Manual ("trained by us"), nor any of your affiliates or the officers, directors, managers, shareholders, members, partners, or owners of your affiliates or any others in direct or indirect concert or participation with you, your owners, any of your Managers trained by us, your affiliates, or the officers, directors, managers, shareholders, members, partners, or owners of your affiliates (all the foregoing, collectively, "Your Interested Parties") may directly or indirectly (i) own any interest in, be employed by, provide advice or consultation to, or operate any other CBD retail or wholesale business that specializes in the sale of CBD products substantially similar to your |



| Provision | Section in franchise or other agreement | Summary |
|--|---|--|
| | | Shaman Store (ii) have any interest in any entity that directly or indirectly does any of those at any time during the term of the Franchise Agreement without our prior written consent. |
| r. Non-competition covenants after the franchise is terminated (but not on expiration) | Section 13.1 | For two years following the expiration or termination of the Franchise Agreement, neither you, your Manager trained by us, any of your affiliates, nor any Interested Parties shall (i) own any interest in, be employed by, provide advice or consultation to, or operate any other CBD retail or wholesale business that specializes in the sale of cannabis products substantially similar to your Shaman Store within 15 miles from the Franchise Location or within four miles of any Shaman Store or, if the Franchise Location is located in a metropolitan area with 15 or more Shaman Stores (a “trade area”), within the trade area of your Franchise Location, or (ii) have any interest in any entity that does any of those, without our prior written consent. |
| s. Modification of the agreement | Sections 33.3 | No modifications unless signed by you and us, but we may modify the Shaman Manual unilaterally. |
| t. Integration/ merger clause | Section 33.4 | Only the terms of the Franchise Agreement are binding (subject to state law). Any promises outside this Franchise Disclosure Document and the Franchise Agreement may not be enforceable. |
| u. Dispute resolution by arbitration | Sections 30.1 and 30.2 | Before any party may bring an action in court against the other, the parties must first meet to mediate the dispute. Any dispute between the parties arising out of or related to the Franchise Agreement or franchise relationship must be submitted to binding arbitration. The arbitration must be administered by American Arbitration Association under its then-current commercial arbitration rules and procedures and take place in Kansas City, Missouri. |
| v. Choice of forum | Section 30.6 | Subject to state law, litigation in Jackson County, Missouri. |
| w. Choice of law | Section 30.5 | Subject to state law, the Franchise Agreement and any claims arising |

| Provision | Section in franchise or other agreement | Summary |
|-----------|---|--|
| | | out of or related to it or the franchise relationship shall be governed by, construed, and enforced in accordance with the laws of Missouri, without regard to its or any other jurisdiction's choice of law principles. |

ITEM 18. PUBLIC FIGURES

We do not use any public figure to promote CBD American Shaman franchises.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of affiliate-owned or franchised outlets. We also do not authorize our employees or representatives to make any financial performance representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Tara Latil, 1501 Iron Street, North Kansas City, Missouri, telephone (855) 427-2233, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Fiscal Years 2021-2023

| Outlet Type | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|--------------------|------|----------------------------------|--------------------------------|------------|
| Franchised Outlets | 2021 | 299 | 241 | -58 |
| | 2022 | 241 | 207 | -34 |
| | 2023 | 207 | 169 | -38 |
| Company-Owned* | 2021 | 43 | 47 | +4 |
| | 2022 | 47 | 46 | -1 |
| | 2023 | 46 | 43 | -3 |
| Total Outlets | 2021 | 342 | 288 | -54 |
| | 2022 | 288 | 253 | -35 |
| | 2023 | 253 | 212 | -41 |

*Owned and operated by CBDAS.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor)
For Years 2021-2023

| State | Year | Number of Transfers |
|---------------|------|---------------------|
| Colorado | 2021 | 2 |
| | 2022 | 0 |
| | 2023 | 0 |
| Connecticut | 2021 | 0 |
| | 2022 | 0 |
| | 2023 | 0 |
| Florida | 2021 | 1 |
| | 2022 | 0 |
| | 2023 | 1 |
| Georgia | 2021 | 0 |
| | 2022 | 1 |
| | 2023 | 1 |
| Missouri | 2021 | 2 |
| | 2022 | 0 |
| | 2023 | 0 |
| Montana | 2021 | 0 |
| | 2022 | 0 |
| | 2023 | 0 |
| Nebraska | 2021 | 0 |
| | 2022 | 0 |
| | 2023 | 3 |
| Nevada | 2021 | 0 |
| | 2022 | 0 |
| | 2023 | 0 |
| New Hampshire | 2021 | 0 |
| | 2022 | 1 |
| | 2023 | 0 |

| State | Year | Number of Transfers |
|--------------|------|---------------------|
| Oklahoma | 2021 | 0 |
| | 2022 | 1 |
| | 2023 | 0 |
| Pennsylvania | 2021 | 0 |
| | 2022 | 0 |
| | 2023 | 0 |
| Texas | 2021 | 8 |
| | 2022 | 4 |
| | 2023 | 4 |
| Utah | 2021 | 0 |
| | 2022 | 0 |
| | 2023 | 0 |
| Wisconsin | 2021 | 0 |
| | 2022 | 0 |
| | 2023 | 0 |
| TOTAL | 2021 | 13 |
| | 2022 | 7 |
| | 2023 | 9 |

Table No. 3
 Status of Franchised Outlets
 For Years 2021-2023

| State | Year | Outlets at Start of the Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations-Other Reasons | Outlets at End of the Year |
|----------|------|------------------------------|----------------|--------------|--------------|--------------------------|---------------------------------|----------------------------|
| Alabama | 2021 | 3 | 1 | 0 | 0 | 0 | 0 | 4 |
| | 2022 | 4 | 1 | 0 | 0 | 0 | 0 | 5 |
| | 2023 | 5 | 0 | 0 | 0 | 0 | 1 | 4 |
| Arkansas | 2021 | 5 | 0 | 0 | 0 | 0 | 3 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Colorado | 2021 | 7 | 1 (Note 1) | 0 | 0 | 0 | 4 (Note 1) | 4 |
| | 2022 | 4 | 0 | 0 | 0 | 0 | 1 | 3 |
| | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |

| State | Year | Outlets at Start of the Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations-Other Reasons | Outlets at End of the Year |
|---------------|------|------------------------------|----------------|--------------|--------------|--------------------------|---------------------------------|----------------------------|
| Connecticut | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 1 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Delaware | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Florida | 2021 | 14 | 1 | 7 | 0 | 0 | 2 | 6 |
| | 2022 | 6 | 0 | 0 | 0 | 0 | 3 | 3 |
| | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Georgia | 2021 | 15 | 0 | 0 | 0 | 0 | 1 | 14 |
| | 2022 | 14 | 0 | 0 | 0 | 0 | 2 | 12 |
| | 2023 | 12 | 1 | 0 | 0 | 0 | 4 | 8 |
| Indiana | 2021 | 3 | 0 | 0 | 0 | 0 | 1 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Iowa | 2021 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 1 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Kansas | 2021 | 14 | 1 | 0 | 0 | 1 | 3 | 11 |
| | 2022 | 11 | 0 | 0 | 0 | 0 | 0 | 11 |
| | 2023 | 11 | 0 | 0 | 0 | 0 | 2 | 9 |
| Kentucky | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Louisiana | 2021 | 2 | 0 | 0 | 0 | 0 | 2 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Maine | 2021 | 1 (Note 2) | 0 | 0 | 0 | 0 | 1 (Note 2) | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |
| Massachusetts | 2021 | 3 | 0 | 0 | 0 | 0 | 1 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 1 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |

| State | Year | Outlets at Start of the Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations-Other Reasons | Outlets at End of the Year |
|----------------|------|------------------------------|----------------|--------------|--------------|--------------------------|---------------------------------|----------------------------|
| Missouri | 2021 | 13 | 2 | 0 | 0 | 1 | 2 | 12 |
| | 2022 | 12 | 1 | 0 | 0 | 1 | 1 | 11 |
| | 2023 | 11 | 0 | 0 | 0 | 1 | 3 | 7 |
| Montana | 2021 | 2 | 0 | 0 | 0 | 0 | 1 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |
| Nebraska | 2021 | 11 | 0 | 0 | 0 | 0 | 1 | 10 |
| | 2022 | 10 | 0 | 0 | 0 | 0 | 0 | 10 |
| | 2023 | 10 | 0 | 0 | 0 | 0 | 0 | 10 |
| Nevada | 2021 | 12 | 0 | 0 | 0 | 0 | 5 | 7 |
| | 2022 | 7 | 1 | 0 | 0 | 0 | 5 | 3 |
| | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| New Hampshire | 2021 | 6 | 0 | 0 | 0 | 0 | 2 | 4 |
| | 2022 | 4 | 0 | 0 | 0 | 0 | 1 | 3 |
| | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| New Mexico | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |
| North Carolina | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2023 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Ohio | 2021 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2022 | 4 | 0 | 0 | 0 | 0 | 1 | 3 |
| | 2023 | 3 | 2 | 0 | 0 | 0 | 1 | 4 |
| Oklahoma | 2021 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 2022 | 6 | 0 | 0 | 0 | 0 | 2 | 4 |
| | 2023 | 4 | 0 | 0 | 0 | 0 | 1 | 3 |
| Oregon | 2021 | 4 | 0 | 0 | 0 | 0 | 1 | 3 |
| | 2022 | 3 | 0 | 0 | 0 | 0 | 3 | 0 |
| | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pennsylvania | 2021 | 10 | 2 | 0 | 0 | 0 | 1 | 11 |
| | 2022 | 11 | 0 | 0 | 0 | 0 | 0 | 11 |
| | 2023 | 11 | 0 | 0 | 0 | 0 | 0 | 11 |

| State | Year | Outlets at Start of the Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations-Other Reasons | Outlets at End of the Year |
|-----------|------|------------------------------|----------------|--------------|--------------|--------------------------|---------------------------------|----------------------------|
| Tennessee | 2021 | 11 | 0 | 0 | 0 | 0 | 4 | 7 |
| | 2022 | 7 | 0 | 0 | 0 | 0 | 4 | 3 |
| | 2023 | 3 | 0 | 0 | 0 | 0 | 2 | 1 |
| Texas | 2021 | 122 | 7 | 2 | 0 | 1 | 23 | 103 |
| | 2022 | 103 | 5 (Note 4) | 0 | 0 | 0 | 12 (Note 4) | 96 |
| | 2023 | 96 | 2 | 0 | 0 | 0 | 24 | 75 |
| Utah | 2021 | 9 | 0 | 0 | 0 | 0 | 2 | 7 |
| | 2022 | 7 | 0 | 0 | 0 | 0 | 5 (Note 5) | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Wisconsin | 2021 | 16 | 0 | 0 | 0 | 0 | 3 | 13 |
| | 2022 | 13 | 1 | 0 | 0 | 0 | 2 | 12 |
| | 2023 | 12 | 0 | 0 | 0 | 0 | 1 | 11 |
| Total | 2021 | 299 | 17 | 9 | 0 | 3 | 63 | 241 |
| | 2022 | 241 | 11 | 0 | 0 | 1 | 44 | 207 |
| | 2023 | 207 | 6 | 0 | 0 | 1 | 43 | 169 |

(1) This outlet opened in 2021 and closed later that year when the franchisee concluded that the business as conducted by the franchisee was not a good fit for our franchise system and we concurred. We permitted the franchisee to cancel the Franchise Agreement.

(2) This outlet closed in November 2021 because the lease for the franchise location expired and the franchisee wished to move to a more desirable location. The relocation took longer than expected and the new outlet did not open until June 2022, but the franchisee continued selling Shaman Products through his WAL in the interim.

(3) This outlet was operated by CBDAS and was transferred to the store manager who signed a Franchise Agreement in November 2020. The franchise location closed a month later when we and the franchisee determined the business was not a good fit, we cancelled the Franchise Agreement, and the franchisee owner moved to another state.

(4) One of these outlets opened in 2022 and closed later that year when the franchisee concluded that the business as conducted by the franchisee was not a good fit for our franchise system and we concurred. We permitted the franchisee to cancel the Franchise Agreement.

(5) Vitality, the former franchisee described in Item 3, abandoned its franchise when it stopped selling Proprietary Products sometime between approximately October 2021 and January 2022 but did not complete deidentification of its store until March or April 2022.

Table No. 4
 Status of Company-Owned Outlets
 For Years 2021-2023

| State | Year | Outlets at Start of Year | Outlets Opened | Outlets Reacquired From Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of Year |
|----------------|------|--------------------------|----------------|------------------------------------|----------------|----------------------------|------------------------|
| Arizona | 2021 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 2 |
| California | 2021 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 1 | 0 | 0 |
| Florida | 2021 | 7 | 0 | 0 | 0 | 0 | 7 |
| | 2022 | 7 | 1 | 0 | 0 | 0 | 8 |
| | 2023 | 8 | 0 | 0 | 0 | 0 | 8 |
| Kansas | 2021 | 11 | 2 | 1 | 1 | 0 | 13 |
| | 2022 | 13 | 0 | 0 | 0 | 0 | 13 |
| | 2023 | 13 | 0 | 0 | 1 | 0 | 12 |
| Kentucky | 2021 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 2 |
| Massachusetts | 2021 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 0 | 0 | 1 | 0 | 0 |
| Missouri | 2021 | 11 | 0 | 1 | 0 | 0 | 12 |
| | 2022 | 12 | 0 | 1 | 0 | 1 | 12 |
| | 2023 | 12 | 0 | 1 | 0 | 0 | 13 |
| New Mexico | 2021 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 1 | 0 | 0 |
| | 2023 | 0 | 0 | 0 | 0 | 0 | 0 |
| North Carolina | 2021 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 1 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 0 | 0 | 0 | 0 | 3 |
| Ohio | 2021 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 2 | 0 |

| State | Year | Outlets at Start of Year | Outlets Opened | Outlets Reacquired From Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of Year |
|---------------|------|--------------------------|----------------|------------------------------------|----------------|----------------------------|------------------------|
| Oklahoma | 2021 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 1 | 0 | 0 | 1 | 0 | 0 |
| | 2023 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tennessee | 2021 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 2 |
| Texas | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 1 | 0 | 0 | 0 | 1 | 0 |
| | 2023 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Outlets | 2021 | 43 | 2 | 3 | 1 | 0 | 47 |
| | 2022 | 47 | 2 | 1 | 2 | 2 | 46 |
| | 2023 | 46 | 1 | 1 | 3 | 2 | 43 |

Table No. 5
Projected Openings as of December 31, 2023

| State | Franchise Agreements Signed But Outlet Not Opened | Projected New Franchised Outlets in the Next Fiscal Year | Projected New Company-Owned Outlets in the Next Fiscal Year |
|----------------|---|--|---|
| Florida | 0 | 2 | 0 |
| Georgia | 0 | 2 | 0 |
| Indiana | 0 | 1 | 0 |
| Mississippi | 1 | 0 | 0 |
| Missouri | 1 | 1 | 0 |
| Nebraska | 0 | 3 | 0 |
| North Carolina | 0 | 1 | 1 |
| Pennsylvania | 0 | 1 | 0 |
| Texas | 1 | 2 | 0 |
| Wisconsin | 0 | 1 | 0 |
| Total | 3 | 14 | 1 |

Exhibit C lists (a) the names of all current franchisees as of December 31, 2023 and the addresses and telephone numbers of their Shaman Stores as of the date of this Franchise Disclosure Document; (b) the names and locations of the four franchisees that had signed Franchise Agreements but had not opened franchised locations as of December 31, 2023; and the names and locations of the 17 franchisees that pre-paid the initial franchise fee(s) for additional units at a discount as permitted by previous iterations of our franchise offering documents but have not yet signed Franchise Agreements for those Shaman Stores.

Exhibit D lists the name, city, and state, and current business telephone number of every franchisee that has had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year.

The only franchisee that has not communicated with us within ten weeks of the issuance date of this disclosure document is:

American Shaman Holladay, LLC,
now known as Vitality Advantage Holladay, LLC,
a Utah limited liability company
Holladay, Utah
(385) 900-8954

Vitality, the former franchisee described in Item 3, abandoned its franchise when it stopped selling Proprietary Products sometime between approximately October 2021 and January 2022 but did not complete deidentification of its store until March or April 2022.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the System.

Confidentiality

You may wish to communicate with current or former franchisees but not all of our franchisees will be able to communicate with you. Sometimes we require franchisees leaving the System to sign a confidentiality agreement that prohibits them from discussing their experience with prospective franchisees. During the last three fiscal years, we have not signed that kind of confidentiality agreement with any current or former franchisees. Our Franchise Agreement prohibits a franchisee from discussing the franchise, its operation, the franchisee's operating experience, or us or any of Our Affiliates with anyone unless we have certified that the inquirer is a prospective franchisee.

Franchisee Associations

We created and support the Franchisee Association:

1501 Iron Street
North Kansas City, MO 64116
Email Address: info@asfassociation.com
Web Address: <https://asfassociation.com/>

ITEM 21. FINANCIAL STATEMENTS

Attached to this Franchise Disclosure Document as Exhibit E are our unaudited financial statements as of March 31, 2024, audited financial statements as of December 31, 2023, December 31, 2022, and December 31, 2021.

ITEM 22. CONTRACTS

The following contracts comprise the following exhibits to this Franchise Disclosure Document:

- Exhibit F Franchise Agreement
- Exhibit G Franchisee Owner’s Assumption, Guaranty, Confidentiality Agreement,
and Assignment
- Exhibit H Consent of Spouse/Domestic Partner
- Exhibit I General Release and Covenant Survival Acknowledgement
- Exhibit J Franchisee Information
- Exhibit K Automated Clearing House Payment Authorization Form
- Exhibit L State Addenda

ITEM 23. RECEIPTS

A form for your use to acknowledge your receipt of this Franchise Disclosure Document, including all exhibits, is attached as Exhibit N. You must date and sign one copy of the Receipt and deliver it to us.

EXHIBIT A
STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS



STATE ADMINISTRATORS
AND
AGENTS FOR SERVICE OF PROCESS

Note: Agents for service of process are located at the same address as the state regulatory authorities unless otherwise noted below.

| State | State Administrator | Agent for Service of Process |
|------------|---|---|
| California | Department of Financial Protection and Innovation 320 W. 4 th Street, Suite 750 Los Angeles, CA 90013 (866) 275-2677 | Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 W. 4 th Street, Suite 750 Los Angeles, CA 90013 (866) 275-2677 |
| Florida | Florida Department of Agriculture and Consumer Services Plaza Level 10, The Capitol 400 South Monroe Street Tallahassee, FL 32399-0800 (800) 435-7352 | Secretary of State Division of Corporations Clifton Building 2661 Executive Center Circle Tallahassee, FL 32301 P.O. Box 6327 Tallahassee, FL 32314 (850) 245-6000 |
| Hawaii | Commissioner of Securities State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722 | Commissioner of Securities State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 |
| Illinois | Illinois Attorney General Franchise Bureau 500 South Second Street Springfield, IL 62706 (217) 782-4465 | Illinois Attorney General 500 South Second Street Springfield, IL 62706 |
| Indiana | Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, IN 46204 (317) 232-6681 | Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, IN 46204 |
| Kentucky | Kentucky Department of Financial Institutions 500 Mero Street Mayo-Underwood Building Frankfort, KY 40601 (502) 573-3390 | Office of the Secretary of State 700 Capital Ave., Suite 86 Frankfort, KY 40601 |

| State | State Administrator | Agent for Service of Process |
|--------------|--|---|
| Maryland | Maryland Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360 | Maryland Securities Commissioner Securities Division 200 St. Paul Place Baltimore, MD 21202 |
| Michigan | Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, MI 48913 (517) 335-7567 | Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, MI 48913 (517) 335-7567 |
| Minnesota | Minnesota Department of Commerce 85 East 7th Place, Suite 280 St. Paul, MN 55101 (651) 539-1600 | Commissioner of Commerce Minnesota Department of Commerce 85 East 7th Place, Suite 280 St. Paul, MN 55101 |
| New York | New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222 | New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492 |
| North Dakota | North Dakota Securities Department State Capitol 600 East Boulevard Department 414 State Capitol, 5th Floor Bismarck, ND 58505-0510 (701) 328-4712 | North Dakota Securities Commissioner State Capitol 600 East Boulevard Department 414 State Capitol, 5th Floor Bismarck, ND 58505-0510 |
| Oregon | Department of Consumer & Business Services Division of Finance and Corporate Securities 350 Winter Street NE Room 410 Salem, OR 97301-3881 P.O. Box 14480 Salem, OR 97309-0405 (503) 947-7862 | Secretary of State Corporation Division 255 Capitol Street NE Suite 151 Salem, OR 97310-1327 |
| Rhode Island | State of Rhode Island and Providence Plantations Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9527 | Director, Department of Business Regulation 1511 Pontiac Avenue Cranston, RI 02920 |
| South Dakota | Division of Insurance Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, SD 57501 (605) 773-3563 | Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, SD 57501 |

| State | State Administrator | Agent for Service of Process |
|------------|---|---|
| Virginia | Commonwealth of Virginia State Corporation Commission Division of Securities & Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051 | Virginia State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733 |
| Washington | Washington Department of Financial Institutions Securities Division 150 Israel Road, SW PO Box 41200 Tumwater, WA 98504-1200 (360) 902-8760 | Administrator of the Washington Department of Financial Institutions 150 Israel Road Tumwater, WA 98501 |
| Wisconsin | Division of Securities 4822 Madison Yards, North Tower Madison, WI 53705 (608) 266-2139 | Division of Securities 4822 Madison Yards, North Tower Madison, WI 53705 |

EXHIBIT B
CBD AMERICAN SHAMAN OPERATIONS MANUAL TABLE OF CONTENTS

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EXHIBIT C
LIST OF CBD AMERICAN SHAMAN FRANCHISEES



Current Franchisees as of December 31, 2023:

| Franchisee | CBD American Shaman location | Phone number |
|------------------------------------|---|--------------|
| Floydco, LLC | 279 Cox Creek Pkwy Florence, AL 35630 | 256-715-1271 |
| Floydco, LLC | 2806 Memorial Parkway Sw Suite D Huntsville AL 35801 | 615-584-9889 |
| Floydco, LLC | 8490 Hwy 72 W. Suite 160 Madison, AL 35758 | 256-325-1601 |
| A Moore Healthy Life, LLC | 1471 7 th St. S Clanton, AL 35045 | 205-258-5018 |
| L&I Wellness, LLC | 509 W. Spring St. Suite 225 Fayetteville, Arkansas 72701 | 479-387-5484 |
| Organic Trust, LLC | 4500 W. Walnut St. Ste 9 Rogers, Arkansas 72756 | 479-372-6552 |
| BJR, LLC | 6520 Wadsworth Blvd Unit 160. Arvada, Colorado 80003 | 750-583-2793 |
| PSP Health, LLC | 3915 E 120 th Ave Suite A Thornton, Colorado 80233 | 720-476-7123 |
| PSP Health, LLC | 5137 W 120 th Ave Broomfield, Colorado | 720-216-5745 |
| Preston Market, LLC | 455 Trolley Line Blvd. Ste 990 Mashantucket, Connecticut 06338 | 860-222-3303 |
| Green Leaf Organic, LLC | 3640 Kirkwood Hwy Wilmington, Delaware 19808 | 302-999-9348 |
| RJR Wellness, LLC | 18979 Costal Hwy Suite 103 Rehoboth Beach, Delaware 19971 | 302-259-0987 |
| Nature's Health and Wellness LLC | 4715 Gulf Blvd. St. Pete Beach, Florida 33706 | 727-755-8585 |
| Natural Wellness Your Way, LLC | 1100 Cornerstone Blvd Ste 420 Daytona Beach, Florida 32117 | 386-281-5115 |
| M & K Wellness LLC | 304 Trieste Blvd P C Beach, FL 32407 | 850-694-8592 |
| Petunia's Way, LLC | 3330 Cobb Pkwy NW Ste 336. Acworth, Georgia 30101 | 770-285-3010 |
| CDA Organic Healthy Lifestyle, LLC | 4875 Floyd Rd. SW Ste 101 Mableton, GA30126 | 678-556-5995 |
| Lady Rosebud, LLC | 5350 United Dr. SE Ste 104 Smyrna, GA 30082 | 770-989-1147 |
| Nature Health Bliss, LLC | 6649-D Roswell Rd, Atlanta, GA30328 | 404-228-1625 |
| East Valley Group, LLC | 3595 Canton Rd Suite 250 Marietta, GA 30066 | 770-485-5410 |
| Happy Oils, LLC | 5188 McGinnis Ferry Rd. Alpharetta, GA 30005 | 678-691-4473 |
| Happy Oils, LLC | 9999 Hwy 92 Suite 150 Woodstock, GA 30188 | 678-510-3000 |
| Earth Health LLC | 1750 Powder Springs Rd SW Suite 520 Marietta, Georgia 30064 | 770-675-7637 |

| | | |
|---|---|--------------|
| GLC, LLC | 482 E. Carmel Dr. Carmel, Indiana 46032 | 317-795-2942 |
| GLC, LLC | 912 E. Westfield Blvd. Indianapolis, Indiana 46220 | 463-221-2829 |
| AJ's Health & Wellness, LLC | 3418 8th St SW Suite 3 Altoona, IA 50009 | 515-967-4036 |
| AJ's Health & Wellness, LLC | 1079 N Jefferson Way #300 Indianola, IA 50125 | 515-962-5099 |
| AJ's Health & Wellness, LLC | 800 S 50th St. Suite 106 West Des Moines, IA 50265 | 515-380-5251 |
| CBD Health & Wellness 151, LLC | 16551 W 151st St Olathe, Kansas 66062 | 913-490-3195 |
| Bonner's Botanicals, Health & Beauty, LLC | 608 Tulip Dr. Suite G Bonner Springs, Kansas 66012 | 913-745-6667 |
| Donald & Nikki, LLC | 704 N 11th St Manhattan, Kansas 66502 | 785-477-5176 |
| Safe Body Healthy Life | 23 W Wea St Paola, Ks 66071 | 913-271-3120 |
| I Accept That, LLC | 6032 SW 29th St Topeka, Kansas 66614 | 785-215-8233 |
| CBD American Shaman Topeka, LLC | 2607 SW 21st St. Topeka, Kansas 66604 | 785-430-5262 |
| Midwestern Botanicals, LLC | 7777 E. 21st N. St, Suite 120 Wichita, Kansas 67206 | 316-941-5999 |
| DAMA Health and Wellness, LLC | 200 N. Baltimore Ave. Suite 900 Derby, Kansas 67037 | 316-440-3371 |
| Natural Remedies, LLC | 1530 W. 6th St. Suite C Lawrence, Ks 66044 | 785-424-7500 |
| CBD of Kentucky, LLC | 3615 Nicholasville Rd. Suite F/604 Lexington, Kentucky 40503 | 859-971-5350 |
| Shaman's Destiny, LLC | 7849 Hwy N Dardenne Prairie, Mo 63368 | 636-265-0030 |
| Pono Botanicals, LLC | 1005 Middlebrook Dr. Suite C Liberty, Mo 64068 | 816-429-6043 |
| CMB Gateway Enterprises, LLC | 468 Old Smizer Mill Rd Fenton, Mo 63026 | 314-701-7272 |
| Natural Healing of JC, LLC | 3702 W. Truman Blvd. Suite 200 Jefferson City, Mo 65109 | 573-616-2524 |
| Choose Holistic, LLC | 10 Camden Ct. NE Suite 1C Camdenton, Mo 65020 | 573-317-9131 |
| Midtown Kava, LLC | 1415 W 39th St. Suite D Kansas City, Mo 64111 | 816-541-3144 |
| SMVTS Wellness & Beauty Inc | 13125 State Line Rd. Kansas City, Mo 64145 | 816-437-8261 |
| Green Cross, LLC | 4721 S. 96th St. Omaha, NE 68127 | 402-932-2144 |
| Green Cross, LLC | 2891 S. 168th St. Omaha, NE 68130 | 402-885-8727 |
| Shelby Limited LLC | 1600 Normandy Ct. Suite 102 Lincoln, NE 68512 | 402-840-0393 |
| Ford Investments Company LLC | 233 N 48th St Suite I Lincoln, NE 68504 | 402-580-1614 |
| Gollobit Distribution, LLC | 1001 Farnam St. Suite 100 Omaha, NE 68102 | 402-359-1248 |



| | | |
|--|---|--------------|
| Janssen Universal Investment Company Limited LLC | 2662 Cornhusker Hwy Ste 7C Lincoln, NE 68521 | 402-671-9212 |
| Midwest Promotions, LLC | 3909 Twin Creek Dr. Suite 104 Bellevue, NE | 402-933-7841 |
| Midwest Promotions, LLC | 15514 Spaulding Plaza Suite 105 Omaha, NE 68116 | 531-213-2256 |
| Midwest Promotions, LLC | 719 N. 120th St. Omaha, NE 68154 | 402-933-7822 |
| Advanced Advantage, LLC | 5115 Leavenworth St. Omaha, NE 68106 | 402-359-1454 |
| Nature's Health and Wellness, LLC | 1300 E. Plumb Ln. Suite B2 Reno, Nevada 89502 | 775-470-7421 |
| JNC Holdings Inc. | 7175 W Lake Mead Blvd Suite B-150 Las Vegas, Nevada 89128 | 702-463-1888 |
| Growing Cures CBD, LLC | 9800 Skye Canyon Park Dr Suite 175 Las Vegas, Nevada 89166 | 702-395-6548 |
| 603 Natural Health Solutions, LLC | 236 N. Broadway, Suite E Salem, New Hampshire 03079 | 603-898-7800 |
| Advanced Wellness, LLC | 23 Plaistow Rd Suite 6 Plaistow, New Hampshire 03865 | 603-947-2743 |
| CMS Distribution, LLC | 44 Nashua Rd. Suite 15 Londenderry, New Hampshire 03053 | 603-552-3836 |
| 4Vander LLC | 222 South Main St. Ste TBD Mooresville, NC | 858-232-8140 |
| Healing by Nature, LLC | 1955 Niles Cortland Rd NE Suite 2 Warren, Ohio 44484 | 234-806-4433 |
| DST American Shaman, LLC | 6629 Pearl Rd Parma Heights, Ohio 44130 | 440-345-5059 |
| Herbaceos, LLC | 23420 Lorain Rd Unit 200 North Olmsted, Ohio 44070 | 440-385-7201 |
| Herbaceos, LLC | 15000 Detroit Ave Lakewood, Ohio 44107 | 216-400-0402 |
| 1.11 Supplements, LLC | 11230 N Garnett Rd, Suite C Owasso, Ok 74055 | 918-844-5911 |
| 1.11 Supplements, LLC | 5505 S Mingo Rd Suite A Tulsa, OK 74146 | 918-933-8327 |
| Entitled Health and Beauty | 22428 E 71st Street So Ste B Broken Arrow, OK 74014 | 918-279-6045 |
| MEDCBD412 | 11566 Perry Highway Wexford, PA 15090 | 724-940-4223 |
| Health and Wellness Nature's Remedies, LLC | 38 N. 2nd St. Newport, PA 17074 | 717-204-7851 |
| Create Better Days, LLC | 7727 Glenlivet Dr W, Suite D Fogelsville, PA 18051 | 484-656-7771 |
| Vitality Organics, LLC | 404 E. High St. Suite 300 Carlisle, PA 17013 | 717-254-6643 |
| Vitality Organics, LLC | 2250 Linglestown Rd. Harrisburg, PA 17110 | 717-510-6686 |
| Vitality Organics, LLC | 44 N Queen St Ste 1010 Lancaster, PA 17603 | 717-874-5146 |



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|---------------------------------------|--|--------------|
| Vitality Organics, LLC | 5224 Simpson Ferry Rd. Mechanicsburg, PA 17050 | 717-620-8532 |
| Collegeville CBD American Shaman, LLC | 222 E Main St Suite 21 Collegeville, PA 19426 | 484-540-9220 |
| RJR Wellness, LLC | 1104 Carlisle Rd. Camp Hill, PA 17011 | 717-577-3697 |
| RJR Wellness, LLC | 311 Stanley Tanger Blvd suite 603 Lancaster, PA 17602 | 717-577-3748 |
| RJR Wellness, LLC | 2480 E. Market St. York, PA 17402 | 717-577-3703 |
| M&J Holdings, LLC | 266 E Main St Oak Ridge, TN 37830 | 865-272-5045 |
| Natural Wellness CBD, LLC | 7050 FM 1960 Rd E Humble, TX 77346 | 346-345-2937 |
| Adams Financial Investments, LLC | 24811 Katy Frwy Suite 400 Katy, TX 77494 | 832-437-7712 |
| Adams Financial Investments, LLC | 21327 N Frwy Suite C Spring, TX 77388 | 832-616-3076 |
| Me-an Kenton Enterprises LLC | 21149 Tomball Pkwy Houston, Tx 77070 | 281-547-8800 |
| Touche Beauty LLC | 3400 S. Broadway Ave. Suite 206 Tyler, TX 75701 | 903-630-5814 |
| American Health & Wellness, LLC | 1550 S. Custer Rd. Suite 400 McKinney, TX 75072 | 214-592-8441 |
| A&H Ventures, LLC | 3525 Longmire Dr. Suite J College Station, Tx 77845 | 979-450-7996 |
| Eiggam, LLC | 807 S Central Expy Suite 160 Anna, TX 75409 | 972-514-5026 |
| Thompson Benge Unlimited, LLC | 5480 FM 423 Suite 500 Frisco, TX 75036 | 469-200-5636 |
| Pappy's Place, LLC | 6103 Wesley St Suite G Greenville, Tx 75402 | 903-494-5011 |
| ASK Legacy, LLC | 3607 S Main St Ste 108 Stafford, Tx 77477 | 281-969-8188 |
| Valley Botanicals, LLC | 516 N. Shary Rd. Suite D Mission, Tx 78572 | 956-997-0007 |
| Legacy Wellness, LLC | 850 S Loop 336 W Suite 200 Conroe, TX 77304 | 936-494-1599 |
| Legacy Wellness, LLC | 1215 Sam Houston Ave, Suite B Huntsville, Tx 77340 | 936-439-4669 |
| TCFC Enterprises, LLC | 328 W Jefferson Blvd Suite 328 Dallas, Tx 75208 | 774-332-8437 |
| ASCBD, Inc. | 1241 W. 11th St. Houston, Tx 77008 | 346-330-9904 |
| SBSC, LLC | 9324 Clifford St. Suite 106 Ft. Worth, Tx 76108 | 817-601-1898 |
| Gulf Coast CBD, LLC | 159 Gulf Frwy S League City, TX 77573 | 832-632-2327 |
| Elite Wellness Solutions, LLC | 4619 Ft. Crockett Blvd., Suite B Galveston, Tx 77551 | 409-497-2164 |
| E&K Elite Distro, LLC | 13837 Cypress N Houston St Cypress, Tx 77429 | 832-745-1609 |
| CAS Investments, LLC | 8350 N Fry Rd. Suite 500 Cypress, Tx 77433 | 281-304-2295 |

| | | |
|---------------------------------|---|--------------|
| American Shaman of Lubbock, LLC | 3408 82nd St. Lubbock, TX 79423 | 806-317-1866 |
| Kelly D, LLC | 808 W Dickinson Blvd. Suite A Ft. Stockton, Tx 79735 | 432-299-0255 |
| The Endless World Group, LLC | 7035 W Grand Pkwy S Ste 45 Richmond, Tx 77407 | 832-532-0814 |
| Georgiev Group, LLC | 250 NW John Jones Dr. Unit 103 Burleson, Tx 76028 | 817-760-0367 |
| Georgiev Group, LLC | 1510 W Magnolia Ave Ste 108 Ft. Worth, TX 76104 | 817-760-0367 |
| Georgiev Group, LLC | 602 W Interstate 30 Royse City, Tx 75189 | 817-760-0367 |
| Saving Grace Healing LLC | 3801 President George Bush Turnpike Suite 130 Plano, Tx 75075 | 972-905-5096 |
| NADPR, LLC | 5636 N. Tarrant Parkway Ste 104 Ft. Worth, Tx 76244 | 817-659-7629 |
| Ugo Stan, LLC | 2406 B F Terry Blvd Suite 400 Rosenburg, Tx 77471 | 832-600-8433 |
| 67 Health&Wellness, LLC | 626 E US Hwy 67 Suite A Duncanville, Tx 75137 | 855-696-7223 |
| Amaris Holistic Health, LLC | 3515 Sycamore School Rd. Suite 110 Ft. Worth, Tx 76133 | 682-499-6126 |
| DFW Natural Solutions, LLC | 6440 N. MacArthur Blvd. Suite 120 Irving, Tx 75039 | 469-206-3159 |
| DFW Natural Solutions, LLC | 1000 E Main St Suite 201 Midlothian, TX 76065 | 214-817-8662 |
| Motaman, LLC | 1410 W Fairmont pkwy La Porte, Tx 77571 | 281-402-5086 |
| Health Essential, LLC | 2303 Ranch Rd 620 S, Suite 120 Lakeway, Tx 78734 | 512-977-0400 |
| Royal Creek Botanicals, LLC | 1502 W University Dr Suite 113 McKinney, Tx 75069 | 214-856-3223 |
| River Jordan, LLC | 7650 I-35 E. Suite 136 Corinth, Tx 76210 | 940-498-2949 |
| River Jordan, LLC | 1301 FM 407 Suite 104 Lewisville, Tx 75077 | 972-317-1566 |
| Luxury and More, LLC | 426 FM 548 Suite 120 Forney, Tx 75126 | 972-357-7965 |
| Merso, LLC | 1901 W. William Cannon Dr. Suite 109 Austin, Tx 78745 | 512-520-8027 |
| Rooted In Wellness, LLC | 4171 Dowlen Rd. Suite B2 Beaumont, Tx 77706 | 409-333-1317 |
| Rooted In Wellness, LLC | 8845 Memorial Blvd. Suite 200 Port Arthur, Tx 77640 | 409-853-4088 |
| Organic Haven, LLC | 403 HWY 6 Suite A-1 Sugarland, Tx 77478 | 281-201-8958 |
| Arlington Shaman, LLC | 5100 W Sublett Rd Suite 110 Arlington, Tx 76001 | 817-516-5114 |
| Healthy Essentials, LLC | 4145 Belt line Rd Suite 214 Addison, Tx 75001 | 469-209-9680 |
| Healthy Essentials, LLC | 305 E. FM 544 Suite 909 Murphy, Tx 75094 | 469-209-9680 |



| | | |
|---------------------------------------|---|--------------|
| RM & SM Investments, LLC | 12320 Barker Cypress Road #450 Cypress, Tx 77429 | 832-334-5974 |
| RM & SM Investments, LLC | 17404 NW Frwy Houston, Tx 77040 | 281-406-8839 |
| CAM Collective, LLC | 5250 FM 2920 Rd, Suite B1 Spring, Tx 77388 | 832-585-1874 |
| NFM Holding, LLC | 10242 E NW Hwy Dallas, Tx 75238 | 972-685-5233 |
| NFM Holding, LLC | 1867 N. Plano Rd. Richardson, Tx 75081 | 469-730-2133 |
| American Shaman Denison, LLC | 115 N Rusk Ave Dennison, Tx 75020 | 903-416-9211 |
| TwoTen Elite, LLC | 6390 De Zavala Rd Suite 102 San Antonio, Tx 78249 | 210-476-5191 |
| RLGK Enterprise LLC | 7939 Katy Frwy Houston, Tx 77024 | 832-804-8970 |
| Superior Purchasing Alliance, LLC | 12650 N Beach St Suite 112 Ft. Worth, Tx 76244 | 817-562-3000 |
| Inspire Wellness CP, LLC | 700 E. Whitestone Blvd. Suite 103 Cedar Park, Tx 78613 | 512-456-7609 |
| VP Ventures Health & Wellness, LLC | 480 W. Southlake Blvd. Suite 105 Southlake, Tx 76092 | 817-900-6060 |
| Myrichcbd, LLC | 1370 Hwy 96 S Lumberton, Tx 77657 | 409-227-4770 |
| Kristoria Healthy Living, LLC | 23856 US 59 N Kingswood, Tx 77339 | 281-623-5203 |
| Sepved Enterprises, LLC | 2324 Marketplace Dr Suite 110 Waco, Tx 76711 | 254-424-9042 |
| SorenCorp, LLC | 730 W. Pipeline Rd. Hurst, Tx 76053 | 817-494-3335 |
| K & J Adventures, LLC | 5321 Lakeview Pkwy Suite 102 Rowlett, Tx 75088 | 469-969-0333 |
| Bodhizafa, LLC | 7330 Gaston Ave. Suite 102 Dallas, Tx 75214 | 214-660-9848 |
| Capital Wellness, LLC | 8315 Burnet Rd. Suite C Austin, Tx 78757 | 512-386-1873 |
| Tamporello Properties LLC, | 721 S 4th St Suite 104 Waco, Tx 76706 | 254-300-5496 |
| Trinity Wellness, LLC | 5904 S Cooper St Suite 134 Arlington, Tx 76017 | 817-538-5044 |
| Redwood Crane, LLC | 2520 E. Broadway St. Pearland, Tx 77581 | 832-230-5353 |
| QLPC, LLC | 2908 Garnett Ave Wichita Falls, Tx. 76308 | 940-500-4490 |
| Vitality Vitamins Inc. | 500 W. Montgomery St. Suite A Willis, Tx 77378 | 936-228-2129 |
| Shaman Health & Wellness, LLC | 8745 Gary Burns Dr. Suite 136 Frisco, Tx 75034 | 46+-888-4636 |
| Herbal Extracts LLC | 2314 Greencrest Blvd Rockwall, Tx 75087 | 469-769-1990 |
| Natural Wellness Your Way, LLC | 612 American Way Terrell, Tx 75160 | 318-773-8610 |
| Grapevine Botanicals LLC | 303 Northwest Highway Ste C Grapevine, Tx 76051 | 770-718-6891 |



| | | |
|--------------------------------|---|--------------|
| Keeva Wellness LLC | 2001 Cross Timbers Rd. Ste 103 Flower Mound, Tx 75028 | 972-689-8589 |
| CBD Health & Wellness, LLC | 2836 S 5600 W Suite 9 West Valley City, Ut 84120 | 801-849-8724 |
| CMC Health Essentials, LLC | 1012 N Market Place Dr. Spanish Fork, Ut 84660 | 801-806-4777 |
| Genuine Wellness, LLC | 933 S 17th Ave. Wausau, WI 54401 | |
| WellPro Edge, LLC | 5201 Washington Ave Suite M Mt. Pleasant, WI 53406 | 262-256-2623 |
| Simply Well, LLC | 2814 New Pinery Rd. Portage, Wi 53901 | 608-683-2055 |
| Simply Well, LLC | 805 River Rd Wisconsin Dells, Wi 53965 | 608-697-3451 |
| Wisconzen Life | 4551 8th St South STE 101A Wisconsin Rapids, WI 54494 | 715-213-1960 |
| Blossom & Sage, LLC | 2416 W. Mason St. Suite 101B Green Bay, WI 54303 | 920-544-4048 |
| JRG Wellness, LLC | 17550 W. Bluemound Rd. Suite 200 Brookfield, Wi 53045 | 269-599-8020 |
| Manila Health, LLC | N56W14108 Silver Spring Dr. Suite 111 Menomonee Falls, Wi 53051 | 262-505-5695 |
| Badger Health Initiatives, LLC | 159 Collins Rd Jefferson, Wi 53549 | 920-541-3414 |
| Clean Living, LLC | 201 Helen Walton St. Suite 6 Tomah, WI 54660 | 608-567-2014 |
| Wisconsin Wellness LLC | 1921 Silvernail Rd Suite 102 Waukesha, WI 53072 | 262-349-4414 |

Franchisees with Unopened Outlets as of December 31, 2023:

| Franchisee | Address | Phone number |
|--------------------------|--|--------------|
| CeCeN Motion LLC | Mississippi (address and telephone number not yet known) | 989-890-1000 |
| Vital Life Wellness, LLC | Missouri (address and telephone number not yet known) | 210-797-4924 |
| SlakeMedical LLC | Texas (address and telephone number not yet known) | 989-213-8982 |



EXHIBIT D
LIST OF FORMER CBD AMERICAN SHAMAN FRANCHISEES

Former Franchisees:

The name and last known address of every franchisee who had a CBD American Shaman Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period January 1, 2023 to December 31, 2023 or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

| Franchisee | City and State | Current Business Telephone Number |
|-------------------|--|--|
| Big Rondas LLC | 2008 N. State Route 291 Harrisonville, MO 64701 | 816-651-3983 |

EXHIBIT E
FINANCIAL STATEMENTS



UNAUDITED FINANCIALS

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.



American Shaman
Balance Sheet
 As of March 31, 2024

| | <u>Mar 31, 24</u> |
|---|------------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| 12000 · Deposit Accounts | |
| 12014 · FRAN 1199 Deposit - General | 47.98 |
| 12016 · FRAN 1547 Transfer | 383.20 |
| 12018 · FRAN 6154 Deposit - Fees | 1,000.08 |
| Total 12000 · Deposit Accounts | <u>1,431.26</u> |
| Total Checking/Savings | <u>1,431.26</u> |
| Total Current Assets | <u>1,431.26</u> |
| TOTAL ASSETS | <u>1,431.26</u> |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 30000 · Accounts Payable | 150.00 |
| Total Accounts Payable | <u>150.00</u> |
| Other Current Liabilities | |
| 30009 · Employee Reimbursements Payable | 519.10 |
| 30050 · Miscellaneous Accruals Payable | -15,000.00 |
| Total Other Current Liabilities | <u>-14,480.90</u> |
| Total Current Liabilities | <u>-14,330.90</u> |
| Total Liabilities | -14,330.90 |
| Equity | |
| 41000 · Owner Contributions | 3,169,473.64 |
| 43000 · Retained Earnings | -3,404,009.68 |
| Net Income | <u>250,298.20</u> |
| Total Equity | <u>15,762.16</u> |
| TOTAL LIABILITIES & EQUITY | <u>1,431.26</u> |

1:31 PM

04/30/24

Accrual Basis

**American Shaman
Profit & Loss
January through March 2024**

| | Jan 24 | Feb 24 | Mar 24 | TOTAL |
|---|--------------------------|-------------------------|-------------------------|--------------------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| 50000 · Sales | | | | |
| 50500 · Franchisee Income | | | | |
| 50510 · Franchise - Marketing Fees | 122,400.00 | 116,800.00 | 83,600.00 | 322,800.00 |
| 50520 · Franchise - Technology Fees | 30,600.00 | 29,200.00 | 20,900.00 | 80,700.00 |
| 50530 · Franchise - Fees Paid to Co-op | -17,600.00 | -25,000.00 | -25,000.00 | -67,600.00 |
| 50540 · Franchise - Origination Fees | 10,000.00 | 0.00 | 0.00 | 10,000.00 |
| 50550 · Franchise - Transfer Fees | 5,000.00 | 0.00 | 0.00 | 5,000.00 |
| Total 50500 · Franchisee Income | <u>150,400.00</u> | <u>121,000.00</u> | <u>79,500.00</u> | <u>350,900.00</u> |
| Total 50000 · Sales | <u>150,400.00</u> | <u>121,000.00</u> | <u>79,500.00</u> | <u>350,900.00</u> |
| Total Income | <u>150,400.00</u> | <u>121,000.00</u> | <u>79,500.00</u> | <u>350,900.00</u> |
| Gross Profit | <u>150,400.00</u> | <u>121,000.00</u> | <u>79,500.00</u> | <u>350,900.00</u> |
| Expense | | | | |
| 70000 · SALES EXPENSE | | | | |
| 70150 · Sales / POS Software | 3,267.00 | 3,000.00 | 3,000.00 | 9,267.00 |
| 70250 · Franchisee Vetting | 305.00 | 0.00 | 0.00 | 305.00 |
| 70390 · Sales Personnel Training | 65.00 | 260.00 | 0.00 | 325.00 |
| 70620 · Sales Licenses / Permits | 0.00 | 0.00 | 3,120.62 | 3,120.62 |
| 70800 · Advertising | | | | |
| 70810 · Media | 2,970.00 | 0.00 | 0.00 | 2,970.00 |
| 70841 · Online / Social / Email | 150.00 | 150.00 | 150.00 | 450.00 |
| Total 70800 · Advertising | <u>3,120.00</u> | <u>150.00</u> | <u>150.00</u> | <u>3,420.00</u> |
| 70900 · Website Maintenance Expense | 19.95 | 0.00 | 0.00 | 19.95 |
| Total 70000 · SALES EXPENSE | <u>6,776.95</u> | <u>3,410.00</u> | <u>6,270.62</u> | <u>16,457.57</u> |
| 71000 · GENERAL EXPENSE | | | | |
| 71065 · General Liability Insurance | 2,539.51 | 0.00 | 0.00 | 2,539.51 |
| 71066 · Insurance Expense | | | | |
| 71068 · Dental Insurance | 162.50 | 162.50 | 162.50 | 487.50 |
| 71069 · Health Insurance | 1,625.38 | 1,769.44 | 1,769.44 | 5,164.26 |
| 71070 · Vision Insurance | 40.54 | 40.54 | 40.54 | 121.62 |
| 71071 · Workmans Comp Insurance | 152.00 | 152.00 | 152.00 | 456.00 |
| Total 71066 · Insurance Expense | <u>1,980.42</u> | <u>2,124.48</u> | <u>2,124.48</u> | <u>6,229.38</u> |
| 71074 · Office Expense | | | | |
| 71076 · Office Supplies Expense | 0.00 | 0.00 | 54.83 | 54.83 |
| 71077 · Office Equipment Expense | 412.20 | 412.20 | 412.20 | 1,236.60 |
| Total 71074 · Office Expense | <u>412.20</u> | <u>412.20</u> | <u>467.03</u> | <u>1,291.43</u> |
| 71110 · Computer & Software Expenses | | | | |
| 71111 · Hosting | 300.00 | 300.00 | 300.00 | 900.00 |
| 71110 · Computer & Software Expenses - Other | 477.30 | 180.00 | 180.00 | 837.30 |
| Total 71110 · Computer & Software Expenses | <u>777.30</u> | <u>480.00</u> | <u>480.00</u> | <u>1,737.30</u> |
| 71400 · Bank Service Charges | 168.99 | 100.33 | 123.00 | 392.22 |
| 71520 · Entity Registration / Filing | 97.00 | 0.00 | 0.00 | 97.00 |
| Total 71000 · GENERAL EXPENSE | <u>5,975.32</u> | <u>3,117.01</u> | <u>3,194.51</u> | <u>12,286.84</u> |
| 72000 · ADMINISTRATIVE EXPENSE | | | | |
| 72010 · Wages & Taxes - Admin | 12,231.18 | 17,299.66 | 16,444.15 | 45,974.99 |
| 72015 · Admin Employee Relations | 457.31 | 0.00 | 0.00 | 457.31 |
| 72150 · Postage Expense | 639.19 | 0.00 | 0.00 | 639.19 |
| 72226 · Payroll Services Expense | 148.53 | 41.50 | 41.50 | 231.53 |
| 72310 · Consulting Expense | 2,400.33 | 2,150.33 | 0.00 | 4,550.66 |
| 72321 · Legal Expense | 6,103.27 | 9,081.24 | 288.75 | 15,473.26 |
| 72500 · Meals and Entertainment | 0.00 | 0.00 | 253.06 | 253.06 |
| Total 72000 · ADMINISTRATIVE EXPENSE | <u>21,979.81</u> | <u>28,572.73</u> | <u>17,027.46</u> | <u>67,580.00</u> |
| Total Expense | <u>34,732.08</u> | <u>35,099.74</u> | <u>26,492.59</u> | <u>96,324.41</u> |
| Net Ordinary Income | <u>115,667.92</u> | <u>85,900.26</u> | <u>53,007.41</u> | <u>254,575.59</u> |
| Other Income/Expense | | | | |
| Other Income | | | | |
| 81100 · Interest Income | 0.24 | 0.28 | 0.08 | 0.60 |
| Total Other Income | <u>0.24</u> | <u>0.28</u> | <u>0.08</u> | <u>0.60</u> |
| Other Expense | | | | |
| 82020 · Other Expense | 300.00 | 0.00 | 2,477.99 | 2,777.99 |
| 84000 · Settlement | 1,500.00 | 0.00 | 0.00 | 1,500.00 |
| 88888 · STMT Statement Clearing | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Other Expense | <u>1,800.00</u> | <u>0.00</u> | <u>2,477.99</u> | <u>4,277.99</u> |
| Net Other Income | <u>-1,799.76</u> | <u>0.28</u> | <u>-2,477.91</u> | <u>-4,277.39</u> |
| Net Income | <u><u>113,868.16</u></u> | <u><u>85,900.54</u></u> | <u><u>50,529.50</u></u> | <u><u>250,298.20</u></u> |



AMERICAN SHAMAN FRANCHISE SYSTEM, LLC
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Member of
American Shaman Franchise System, LLC
Kansas City, Missouri

Qualified Opinion

We have audited the accompanying financial statements of American Shaman Franchise System, LLC (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income, member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of American Shaman Franchise System, LLC as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

As more fully described in Note 3 to the financial statements, the Company's financial statements do not include the accounts of SVS Enterprises, LLC ("SVS") of which the Company is a variable interest entity and SVS is the primary beneficiary. In our opinion, the Company's financial statements should be consolidated with the accounts of SVS to conform with accounting principles generally accepted in the United States of America. Quantification of the effects of this departure from generally accepted accounting principles on the financial position, results of operations, and cash flows of American Shaman Franchise System, LLC is not practicable.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of American Shaman Franchise System, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about American Shaman Franchise System, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of American Shaman Franchise System, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about American Shaman Franchise System, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Marr and Company

Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
April 25, 2024

AMERICAN SHAMAN FRANCHISE SYSTEM, LLC

BALANCE SHEETS
As of December 31, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|--------------------|--------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 91,685 | \$ 32,836 |
| Accounts receivable | 0 | 43,135 |
| Property and equipment, net of accumulated depreciation | <u>0</u> | <u>36,539</u> |
| Total Assets | <u>\$ 91,685</u> | <u>\$ 112,510</u> |
| LIABILITIES AND MEMBER'S EQUITY | | |
| Liabilities: | | |
| Accounts payable | \$ 60,048 | \$ 488,393 |
| Accrued expenses | 0 | 1,937 |
| Accrued payroll | 5,323 | 12,311 |
| Due to related party (Note 2) | <u>3,430,072</u> | <u>3,550,778</u> |
| Total Liabilities | 3,495,443 | 4,053,419 |
| Member's Equity | | |
| Accumulated deficit | <u>(3,403,758)</u> | <u>(3,940,909)</u> |
| Total Member's Equity | <u>(3,403,758)</u> | <u>(3,940,909)</u> |
| Total Liabilities and Member's Equity | <u>\$ 91,685</u> | <u>\$ 112,510</u> |

See Accompanying Independent Auditor's Report and Notes to these financial statements.

AMERICAN SHAMAN FRANCHISE SYSTEM, LLC

STATEMENTS OF INCOME
For the Years Ended December 31, 2023 and 2022

| | | |
|--|-------------------|---------------------|
| Revenue: | <u>2023</u> | <u>2022</u> |
| Franchise fees | \$ 2,204,750 | \$ 2,671,145 |
| Royalties | 642,339 | 775,413 |
| Conference income | 2,460 | 25,106 |
| Other income | <u>5</u> | <u>23,393</u> |
| Total Revenue | 2,849,554 | 3,495,057 |
| Expenses: | | |
| Franchise Expenses: | | |
| Marketing fees paid to the Association | 915,120 | 1,282,850 |
| Direct marketing | 22,708 | 443,091 |
| Customer rewards | 0 | 82,080 |
| Technology | 31,764 | 140,806 |
| Annual conference | 162,673 | 276,940 |
| Other franchise expense | <u>12,932</u> | <u>7,029</u> |
| Total Franchise Expenses | 1,145,197 | 2,232,796 |
| General & Administrative Expenses | <u>1,130,668</u> | <u>1,506,112</u> |
| Total Expenses | <u>2,275,865</u> | <u>3,738,908</u> |
| Operating Income (Loss) | 573,689 | (243,851) |
| Loss on Disposal of Capital Assets | <u>36,538</u> | <u>0</u> |
| Net Income (Loss) | \$ <u>537,151</u> | \$ <u>(243,851)</u> |

See Accompanying Independent Auditor's Report and Notes to these financial statements.

AMERICAN SHAMAN FRANCHISE SYSTEM, LLC

STATEMENTS OF MEMBER'S EQUITY
For the Years Ended December 31, 2023 and 2022

| | |
|--|-----------------------|
| Accumulated Deficit at December 31, 2021 | \$ (3,697,058) |
| Net Loss for 2022 | <u>(243,851)</u> |
| Accumulated Deficit at December 31, 2022 | (3,940,909) |
| Net Income for 2023 | <u>537,151</u> |
| Accumulated Deficit at December 31, 2023 | \$ <u>(3,403,758)</u> |

See Accompanying Independent Auditor's Report and Notes to these financial statements.

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AMERICAN SHAMAN FRANCHISE SYSTEM, LLC

STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2023 and 2022

| <u>CASH FLOWS FROM OPERATING ACTIVITIES:</u> | <u>2023</u> | <u>2022</u> |
|---|------------------|------------------|
| Net Income (Loss) | \$ 537,151 | \$ (243,851) |
| Adjustments to reconcile net loss to net cash flows from operating activities: | | |
| Depreciation | 0 | 12,771 |
| Loss on disposal of capital assets | 36,538 | 0 |
| Decrease (Increase) in Operating Assets: | | |
| Accounts receivable | 43,135 | 3,968 |
| Employee retention credit receivable | | 181,984 |
| Prepaid expense | | 74,579 |
| Increase (Decrease) in Operating Liabilities: | | |
| Accounts payable | (428,345) | 67,898 |
| Accrued payroll | (6,987) | 928 |
| Accrued expense | (1,937) | (13,728) |
| Due to related party | (120,706) | (110,033) |
| Net Cash Flows from Operating Activities | <u>58,849</u> | <u>(25,484)</u> |
| Net Change in Cash Balance | 58,849 | (25,484) |
| Cash and cash equivalents, at beginning of year | <u>32,836</u> | <u>58,320</u> |
| Cash and cash equivalents, at end of year | <u>\$ 91,685</u> | <u>\$ 32,836</u> |

See Accompanying Independent Auditor's Report and Notes to these financial statements.

AMERICAN SHAMAN FRANCHISE SYSTEM, LLC

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

INDEX

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Nature of Operations
- B. Cash and Cash Equivalents
- C. Concentration of Credit Risk
- D. Accounts Receivables and Allowance for Credit Loss
- E. Property and Equipment
- F. Revenue Recognition
- G. Income Tax Statues – Disregarded Entity
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NOTE 2: RELATED PARTY TRANSACTIONS

NOTE 3: VARIABLE INTEREST ENTITY

NOTE 4: LITIGATION CONTINGENCY

NOTE 5: SUBSEQUENT EVENTS

AMERICAN SHAMAN FRANCHISE SYSTEM, LLC

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Operations

American Shaman Franchise System, LLC (the “Company”), is a single member limited liability company organized in Nevada on March 2, 2017. The Company is engaged in the sale of franchises for retail stores that sell CBD products to consumers throughout the United States.

B. Cash and Cash Equivalents

For cash flow purposes, the Company considers all short-term investments with an original maturity of three months or less to be cash equivalents.

C. Concentration of Credit Risk

The FDIC insures bank deposits up to \$250,000 on a per institution per depositor basis. A concentration of credit risk did not exist as of December 31, 2023 or 2022 as deposits were within the FDIC insured limits.

D. Account Receivables and Allowance for Credit Loss

Receivables are stated net of any allowance for credit loss. An allowance for credit losses related to franchise fees is established based upon historical collection rates by age of receivable and adjusted for reasonable expectations of future collection performance, net of estimated recoveries. Management periodically assesses its methodologies for estimating credit losses in consideration of actual experience, trends, and changes in the overall economic environment. Based on this analysis, the Company determined no allowance for credit loss was deemed necessary at December 31, 2023 or 2022. For the years ended December 31, 2023 and 2022, the Company had bad debt expense of \$45,577 and \$0, respectively, which is included in general and administrative expenses on the statements of income.

E. Property and Equipment

Property and equipment are carried at cost and include expenditures for improvements and betterments which substantially increase the useful lives of existing property and equipment. Maintenance, repairs and minor renewals are expensed as incurred. When properties are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts and any profit or loss is credited or charged to income.

The Company provides for depreciation of property and equipment by methods and at rates designed to expense the cost of such equipment over their estimated useful lives. Depreciation is computed on the straight-line method. The estimated useful lives for office equipment range from 5 to 7 years. At December 31, 2022, the Company had office equipment with original cost of \$88,560 and accumulated depreciation of \$52,021. The Company disposed of all capital assets in 2023 and utilizes space and office equipment from a related party (see Note 2). Depreciation expense was \$0 and \$12,771 for the years ended December 31, 2023 and 2022, respectively.

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AMERICAN SHAMAN FRANCHISE SYSTEM, LLC

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Revenue Recognition

In accordance with FASB ASC 952-606 *Revenue from Contracts with Customers*, the company has elected the practical expedient and accounts for pre-opening services as a single performance obligation. The initial franchise fee is recognized as the contract is signed and pre-opening services are completed.

Franchise marketing and technologies fees are charged weekly and represent the continued support and services provided for the period.

Royalty income is recognized as qualified purchases are made at the contract rate. Income from events is recognized after the event takes place.

G. Income Taxes Statuses – Disregarded Entity

During 2019, the Company changed its legal structure from a corporation to a limited liability company. The company has also made the election to be disregarded as a separate entity for income tax filing purposes for federal and state income tax purposes. Consequently, the variable interest entity discussed in Note 3 is taxed on the Company's income or losses. Therefore, the financial statements do not reflect a provision for income taxes.

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

I. Leases

The Company has adopted FASB ASC 842, *Leases*, with a date of initial application of January 1, 2022. For leases with a lease term greater than one year, the Company recognizes a lease asset for its right to use the underlying leased asset and a lease liability for the corresponding lease obligation. The Company determines whether an arrangement is or contains a lease at contract inception. The Company includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The weighted-average discount rate is based on the discount rate implicit in the lease. The Company has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable.

The Company has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis. The Company did not have any operating leases with a duration greater than one year as of December 31, 2023 or 2022.

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AMERICAN SHAMAN FRANCHISE SYSTEM, LLC

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 2: RELATED PARTY TRANSACTIONS

The Company received a 10% royalty for the products Franchisees purchased from Shaman Botanicals, LLC, a subsidiary of SVS Enterprises, LLC (“SVS”) which amounted to \$642,339 and \$775,413 for the years ended December 31, 2023 and 2022, respectively. The Company reimbursed SVS \$67,086 and \$295,961 for shared personnel, computer, and internet costs during 2023 and 2022, respectively. The Company had a balance due to SVS of \$3,396,352 and \$3,550,778 at December 31, 2023 and 2022, respectively, for operating expenses paid on behalf of the Company. The Company and SVS have common ownership (see Note 3).

For the years ended December 31, 2023 and 2022, the Company contributed \$915,120 and \$1,282,850, respectively, to American Shaman Franchisee Association, Inc. (the “Association”) to support marketing efforts of the association members. The Association is controlled by an eight member board of directors, four of which are elected by the franchise owner operators and four appointed by the owner of SVS.

NOTE 3: VARIABLE INTEREST ENTITY

The Company sells franchisees for SVS. SVS determined that the Company is a variable interest entity (VIE), and that the SVS would absorb a majority of its expected losses, if any, as defined by the FASB Codification. However, the Company’s management has elected not to include the 2023 and 2022 activity of SVS nor the assets, liabilities, and equity of SVS as of December 31, 2023 and 2022, and the auditor’s report has been modified accordingly. The financial effect of the variable interest entity on the financial statements of the Company has not been included.

NOTE 4: LITIGATION CONTINGENCY

As of December 31, 2023 and 2022, the Company has multiple legal claims that were unsettled. These claims were not at a stage where the outcome could be predicted. The Company is vigorously contesting these claims. There has been no provision for possible loss included in these financial statements.

NOTE 5: SUBSEQUENT EVENT

Management has evaluated events and transactions that have occurred since December 31, 2023 and reflected their effects, if any, in these financial statements through April 25, 2024 the date the financial statements were available for release.

AMERICAN SHAMAN FRANCHISE SYSTEM, LLC
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

Member
American Shaman Franchise System, LLC
Kansas City, Missouri

Qualified Opinion

We have audited the accompanying financial statements of American Shaman Franchise System, LLC, which comprise the balance sheet as of December 31, 2021, and the related statements of income, member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, except for the effects of not including the accounts of SVS Enterprises, LLC in the accompanying financial statements as explained in the Basis for Qualified Opinion section of our report, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of American Shaman Franchise System, LLC as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

As more fully described in Note 4 to the financial statements, the Company's financial statements do not include the accounts of SVS Enterprises, LLC that the Company has determined is a variable interest entity and in which the Company holds a variable interest and is the primary beneficiary. In our opinion, the Company's financial statements should include the accounts of SVS Enterprises, LLC to conform with accounting principles generally accepted in the United States of America. Quantification of the effects of this departure from generally accepted accounting principles on the financial position, results of operations, and cash flows of American Shaman Franchise System, LLC is not practicable.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of American Shaman Franchise System, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about American Shaman Franchise System, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of American Shaman Franchise System, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about American Shaman Franchise System, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Marr and Company

Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
April 28, 2022

AMERICAN SHAMAN FRANCHISE SYSTEM, LLC

BALANCE SHEET
As of December 31, 2021

ASSETS

| | | |
|---|----|----------------|
| Current assets: | | |
| Cash and cash equivalents | \$ | 58,320 |
| Prepaid assets | | 74,579 |
| Accounts receivable | | 43,135 |
| Employee retention credit receivable (Note 6) | | 181,984 |
| Other receivable | | <u>3,968</u> |
| Total current assets | | 361,986 |
| Property, plant and equipment, at cost | | |
| Net of accumulated depreciation | | <u>49,310</u> |
| Total Assets | \$ | <u>411,296</u> |

LIABILITIES AND MEMBER'S EQUITY

| | | |
|---------------------------------------|----|--------------------|
| Current liabilities: | | |
| Accounts payable | \$ | 420,495 |
| Accrued expenses | | 15,665 |
| Accrued payroll | | 11,383 |
| Due to related party (Note 2) | | <u>3,660,811</u> |
| Total current liabilities | | 4,108,354 |
| Member's equity | | |
| Accumulated deficit | | <u>(3,697,058)</u> |
| Total Member's equity | | (3,697,058) |
| Total Liabilities and Member's Equity | \$ | <u>411,296</u> |

See Accompanying Independent Auditor's Report and Notes to these financial statements.

AMERICAN SHAMAN FRANCHISE SYSTEM, LLC

STATEMENT OF INCOME
For the Year Ended December 31, 2021

| | | |
|-----------------------------------|----|--------------------|
| Revenue: | | |
| Franchise fees | \$ | 2,522,100 |
| Royalties | | 1,180,313 |
| Other franchise income | | <u>5,779</u> |
| Total Revenue | | 3,708,192 |
| Direct Expenses | | <u>(1,243,915)</u> |
| Gross profit | | 2,464,277 |
| General & Administrative expenses | | <u>2,051,063</u> |
| Net Income from Operations | | 413,214 |
| Other Income & Gain: | | |
| Interest income | | 61 |
| Employee retention credit | | 181,984 |
| PPP loan forgiveness | | <u>125,000</u> |
| Total Other Income & Gain | | <u>307,045</u> |
| Net Income | \$ | <u>720,259</u> |

See Accompanying Independent Auditor's Report and Notes to these financial statements.

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AMERICAN SHAMAN FRANCHISE SYSTEM, LLC

STATEMENT OF MEMBER'S EQUITY
For the Year Ended December 31, 2021

| | |
|------------------------------|-----------------------|
| Balance at January 1, 2021 | \$ (4,417,317) |
| Net Income for 2021 | <u>720,259</u> |
| Balance at December 31, 2021 | \$ <u>(3,697,058)</u> |

See Accompanying Independent Auditor's Report and Notes to these financial statements.

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AMERICAN SHAMAN FRANCHISE SYSTEM, LLC

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

| | |
|---|------------------|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES:</u> | |
| Net Income | \$ 720,259 |
| Adjustments to reconcile net income to net cash flows from operating activities: | |
| Depreciation | 12,596 |
| PPP loan forgiveness | (125,000) |
| Decrease (Increase) in Operating Assets: | |
| Accounts receivable | 101,793 |
| Employee retention credit receivable | (181,984) |
| Prepaid | (78,547) |
| Increase (Decrease) in Operating Liabilities: | |
| Accounts payable | (393,003) |
| Accrued payroll | (361) |
| Accrued expense | 15,000 |
| Due to Related Party | <u>(191,615)</u> |
| Net Cash Flows from Operating Activities | (120,862) |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES:</u> | |
| Purchase of equipment | <u>(2,098)</u> |
| Net Cash from Investing Activities | (2,098) |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES:</u> | |
| Proceeds from PPP loan | <u>125,000</u> |
| Net Cash from Financing Activities | <u>125,000</u> |
| Net Change in Cash Balance | 2,040 |
| Cash and cash equivalents, at beginning of year | <u>56,280</u> |
| Cash and cash equivalents, at end of year | <u>\$ 58,320</u> |

See Accompanying Independent Auditor's Report and Notes to these financial statements.

AMERICAN SHAMAN FRANCHISE SYSTEM, LLC

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

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AMERICAN SHAMAN FRANCHISE SYSTEM, LLC

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Operations

American Shaman Franchise System, LLC (the “Company”), is a single member limited liability company organized in Nevada on March 2, 2017. The Company is engaged in the sale of franchises for retail stores that sell CBD products to consumers throughout the United States.

B. Cash and Cash Equivalents

For cash flow purposes, the Company considers all short-term investments with an original maturity of three months or less to be cash equivalents.

C. Concentration of Credit Risk

The FDIC insures bank deposits up to \$250,000 on a per institution per depositor basis. A concentration of credit risk did not exist as of December 31, 2021 as deposits were within the FDIC insured limits.

D. Account Receivables and Allowance for Bad Debt

Receivables are stated net of any allowance for doubtful accounts. Management performs regular analysis of customer accounts, taking into consideration the balance, time outstanding, and an assessment of the customer’s ability to pay. At the end of each year, the amount of provision and ending allowance account balance is evaluated. Uncollectible accounts are expensed in the year such amounts are determined. The Company wrote-off \$101,793 of uncollectable accounts during 2021. Management considered all remaining accounts fully collectable at December 31, 2021.

E. Property and Equipment

Property and equipment are carried at cost and include expenditures for improvements and betterments which substantially increase the useful lives of existing property and equipment. Maintenance, repairs and minor renewals are expensed as incurred. When properties are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts and any profit or loss is credited or charged to income.

The Company provides for depreciation of property and equipment by methods and at rates designed to expense the cost of such equipment over their estimated useful lives. Depreciation is computed on the MARCS straight-line method, utilizing a mid-quarter convention. The estimated useful lives for equipment and vehicles range from 5 to 7 years. The estimated useful lives for building improvements are 20 years. Depreciation expense was \$12,596 for the year ended December 31, 2021.

AMERICAN SHAMAN FRANCHISE SYSTEM, LLC

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Revenue Recognition

In accordance with FASB ASC 952-606 *Revenue from Contracts with Customers*, the company has elected the practical expedient and accounts for pre-opening services as a single performance obligation. The initial franchise fee is recognized as the contract is signed and pre-opening services are completed.

Franchise marketing and technologies fees are charged weekly and represent the continued support and services provided for the period.

Royalty income is recognized as qualified purchases are made at the contract rate.

G. Income Taxes Statuses – Disregarded Entity

During 2019, the Company changed its legal structure from a corporation to a limited liability company. The company has also made the election to be disregarded as a separate entity for income tax filing purposes for federal and state income tax purposes. Consequently, the variable interest entity discussed in note 4 is taxed on the Company's income or losses. Therefore, the financial statements do not reflect a provision for income taxes.

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2: LEASE COMMITMENTS

The Company has a lease agreement for office space requiring monthly payments of \$4,594 through March of 2022. For the year ended December 31, 2021, the Company paid \$55,016 related to this agreement.

The Company has a lease agreement for storage space requiring monthly payments of \$125 through March of 2022. For the year ended December 31, 2021, the Company paid \$1,500 related to this agreement.

The Company has two lease agreements for copy machines. The agreements require monthly payments of \$279 and \$1,094 through maturity in April and August 2022, respectively. For the year ended December 31, 2021, the Company paid \$16,475 related to these agreements.

Future minimum lease payments required by these agreements total \$24,023 in 2022.

AMERICAN SHAMAN FRANCHISE SYSTEM, LLC

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

NOTE 3: RELATED PARTY TRANSACTIONS

The Company received a 10% royalty for the products Franchisees purchased from SVS Enterprises, LLC which amounted to \$1,180,313 for the year ended December 31, 2021. The Company reimbursed SVS Enterprises \$219,229 for shared personnel, computer, and internet costs during 2021. The Company also had a balance due to SVS Enterprises, LLC of \$3,660,811 at December 31, 2021 for operating expenses paid on behalf of the Company. The Company and SVS Enterprises LLC have common ownership (see note 4).

During the year the Company contributed \$1,243,915 to American Shaman Franchisee Association, Inc. to support marketing efforts of the association members. The Association is controlled by a board of elected owner operators.

NOTE 4: VARIABLE INTEREST ENTITY

American Shaman Franchise System, LLC sells to franchisees for SVS Enterprises, LLC. The Company determined that the entity is a variable interest entity (VIE), and that the Company would absorb a majority of its expected losses, if any, as defined by the FASB Codification. However, the Company's management has elected to not include the assets of SVS Enterprises, LLC as of December 31, 2021, and the auditor's report has been modified accordingly. The financial effect of the variable interest entity on the financial statements of the Company has not been included.

NOTE 5: PAYROLL PROTECTION PROGRAM LOAN

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The Company signed a note payable with a local financial institution backed by the U.S. Small Business Administration ("SBA") on January 30, 2021 for \$125,000. This note was available through the Paycheck Protection Program (the "PPP") as a part of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") that offers cash-flow assistance to nonprofit and small business employers through guaranteed loans for certain expenses incurred during 2021. The PPP loan did not require collateral or personal guarantees and offered the ability to have a substantial portion of the principal amount forgiven when the Company used the proceeds on eligible costs. The Company filed for loan forgiveness in December 2021 and received the official legal release and forgiveness from the SBA in March 2022. The Company reported the forgiveness of the loan as a gain in the accompanying financial statements.



AMERICAN SHAMAN FRANCHISE SYSTEM, LLC

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

NOTE 6: EMPLOYEE RETENTION CREDIT

The CARES Act provides an employee retention credit (“CARES Employee Retention credit”), which is a refundable tax credit against certain employment taxes. For 2021, the tax credit is equal to 70% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee per quarter through September 30, 2021. The Company applied for and qualified for the tax credit under the CARES Act and expects to receive \$181,984 in 2022. The Company recorded the credit as a receivable in the balance sheet as of December 31, 2021 and as other income in the 2021 statement of income.

NOTE 7: LITIGATION CONTINGENCY

As of December 31, 2021, the Company has multiple legal claims that were unsettled. These claims were not at a stage where the outcome could be predicted. The Company is vigorously contesting these claims. There has been no provision for possible loss included in these financial statements.

NOTE 8: SUBSEQUENT EVENT

Management has evaluated events and transactions that have occurred since December 31, 2021 and reflected their effects, if any, in these financial statements through April 28, 2022 the date the financial statements were available for release.

EXHIBIT F
FRANCHISE AGREEMENT



CBD AMERICAN SHAMAN FRANCHISE AGREEMENT



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SCHEDULE 1: SHAMAN MARKS

EXHIBIT A: FRANCHISE LOCATION

EXHIBIT B: MEMORANDUM OF OPENING DATE

EXHIBIT C: FRANCHISE LOCATION LEASE ADDENDUM



CBD AMERICAN SHAMAN FRANCHISE AGREEMENT

THIS CBD AMERICAN SHAMAN FRANCHISE AGREEMENT, dated for reference only as of the _____ day of _____ 20____ (the “Reference Date”) is made and entered into by and between American Shaman Franchise System, LLC, a Nevada limited liability company (“we”, “us”, or “our”) and _____ (“you” or “yours”) based on the following facts that form the basic premises of the agreement between you and us:

A. We, our affiliate, CBD American Shaman, LLC, a Missouri limited liability company (“CBDAS”), and our founder, Stephen Vincent Sanders (“Sanders”), have created unique methods and techniques for the design, development, and operation of retail establishments that sell cannabidiol (“CBD”) products. We refer to our stores individually as a “Shaman Store” and collectively as “Shaman Stores.” The products we permit to be sold in Shaman Stores are derived from cannabis plants containing a delta-9 tetrahydrocannabinol (“THC”) concentration of 0.3 percent or less by dry weight, legally known as “hemp”. Products manufactured from cannabis plants containing more than 0.3 percent delta-9 THC by dry weight are legally known as “marijuana” and may not be sold in Shaman Stores. Shaman Stores employ proprietary layout, décor, and trade dress, a customized approach to customer education and service, proprietary business management and operating methods and procedures, proprietary training methods and content, proprietary product and service quality maintenance techniques, procedures, and standards, and other CBD American Shaman business operating, management, accounting, and administration procedures and methods, all of which together we call the “Shaman Business Method” and all of which are either owned by Sanders, us, or an affiliate.

B. Each Shaman Store offers a variety of curated or proprietary hemp-derived products developed or enhanced by Our Affiliates (as defined in Section 1.2), currently including but not limited to Shaman Botanicals, LLC, a Missouri limited liability company (“SB”) and The Company in Wyoming, LLC, a Wyoming limited liability company (“TCIW”) (each item produced by Our Affiliates is referred to as a “Proprietary Product” and all items produced by Our Affiliates are referred to collectively as, “Proprietary Products”) and is identified by proprietary trade names, service marks, trademarks, trade dress, logos, emblems, and other commercial symbols and identifiers owned by Sanders and licensed to us with the right to sublicense to you as provided in this Franchise Agreement, including the proprietary name “CBD American Shaman” (the “Shaman Name”) and the registered and unregistered trade and service marks in Schedule 1 (with any additional or different trade or service marks, registered or unregistered, we may designate at any time, referred to collectively as the “Shaman Marks”);

C. The value of the CBD American Shaman brand depends upon maintaining the quality, uniformity, predictability, and reliability of products and services that is achieved only by requiring strict adherence to our requirements, as modified when we determine it is necessary or desirable, and each franchisee’s compliance with the Shaman Business Method and dedication to observing all our instructions, adhering to all our requirements, and operating a Shaman Store that fits seamlessly into a group of CBD retail outlets identified by the Shaman Name and Shaman Marks (collectively, the “System”);

D. Recognizing that you will have to adhere to the Shaman Business Method, follow the procedures set forth in the confidential Shaman Manual (as defined in Section 1.4B), and comply with our specific standards, instructions, and requirements in the development and operation of a Shaman Store, including our inventory restrictions, and being prepared to conform with the standards we set and follow the instructions we provide and requirements we impose, all as changed by us as and when we determine it is necessary or desirable, you would like to be granted the right to operate a franchised Shaman Store in compliance with the Shaman Business Method at a retail store location fitting our site selection criteria that you have selected or will select and that is or will be described in Exhibit A (the “Franchise Location”), using the Shaman Marks we designate for your Shaman Store from time to time and the Shaman Business



Method and featuring all (and only) goods and products we designate or approve from time to time (the “Approved Inventory”), all on the terms and conditions in this Franchise Agreement (the “Franchised Business”); and

E. We want to have another Shaman Store in the System so long as it is operated in accordance with the principles set forth above and in compliance with this Franchise Agreement.

NOW, THEREFORE, in consideration of the covenants, terms, and conditions in this Franchise Agreement, and their performance or fulfillment, we and you hereby agree:

1. SHAMAN NAME, SHAMAN MARKS, AND TRADE SECRET LICENSE.

1.1 Grant of License. We grant you the right to operate the Franchised Business for the duration of this Franchise Agreement, subject to and on all the terms and conditions of this Franchise Agreement.

1.2 No Exclusivity. We do not grant you any exclusive or protected territory, area, or market or any other territorial rights of any kind. CBDAS may operate, we may operate or license others to operate, and Sanders may operate or license others to operate Shaman Stores or other stores that use the Shaman Name or any of the Shaman Marks or sell any of the Proprietary Products at any location, regardless of proximity to your Franchise Location. We and Sanders, or any person or entity in which we, Sanders, or an entity owned by Sanders owns any interest, which owns any interest in us, or which is owned by an entity that owns any interest in us (each including Sanders, “Our Affiliate” and all collectively, including Sanders, “Our Affiliates”), may sell or engage or permit others to sell goods and products of any kind (including, without limitation, the Proprietary Products you will sell at your Shaman Store) at retail or wholesale under the Shaman Name, and/or one or more of the Shaman Marks, and/or any other trademarks or trade names, in any channel of trade we choose, including (without limitation) to or through wholesale or retail stores of any sort (including, without limitation, in smoke shops, dispensaries, head shops, novelty stores, liquor stores, supermarkets, grocery stores, pharmacies, specialty stores, and convenience stores), sports or other entertainment venues, hotels, casinos, mass transit facilities, airports, railway, or other mass rapid transit stations or facilities, through home delivery or subscription services, and/or directly to customers anywhere through any channel of trade, medium, or means including (without limitation) over the internet through our website or those of Our Affiliates or third parties. We may acquire or be acquired by any other person or entity, including (without limitation) any person or entity that operates retail facilities similar to your Shaman Store under a trade name(s) or trademark(s) other than the Shaman Name and Shaman Marks.

1.3 Restricted and Required Use.

A. You shall use the Shaman Name, those Shaman Marks we designate for your use at any particular time, and the Shaman Business Method in connection with the operation of the Franchised Business at the Franchise Location and solely in connection with the operation of the Franchised Business at the Franchise Location. You may not sell any of the goods or products we designate for sale in your Shaman Store, any of the Proprietary Products, or any goods or services using the Shaman Name, any of the Shaman Marks, or the Shaman Business Method except at the Franchise Location and through your Shaman Store’s website affiliate link (the “WAL”) described in Section 14.5. Subject to Applicable Laws (as defined in Section 2.4), you are not prohibited from soliciting orders or accepting customers from anywhere and you can use the internet for that purpose as long as all orders are processed at the Franchise Location or through your WAL. You may deliver orders or have them delivered by a third-party delivery service to any location, subject to the law applicable to your Franchise Location and the delivery location. You may not sell or otherwise supply any of the Proprietary Products or any products using any of the Shaman Name or Shaman Marks to any person or entity who will resell them (including, without limitation, wholesalers, retailers, charities, or fundraisers) in any manner without our prior written consent except that you may provide your



WAL to any person or entity to purchase Proprietary Products for resale. We may in our sole discretion from time to time on a case-by-case basis waive one or more of the provisions in this Paragraph to allow you to sell Proprietary Products at a temporary location.

B. You shall adopt and adhere to the Shaman Business Method, as we supplement or modify it from time-to-time, in the conduct of the Franchised Business and use of the Franchise Location. You shall use only the Shaman Name and those of the Shaman Marks we designate at any particular time, without any prefix, suffix, modifier, or other descriptive term, to describe and identify the Franchise Location, the Proprietary Products, and the Franchised Business. If you at any time operate the Franchised Business through an entity, you shall not use all or any part of the Shaman Name, the name Shaman Botanicals, or any of the Shaman Marks or any derivative of any of them or any similar name in your entity name. You shall not use all or any part of the Shaman Name or any of the Shaman Marks or any derivative of any of them or any similar name in any domain name or email address you use or create. All business cards, stationery, and similar items you use shall identify the Franchise Location and the Franchised Business as a CBD American Shaman franchise. You shall display in the Franchise Location a notice at least 5”x5” with the statement: This CBD American Shaman Store is operated by a franchisee.

C. We may require you to modify or discontinue use of any or all of the Shaman Name and/or Shaman Marks, and/or use one or more additional or substitute names or marks if we determine modification or discontinuance is necessary or desirable. If we exercise this right, you must replace signs, signage, posters, and similar materials and discard packaging, paper goods, other products, and merchandise as necessary to comply with this obligation as we require. We will not reimburse you for any costs of modifying or discontinuing use of any or all the Shaman Name and/or Shaman Marks for any reason.

1.4 Protection of Shaman Name, Shaman Marks, and Trade Secrets.

A. You shall do all things necessary to prevent your use of the Shaman Name, and the Shaman Marks from diminishing the legal protection granted to the Shaman Name or the Shaman Marks and shall accompany your use of the Shaman Name and the Shaman Marks we authorize you to use with notices appropriate for that purpose. You shall cause to be filed all statements appropriate or necessary to protect our rights in the Shaman Name and the Shaman Marks in connection with your use of any of them, including (without limitation) assumed or fictitious business name statements.

B. You shall do all things necessary to preserve the confidentiality of the Shaman Business Method, the information contained in the confidential CBD American Shaman Operations Manual described in Section 8.1 (the “Shaman Manual”) as supplemented or revised by any later written directive, instruction, notice, or update (in any medium, including by uploading it to Franchise Resources) as we determine appropriate or desirable and deliver to you for that purpose (all of which shall be included in the term “Shaman Manual”), and all other proprietary or confidential information, trade secrets, processes, methods, procedures, practices, techniques, and materials we reveal or provide to you (collectively, the “Other Proprietary Information”). You agree that the Shaman Business Method, the Shaman Manual, the Other Proprietary Information, and all information we designate as proprietary information shall be presumed to be proprietary information and trade secrets belonging to Our Affiliates or us except to the extent you conclusively prove that any of that information is in the public domain. You shall not at any time directly or indirectly disclose, divulge, disseminate, display, duplicate, reveal, reproduce, publish, sell, show, or communicate the Shaman Business Method, any of the information contained in the Shaman Manual, or any of the Other Proprietary Information to any person or entity except as expressly permitted by this Franchise Agreement.

C. You may disclose the Shaman Business Method, the information contained in Shaman Manual, or any of the Other Proprietary Information only to your employees who have executed our current form of CBD



American Shaman Nondisclosure Agreement (a “Nondisclosure Agreement”) that you have delivered to us and only to the extent required to permit that employee to perform the duties of his, her, or their employment by you. You shall cause each of your employees who will have access to the Shaman Business Method, any of the information contained in the Shaman Manual, or any of the Other Proprietary Information to sign a Nondisclosure Agreement that you shall deliver to us before permitting the employee to have access to any part of the Shaman Business Method, the information contained in the Shaman Manual, or any of the Other Proprietary Information.

D. If you are an entity, you shall not disclose or permit any of your officers, directors, managers, shareholders, or members (collectively, “Insiders” and individually an “Insider”) to have access to the Shaman Business Method, the Shaman Manual, or the Other Proprietary Information unless we have given written approval of disclosure to that Insider and that Insider has signed a Nondisclosure Agreement that has been delivered to us. You shall not disclose any financial or other records of the Franchised Business or make any report of the revenue, income, or expenses of the Franchised Business to any Insider unless that Insider has signed a Nondisclosure Agreement that has been delivered to us.

E. Nothing in this Franchise Agreement or elsewhere shall be construed to give you any right to disclose, duplicate, license, reveal, or sell the Shaman Business Method, the contents of the Shaman Manual, or any of the Other Proprietary Information to any person or entity except as expressly permitted by this Franchise Agreement to your employees or Insiders who have signed a Nondisclosure Agreement that has been delivered to us.

F. You shall promptly notify us of any infringement of, challenge to, or unauthorized use of the Shaman Name or any of the Shaman Marks that comes to your attention. We shall have sole and complete discretion regarding whether to take any action and what action to take in response to any infringement, challenge, or use. We shall have the right, but no obligation, to control any litigation involving the Shaman Name or any of the Shaman Marks.

1.5 Ownership.

A. The Shaman Name, the Shaman Marks, the Shaman Business Method, the Other Proprietary Information, and all recipes, formulas, and procedures used to develop the Proprietary Products are, and shall remain, the sole and exclusive property of Our Affiliates or us and are merely licensed or sublicensed to you for a limited period, on specified terms and conditions, and for limited usage. You shall not register the Shaman Name or any of the Shaman Marks with any state or federal agency or anywhere else in the world and shall not seek to obtain a patent on any element of the Shaman Business Method.

B. Nothing in this Franchise Agreement shall be construed to authorize or permit your use of the Shaman Name, the Shaman Marks, the Shaman Business Method, or the Other Proprietary Information for any purpose or at any location other than as described in Section 1.3. Nothing in this Franchise Agreement shall give you any right, title, or interest in or to the Shaman Name, any of the Shaman Marks, the Shaman Business Method, the Other Proprietary Information, or any other names, trademarks, service marks, insignia, symbols, labels, designs, logotypes, copyrighted material, or goodwill now or later owned by or associated with Our Affiliates, us, or the System, except a mere license or sublicense to display and use the Shaman Name, the Shaman Marks we designate, and the Shaman Manual; carry, offer, and sell Proprietary Products; and employ the Shaman Business Method for the duration and on the terms and conditions of this Franchise Agreement. All goodwill associated with the Shaman Name, the name Shaman Botanicals, the Shaman Marks, the Shaman Business Method, the Proprietary Products, or the Franchised Business belongs to Our Affiliates and us and all data and information about any supplier to or customer of the Franchised Business belongs solely to Our Affiliates and us.



C. You shall not at any time directly or indirectly contest that Our Affiliates or we own all rights and title to or interest in the Shaman Name, the Shaman Marks, the Shaman Business Method, all Proprietary Products, the Shaman Manual, and the Other Proprietary Information or that Our Affiliates and we have exclusive rights to register, use, and license others to use the Shaman Name, the Shaman Marks, the Shaman Business Method, and the Other Proprietary Information.

2. DURATION, RENEWAL, RELOCATION.

2.1 Initial Term. The term of this Franchise Agreement and the franchise granted by it shall begin on the date this Franchise Agreement is signed on our behalf (the “Effective Date”) and end five years after the date the Franchise Location opens to the public for business (the “Term”) but no later than 10 years after the date required by Section 9.1, unless sooner terminated as provided in this Franchise Agreement. When that date is determined, we and you shall execute a Memorandum of Opening Date substantially in the form of Exhibit B.

2.2 Renewal.

A. Except as provided in this Section, you may renew the franchise granted by this Franchise Agreement for one additional five year term by: (i) giving us written notice of the exercise of that right not less than 210 days before the expiration of the existing Term; (ii) executing the form of Renewal Franchise Agreement we are then offering to renewing franchisees of individual franchise locations which may include (without limitation) a higher royalty fee or higher advertising contribution than contained in this Franchise Agreement; (iii) subject to any limitations imposed by Applicable Laws, executing the form of General Release and Covenant Survival Acknowledgment we are then using; and (iv) paying us, in lieu of the initial franchise fee in the form of Franchise Agreement we are then offering, a renewal fee equal to 20% of the then current franchise fee.

B. Notwithstanding the provisions of Paragraph A, by delivering written notice to you within 30 days after we receive your notice of exercise of the option to renew we may refuse to permit you to renew the franchise granted by this Franchise Agreement if you have received two or more notices of default during any 12 month period during the existing Term or more than five notices of default throughout the existing Term, whether or not those defaults were cured. If we deliver the notice provided for in this Paragraph your notice of exercise of the option to renew shall be void and of no effect and this Franchise Agreement shall expire as if no notice of exercise of the option to renew has been given.

C. You may not renew this Franchise Agreement at any time when you have breached and not cured or are in default under this Franchise Agreement or any agreement between you and us or any of Our Affiliates or if at any time after you have delivered notice of exercise of the option to renew the criterion set forth in Paragraph B of this Section is met. If you breach or are in default under this Franchise Agreement or any agreement between you and us or any of Our Affiliates at any time after giving notice of exercise of the option to renew and before the first day of the renewal term or if at any time after you have delivered notice of exercise of the option to renew and before the first day of the renewal term the criterion set forth in Paragraph B of this Section is met, we may declare your notice void and of no effect by delivering notice of that declaration at any time before the first day of the renewal term. If we deliver that notice, your notice of exercise of the option to renew shall be void and of no effect and this Franchise Agreement shall expire as if your notice of exercise of the option to renew had not been given.

2.3 Right to Relocate. If through no fault of your own you lose the right to occupy the Franchise Location at any time when the remaining duration of this Franchise Agreement is (or would be if you exercised an available option to renew) more than 12 months, you may relocate the Franchised Business to another location if: (a) as soon as practicable after you learn that your right to occupy the Franchise Location



will be terminated but no more than 30 days thereafter, you deliver to us written notice of your desire to relocate the Franchised Business; (b) you diligently pursue the selection in accordance (except as to time) with Section 4.1, approval in accordance (except as to time) with Section 4.1, procurement on terms complying with Section 4.2, improvement in accordance (except as to time) with Section 5.1, and preparation in accordance (except as to time) with Section 5.1 of an alternate location for the Franchised Business that meets our site selection criteria and is not in our opinion too close to an existing Shaman Store; and (c) within 180 days after first learning that the right to occupy the Franchise Location will be terminated, you commence operation of the Franchised Business at the approved new location in full compliance with Article 4. Upon relocation as permitted by this Section, we and you shall execute an amendment to Exhibit A setting forth the new location, which shall thereafter be the Franchise Location. If you do not relocate the Franchised Business as provided in this Section, this Franchise Agreement shall terminate and you shall wind up the Franchised Business as provided in Article 27. By choosing to relocate the Franchise Location, you assume the risk that this Franchise Agreement may be terminated as permitted by its terms before, while, or at any time after you relocate. You agree to fully de-identify the former location of the Franchised Business in accordance with our requirements at your sole cost and expense.

2.4 Statutory Notice. If any statute, law, ordinance, or rule, regulation or requirement of any governmental entity or agency applicable to the Franchise Location and/or the Franchised Business (each an “Applicable Law” and collectively, “Applicable Laws”) requires that we give you notice before the expiration of the Term, if that notice is not given within the required time period this Franchise Agreement shall remain in effect until we have given the required notice and the notice period has expired.

3. RESERVE DEPOSIT; FRANCHISE FEES; ELECTRONIC WITHDRAWALS/PRE-AUTHORIZED CHARGES.

3.1 Reserve Deposit. When you deliver this Franchise Agreement to us, you shall also deliver to us \$5,000 as a security deposit for your complete and timely performance of each and every provision of this Franchise Agreement (the “Reserve Deposit”). If you default in performance of any provision of this Franchise Agreement or any other agreement between you and us or any of Our Affiliates related to the Franchised Business, we may use all or any portion of the Reserve Deposit to (a) cure the default, (b) compensate us or Our Affiliates for any monies we or one or more of them advance to cure the default, or (c) pay us or Our Affiliates any and all damages we or any of them suffer and all expenses we or any of them incur arising out of or related to the default, without prejudice to or waiver of any other rights given us or Our Affiliates by this Franchise Agreement or any agreement between you and Our Affiliates, or by law. You shall pay us on demand a sum equal to the portion of the Reserve Deposit we expend, use, or apply as permitted by this Section, so as to at all times maintain a \$5,000 Reserve Deposit. If any money related to the Franchised Business is or becomes due to us or Our Affiliates from you after this Franchise Agreement expires or is terminated for any reason, we may use the Reserve Deposit to pay that sum. If you are not in default in performance of any provision of this Franchise Agreement or any other agreement with us or any of Our Affiliates on the day this Franchise Agreement expires or is terminated and no sum is owed to us or any of Our Affiliates that will become due in the next 30 days, we shall return to you within 30 days after you sign and deliver the form of Franchise Termination and Covenant Survival Agreement and Release we are then using the balance of the Reserve Deposit remaining after deducting all sums due or to become due within 30 days to us or any of Our Affiliates. Our obligations with respect to the Reserve Deposit are those of a debtor and not a trustee. We may commingle the Reserve Deposit with our general or other funds and shall not be required to pay you interest on it.

3.2 Initial Franchise Fee. When you deliver this Franchise Agreement to us you shall also deliver to us in immediately available funds a \$10,000 initial franchise fee in a lump sum. The initial franchise fee is fully earned on the date we sign this Franchise Agreement and is not refundable.



3.3 Royalty. We may in our discretion impose a royalty by giving you 90 days written notice and you shall pay us as provided in this Section on the first Tuesday of each calendar month (the “Payment Day”) an amount equal to no more than 6% of your Gross Revenue (as defined in Section 3.4) during the preceding calendar month. Franchisees may be required to pay different royalty amounts depending on a variety of factors, including (without limitation) the Franchise Location’s monthly revenue and how long the Franchise Location has been open to the public.

3.4 Gross Revenue Defined. Gross Revenue includes (a) the gross selling price or barter value of all goods and services sold, delivered, performed, bartered for, or exchanged in or from your Shaman Store or through your WAL or using the Shaman Name or any of the Shaman Marks, or any part of the Shaman Business Method, whether payment is by cash, check, credit, credit card, debit card, Google Pay, Apple Pay, Samsung Pay, PayPal, Venmo, Zelle, or similar account, cryptocurrency, charge account, credit for purchases of any kind, barter, or exchange, including (without limitation and whether or not authorized or permitted under the Franchise Agreement, but excluding items that violate Applicable Law or on which Applicable Law prohibits collection of royalties) the gross amount received for orders taken, originated, accepted, or received elsewhere but filled at or from your Shaman Store or with any Proprietary Products, orders taken, originated, accepted, or received at your Shaman Store but filled, delivered, or performed elsewhere, and orders placed through your WAL but filled, delivered, or performed by CBDAS or another of Our Affiliates; (b) less (i) permitted refunds made to *bona fide* customers in good faith; (ii) amounts actually paid for sales or excise taxes that were added to the selling price of goods and collected from customers; (iii) redemption of gift cards; (iv) complimentary items provided to your paid employees, which cannot exceed the maximum amount permitted in the latest version of the Shaman Manual available on Franchise Resources; and (v) sales of assets of the CBD American Shaman business other than inventory sold in the ordinary course of business (collectively, “Gross Revenue”).

3.5 Bank Account and Deposits. Prior to the Opening (as defined in Section 9.1) you shall establish a separate bank account for the Franchised Business (the “Business Account”). Prior to the Opening you shall complete, execute as necessary, and deliver to us the Authorization for Electronic Funds Transfer form in the latest version of the Shaman Manual available on Franchise Resources, a cancelled check from the Business Account, and all fully completed and signed copies of all forms of written authorization required by the financial institution where the Business Account Is located (the “Bank”) to permit us to withdraw funds from the Business Account by ACH or other electronic transfer (individually an “Electronic Withdrawal” and collectively “Electronic Withdrawals”) without any additional consent or authorization. You shall execute and deliver to us upon request all revised or additional authorizations, consents, or other documentation necessary or desirable to continue Electronic Withdrawals from the Business Account and shall pay all service charges imposed by the Bank. You shall deposit all Gross Revenue of the Franchised Business into the Business Account within two days after you receive it.

3.6 Electronic Withdrawals.

A. Payment of any monies payable by you to us (whether periodic or exceptional) shall be made by our Electronic Withdrawal from the Business Account through any means we choose at any time beginning on the day the payment or charge is due (the “due date”) and continuing until the entire sum due for the particular payment has been collected in full. If there are insufficient funds available in the Business Account when we attempt an Electronic Withdrawal of any monies due under this Franchise Agreement, (i) we may initiate successive Electronic Withdrawals at intervals we select for amounts we select (up to the full amount then due) until we have received all sums due and (ii) you shall pay us all costs of collection, an insufficient funds fee in the amount then set forth in the latest fee schedule in the Shaman Manual available on Franchise Resources (the “Fee Schedule”), and interest on the past due sums at the maximum rate then legally permitted for commercial transactions from the due date until we receive full payment, all



of which we may collect by Electronic Withdrawal from the Business Account. You shall pay all costs associated with any Electronic Withdrawal provided for in this Section.

B. You shall not at any time make any change in or move your Business Account or banking relationships without giving us at least five business days prior written notice and receiving our written approval. If you make any change in the Business Account, you shall deliver to us no less than five business days prior to the change the information, cancelled check, and all authorizations required by Section 3.5 for the changed or new Business Account, which shall become the Business Account for all purposes of this Franchise Agreement. You shall reimburse us upon receipt of an invoice for any costs we incur because of any change in your Business Account or Bank.

3.7 CPI Adjustments to Fixed Fees. All fees expressed as a fixed dollar amount in this Franchise Agreement are subject to adjustment based on changes to the Consumer Price Index in the United States (“CPI”). We may periodically review and increase these fees based on changes to the CPI, but only if the increase to the CPI is more than 5% higher than the corresponding CPI in effect on: (a) the effective date of the Franchise Agreement (for the initial CPI-related fee adjustments); or (b) the date we implemented the last CPI-related fee adjustment (for subsequent CPI fee adjustments). We will notify you of any CPI adjustment at least 60 days before the fee adjustment becomes effective. We will implement no more than one CPI fee adjustment during any calendar year.

4. LOCATION SELECTION; LEASE TERMS; LEASE.

4.1 Location Selection.

A. On the Effective Date, we shall deliver to you a set of checklists, specifications, and guidelines you must use to select, build out, and equip your Franchise Location, all of which will also be available on Franchise Resources (the “Onboarding Packet”). The Onboarding Packet contains our proprietary site selection criteria checklist, including the requirements and specifications for the required retail space with a customer education lounge featuring a seating area for customers to use while learning about and sampling the Proprietary Products.

B. Within 90 days after the Effective Date you shall deliver to us a request for approval of at least one site that fits our basic site selection criteria (the “Proposed Site(s)”) by using the Preliminary Location Application in the Onboarding Packet (the “Preliminary Location Application”). Within 30 days after we receive the Preliminary Location Application from you, we will give you written notice whether the Proposed Site is located in an acceptable geographical area. If we deliver notice that your Proposed Site is located in an acceptable geographical area, you must deliver to us within 30 days a form of lease for the Proposed Site, a map of any shopping center, mall, or other commercial facility of which the Proposed Site is a part, a comprehensive set of photographs of the interior and exterior of the Proposed Site, the Proposed Site’s existing floor plan and dimensions, and any other documents or information about the Proposed Site we request (the “Location Application Package”). Within 14 days after we receive the Location Application Package from you, we will deliver to you written notice whether the Proposed Site meets our basic site selection criteria and the Lease meets our lease requirements. Within 14 days after we deliver notice that your Proposed Site meets our basic site selection criteria and the form of Lease meets our lease requirements, you must deliver a complete copy of the proposed final form of Lease as described in Section 4.2B. If we deliver notice that your first Proposed Site does not meet our basic site selection criteria, you must continue diligent efforts to propose and deliver a Preliminary Location Application for one or more other Proposed Sites until we notify you that a Proposed Site fulfills our basic site selection criteria. If you have not succeeded in obtaining notice that your Proposed Site meets our basic site selection criteria and the form of Lease meets our lease requirements within 164 days after the Effective Date, we may (but are



not obligated to) terminate the Franchise Agreement by delivering notice of termination at any time before you deliver the required documentation for a Proposed Site that fits our basic site selection criteria.

C. Our notice that a particular proposed site for the Franchise Location fulfills our basic site criteria does not constitute a warranty of the suitability, condition, viability, success, or any other matter pertaining to the Franchise Location. You are solely and completely responsible for selecting an appropriate location for the Franchised Business that we determine fulfills our basic site selection criteria, obtaining a right to occupy it within the time period provided by this Article, and successfully operating the Franchised Business at the Franchise Location you have selected.

4.2 Lease Terms; Lease Execution; Power of Attorney.

A. Any rental agreement, lease, or other agreement, written or oral, giving you the right to occupy the Franchise Location (the “Lease”) shall be for a period of at least five years or be renewable at your option for an additional term or terms that, together with the initial term, equal or exceed five years and you must exercise a sufficient number of renewal options to total no fewer than five years of occupancy, and shall contain provisions giving us the rights set forth in the Franchise Location Lease Addendum that is Exhibit C.

B. Within 14 days after we deliver the notice described in Section 4.1B that your Proposed Site meets our basic site selection criteria and the form of Lease meets our lease requirements, you shall deliver to us a complete copy of the proposed final form of Lease. Within 14 days after our receipt of the proposed final form of Lease, we shall deliver to you written notice that the Lease complies with the requirements of this Franchise Agreement (the “Confirmation Notice”) or a statement of the Lease terms that require revision (a “Correction Notice”). If we deliver a Correction Notice, you shall deliver to us a corrected form of Lease prepared by the landlord within seven days after you receive the Correction Notice and the preceding provisions of this Paragraph shall apply to the corrected form of Lease. You shall not sign any Lease until you have received a Confirmation Notice. You shall deliver to us one fully signed counterpart original of a Lease and all exhibits and addenda in the form that was the subject of our Confirmation Notice within 14 days after you have received the Confirmation Notice. Within 10 days after we receive the signed Lease, the address of the Franchise Location shall be inserted in a copy of Exhibit A and we and you shall each sign and date a counterpart of that Exhibit A. You shall not agree to amend the Lease without our prior written consent. Concurrently with signing any amendment to the Lease, you will deliver to us one fully signed counterpart original of that amendment.

C. You must sign a Lease for a Proposed Site we have confirmed fits our site selection criteria in the form we have confirmed is acceptable to us within 227 days after the Effective Date (the “Lease Deadline”). If on or before the Lease Deadline you deliver to us a written request for extension of the Lease Deadline and evidence satisfactory to us of your diligent attempts to enter into a Lease for a site that fits our site selection criteria, we may in our discretion extend the Lease Deadline for up to 30 days. If you do not sign a Lease by the Lease Deadline, as and if extended as provided in this Paragraph, we may terminate this Franchise Agreement by delivering notice of termination.

D. You irrevocably designate, constitute, and appoint us as your attorney-in-fact to do all things necessary or desirable to permit us to succeed to your interest in the Lease upon your default under this Franchise Agreement or the Lease and/or to cure any default by you under the Lease if we choose to exercise any of those rights. Whether or not we succeed to your interest in the Lease, you will reimburse us on demand for all sums we spend to cure any default by you under the Lease, with interest at the maximum rate then legally permitted for commercial transactions from the date we spent the monies until reimbursement is received.



5. LOCATION IMPROVEMENTS; FURNISHINGS, FIXTURES, EQUIPMENT; DISCLAIMER OF WARRANTIES; COMMUNICATION DEVICES; BUILDING PERMITS AND LICENSES.

5.1 Plans and Design; Location Improvements.

A. Within 10 days after your Lease is signed by you and the landlord, you shall engage an architect, contractor, or designer to prepare plans and specifications for the design, layout, improvement, and build out of the Franchise Location (including, without limitation, mechanical, electrical, plumbing, and any other plans required to obtain any governmental approvals or permits required by Applicable Laws) (“Plans”) in compliance with the Lease, our requirements, standards, and specifications (including, without limitation, improvement, layout, installing fixtures, equipping, decoration, and signage (collectively, “Specifications”)), and all Applicable Laws. We shall consult with and advise you about the Plans and Specifications as you request to the extent reasonably necessary to permit you to fulfill your obligations under this Franchise Agreement to build out, improve, furnish, equip, and decorate the Franchise Location.

B. Within three business days after your Plans are finalized you shall engage a qualified contractor to build out and improve the Franchise Location in accordance with the Plans and apply for all governmental approvals or permits required by Applicable Laws for the construction and improvement of the Franchise Location in accordance with the Plans (“Building Permits”) and shall thereafter diligently pursue issuance of the Building Permits. You shall cause all construction that requires a general or specialty contractor’s license to be performed by duly licensed, qualified general or specialty contractors, as the case may be. You shall obtain from each contractor a certificate evidencing at least \$1,000,000 liability insurance and worker’s compensation insurance coverage as required by Applicable Laws, naming you and us as additional named insureds on the liability insurance coverage. In addition to these insurance requirements, we recommend adding product liability to your policy after you open. You shall cause all other work to improve, add fixtures, equip, furnish, decorate, or install signage at the Franchise Location to be performed to the highest standard by qualified professionals.

C. Within 60 days after you and your landlord have signed the Lease (the “Completion Date”) you shall cause the Franchise Location to be built out, improved, equipped, and furnished in accordance with the Plans, Specifications, and this Franchise Agreement and in compliance with all Applicable Laws (the “Improvements”).

D. We may visit the Franchise Location and inspect the work being done at any time. When construction, installing fixtures, equipping, furnishing, signage, and decoration of the Franchise Location are completed, you shall deliver written notice of that fact to us (the “Completion Notice”). Within two business days after we receive the Completion Notice, we may conduct a pre-opening in-person or video walk through inspection of the Franchise Location. Upon completion of any pre-opening walk-through inspection, we shall deliver to you a written list of any aspect of the construction, installation of fixtures, equipping, furnishing, signage, or decoration of the Franchise Location that requires correction or modification to comply with our Specifications (the “Punch List”). You shall correct or modify before the Opening those Punch List items, we indicate on the Punch List must be corrected before the Opening and shall correct or modify any other Punch List items no later than 10 days after the Opening. You shall cooperate and cause your contractors to cooperate with us in the conduct of all inspections permitted by this Section and shall cause your contractors to make all adjustments required to cause the work being done to comply with the Plans and Specifications.

E. You shall not at any time construct or cause to be constructed at or on the Franchise Location any improvements or structure other than the Improvements. Except as we may require, you shall not alter the building structure, size, floor plan, layout, exterior or interior decoration, exterior or interior design, or any other facet of the appearance of the interior or exterior of the Franchise Location (all, collectively, the



“Appearance”) at any time during the Term. The Appearance shall at all times conform to the Plans, Specifications, and the layout, design, color, and interior decoration criteria required by this Franchise Agreement.

5.2 Interior Decoration; Furniture, Furnishings, Fixtures, and Equipment.

A. Before the Completion Date and at all times after the Opening (the portion of the Term beginning on the Opening and continuing throughout the Term is referred to as the “Operating Period”) you shall cause the interior of the Franchise Location to be decorated with all wall covering, floor treatment, décor, and signage required by the Onboarding Packet and acquire and install in the Franchise Location in accordance with the Plans and Specifications all counters, furniture, furnishings, fixtures, equipment, and other improvements described in the Onboarding Packet, all as supplemented and/or modified by the Plans and Specifications (collectively, the “FFE”). The Onboarding Packet contains lists of vendors that generally carry the supplies, material, or FFE but you may obtain them from any vendor you choose as long as they meet our specifications and requirements. If you are unavoidably delayed in or prevented from installing any or all of the FFE because of any unavoidable delay in delivery of supplies, material, or FFE; labor action; power failure; government action; national emergency; act of war or terrorism; or natural disaster (collectively, “force majeure”), the time you have to fulfill your obligations under this Paragraph shall be extended for a period equal to the period of that unavoidable delay or prevention.

B. You shall not encumber or grant or permit any lien to be imposed against any of the FFE without our prior written consent. You shall not at any time remove or replace any of the FFE except as required or permitted by this Franchise Agreement. You shall maintain the interior of the Franchise Location in good, clean, sanitary condition and maintain all FFE in good repair and working order and clean and sanitary condition at all times.

5.3 Disclaimer of Warranties. All claims of an express or implied warranty arising out of or related to your purchase or use of any of the FFE as defined in Section 6.2 are made by the manufacturer only. We do not make and **expressly disclaim** any warranties arising out of or related to your use or purchase of any of the FFE, including (without limitation) **any warranty of merchantability or fitness for a particular purpose.**

5.4 Communication Devices and Lines; Telephones. Before the Completion Date you shall have installed in the Franchise Location and you shall maintain in the Franchise Location and upgrade as we require throughout the Operating Period the number and type of telephone lines, data lines, internet connections (including, without limitation, a business quality wireless internet connection capable of handling the data from your point of sale equipment), and other communications and data storage and/or transmission facilities and devices devoted solely to the Franchised Business designated in the latest Devices, Software, and Communication Services List in the latest version of the Onboarding Packet as it may be updated from time to time in Franchise Resources (the “Devices and Communication Services List”), all of which shall be included in the term FFE.

5.5 Operating Permits and Licenses. No later than five days after the Completion Date, you shall obtain all permits, licenses, and registrations required by Applicable Laws for the occupancy, use, and conduct of the Franchised Business at the Franchise Location.

6. OPENING INVENTORY. Within 14 days after you have completed all items on the New Franchisee Checklist we have delivered to you as part of the Onboarding Packet (the “Website Access Date”), we will give you access to a variety of websites operated by Our Affiliates through which you will order Proprietary Products (the “Proprietary Product Websites”). No later than five business days after the Completion Date you shall cause the Franchise Location to be stocked with the goods, products, and supplies described in



the Opening Inventory List in the Shaman Manual available on Franchise Resources (the “Opening Inventory List”). You shall acquire the items on the Opening Inventory List from the suppliers we designate, which may be or include only us or Our Affiliates, and currently are, Our Affiliates, using the Proprietary Product Websites. You shall not use the Proprietary Product Websites to order any goods or products that do not comply with the cannabis regulations applicable to your Franchise Location.

7. TRAINING AND OPERATING ASSISTANCE.

7.1 Mandatory Initial Training.

A. After you have delivered to us a signed counterpart of this Franchise Agreement, the initial franchise fee, and a Franchisee Owner’s Assumption, Guaranty, Confidentiality Agreement, and Assignment in the form we are then requiring, signed by each of your direct or indirect owners and their spouses or domestic partners (each, an “Owner’s Agreement”), we shall provide without additional charge simultaneous training for (i) you or if you are an entity your Operating Partner (as defined in Section 15.1) and (ii) your manager who will be responsible for the day-to-day operation of the Shaman Store (the “Manager”), if any, each of whom has signed a Nondisclosure Agreement that has been delivered to us. You or your Operating Partner must complete this training to our satisfaction before you open your Shaman Store and we may terminate your Franchise Agreement if you or your Operating Partner do not successfully complete the training program. If the Manager who has attended our training program does not complete the training to our satisfaction, you must hire a replacement and either train that Manager yourself or pay us the additional training fee in our Fee Schedule for us to train them.

B. We will provide, or cause to be provided, for the required training attendees our proprietary training program, including no less than 32 hours of classroom training, over four consecutive days at 1501 Iron Street, North Kansas City, Missouri (the “Shaman Office”), an online CBD certification course accessed through the POS System completed at your own pace that takes an average of eight hours to complete, and 24 to 36 hours of in-store operation training we provide that is conducted over up to eight consecutive days at a Shaman Store owned and operated by CBDAS located in Overland Park, Kansas or in the Kansas City metropolitan area. We may reduce or eliminate the required training time if we determine you have experience or skills that make some portion of the training unnecessary.

7.2 Additional Training.

A. We will train additional Operating Partners or Managers who will operate your Shaman Store as you request so long as you are not then in default under any agreement with us or Our Affiliates, the proposed trainee has signed a Nondisclosure Agreement that has been delivered to us, and you have delivered to us any required fee, whether the training occurs prior to Opening or during operation of your Shaman Store. The charge for additional training depends on the location, duration, frequency, purpose, and content of the additional training and is currently no more than \$500 but we may change that charge at any time.

B. By delivering at least 10 days prior written notice to you, we may at any time require that you, your Operating Partner(s), and/or one or more of the Managers working at the Franchise Location whom we designate participate in up to 16 hours of additional, supplemental, or refresher training related to the goods, products, or duties of his, her, or their particular job at a location we designate, which may be the Franchise Location. You shall pay us for that additional training at least two business days before it begins the training fees and charges in the Fee Schedule. If you, your Operating Partner(s), and/or any of the Managers working at the Franchise Location we have designated fails to attend the training, you shall pay us on demand, and we may electronically withdraw from your bank account as provided in Section 3.5, the Noncompliance Fee described in Section 29.3.



7.3 Attendees and Attendance. We may simultaneously train some or all of the persons this Article requires or permits us to train and the trainees of one or more other CBD American Shaman franchisees. You shall cause your trainees to attend all training required by this Article. You must compensate any employee who participates in any training program, as required by Applicable Laws and pay any travel, lodging, and similar living expenses related to their attendance at any training. We do not have any responsibility whatsoever for payment of any expenses, wages, benefits, costs, or losses you, your owners, or your trainees or employees incur in connection with attendance at any training or annual meeting described in this Article, regardless of whether the trainee successfully completes the training.

7.4 Annual Meeting. You or your Operating Partner(s) shall attend an annual meeting of all franchisees held at a location we designate for no more than four calendar days that will include various training courses and updates to the training materials. Any Manager who has signed a Nondisclosure Agreement that has been delivered to us may also attend the annual meeting. The fee for attending the annual meeting is presently \$360 per attendee but we may change that fee at any time by updating the Fee Schedule. You shall pay the annual meeting enrollment fee for one attendee in 12 equal installments on the first Tuesday of each calendar month, beginning on the first Tuesday of the first calendar month after the Opening, and shall deliver any additional annual meeting attendance fee(s) concurrently with your annual meeting enrollment, which shall be subject to payment of all enrollment fees. You shall compensate any employee who attends any annual meeting and pay any travel, lodging, and similar living expenses related to their attendance as required by Applicable Laws.

8. SHAMAN MANUAL.

8.1 Shaman Manual. We will give you a hard copy of the Shaman Manual at your initial training. So long as you are not in default under this Franchise Agreement, we will also provide electronic access to the most recent version of the Shaman Manual on Franchise Resources as of the Website Access Date. The Shaman Manual includes our confidential and/or proprietary pre-opening and standard practices and procedures, sales techniques and training, marketing and advertising practices and strategies, guidelines for and restrictions on your internet and social media presence, the POS System manual, a primer on CBD, the Proprietary Products, and CBD legal compliance that is meant to supplement but not substitute for expert legal advice, and other information you must or may use in the operation of your Shaman Store, all of which together comprise the Shaman Manual. We may supplement, modify, amend, delete, or add to the rules, regulations, standards, procedures, instructions, specifications, and other materials in the Shaman Manual periodically as we consider necessary or appropriate using any medium we choose, including upload to Franchise Resources, so long as no modification materially diminishes your rights under this Franchise Agreement.

8.2 Compliance with Shaman Manual. To protect the goodwill and reputation of the System for the mutual benefit of CBDAS, us, you, and all CBD American Shaman franchisees by assuring the quality of the operation of the Franchised Business, you shall operate the Franchised Business in compliance with and abide by, conform to, and comply with the rules, regulations, standards, procedures, policies, guidelines, instructions, directions, and specifications in the latest version of the Shaman Manual available on Franchise Resources.

8.3 Ownership and Protection. The Shaman Manual belongs to us. You shall be permitted access to it commencing on the date described in Section 8.1 and ending on the date the Term expires or is terminated. You shall keep the Shaman Manual secure from access by any person except as expressly permitted by this Franchise Agreement to your Insiders or permitted Managers who have executed a Nondisclosure Agreement that has been delivered to us. You shall not duplicate or permit any other person to duplicate in any way or medium any part of the Shaman Manual and shall not at any time, directly or indirectly, disclose, disseminate, display, share, distribute, reveal, reproduce, publish, sell, show, or communicate to



any person or entity any of the contents of the Shaman Manual except for disclosure (but not reproduction or duplication in any manner) of the Shaman Manual as expressly permitted by this Franchise Agreement to your Insiders or Managers who have executed a Nondisclosure Agreement that has been delivered to us. You shall store and maintain at the Franchise Location in the binder we provide any print copy of the Shaman Manual we deliver and shall store any part of the Shaman Manual that is delivered or stored electronically on a password protected device and/or in a password protected directory.

9. OPENING; MARKETING CAMPAIGN.

9.1 Opening. You shall open the Franchise Location for business no later than 90 days after you take possession of the Franchise Location (the “Opening”). If you are unavoidably delayed in or prevented from completing any of your duties under this Section within the time provided because of any force majeure, the Opening date shall be extended for a number of days no greater than the period of that unavoidable delay or prevention but you shall proceed with all due diligence to complete your duties under this Section sooner.

9.2 Grand Opening. Within 120 days after the Opening you shall conduct a no less than eight hour long grand opening campaign for which you shall spend \$3,000 to \$5,000 on live entertainment, food for attendees, and grand opening marketing materials, including social media flyers for the event and your choice of additional radio, internet, and/or other media advertising.

10. USE; PRODUCTS AND SUPPLIES; INVENTORY; GIFT CARDS.

10.1 Use; Compliance with Laws.

A. You shall use the Franchise Location only to operate a Shaman Store in accordance with this Franchise Agreement and the Shaman Manual. You shall sell at the Franchise Location only the Approved Inventory.

B. Throughout the Term, you shall comply with all Applicable Laws, including (without limitation) federal, state, county, and municipal laws applicable to the plant Cannabis sativa L., commonly known as cannabis, all solely at your own cost and expense. Although the Proprietary Product Websites feature Our Affiliates’ complete product lines, you may only order items that comply with Applicable Laws, including (without limitation) regulations for delta-8 THC and HHC (both as defined in Section 10.2). **You must investigate, become thoroughly familiar with, and stay up to date with all legal requirements and restrictions applicable to the sale of cannabis and cannabis products, including (without limitation) delta-9 THC, delta-8 THC, and HHC products, in your area, all solely at your own cost and expense, before displaying, carrying, offering, trading, or selling any cannabis or cannabis products, including (without limitation) delta-9 THC, delta-8 THC, or HHC products, at your Franchise Location or through the Franchised Business.** We currently recommend but do not require you to limit all sales of delta-9 THC, delta-8 THC, HHC, or any other psychoactive cannabis product to persons over the age of 21 even if Applicable Laws in the territory in which your Franchise Location is situated permit sales of these products to persons under the age of 21. You shall immediately comply with any minimum age purchasing requirements for any cannabis products sold at your Franchise Location or through the Franchised Business we establish from time to time in the latest version of the Shaman Manual available on Franchise Resources. Except for delivery service as permitted by Section 1.3 and purchases made through your WAL, you shall not perform or provide any Franchised Business services or goods at any location other than the Franchise Location without our prior written consent.



10.2 Approved Inventory.

A. To protect, enhance, and maintain the goodwill and reputation of the System for the mutual benefit of CBDAS, us, you, and all CBD American Shaman franchisees by assuring the quality and uniformity of all goods, products, and merchandise sold at the Franchise Location, you shall sell only Approved Inventory, including (without limitation):

i. a full range of curated or proprietary hemp-derived CBD products (a) developed using SB's proprietary processes and/or nanotechnology or (b) products acquired from others and enhanced or infused with CBD developed using SB's proprietary processes and/or nanotechnology, including (without limitation) hemp flower, pre-rolled joints, and electronic vapes; topical lotions, serums, creams, balms, salves, oils, and tinctures; bath bombs; edible gummies, oils, tinctures, and other ingestibles; and non-feed animal health products and oils (the "Shaman Products");

ii. so long as you abide by any delta-8 tetrahydrocannabinol ("THC") or hexahydrocannabinol ("HHC") regulations in your area, (a) curated or proprietary delta-8 THC, delta-9 THC, and HHC hemp products developed using TCIW's proprietary processes and/or nanotechnology or (b) products acquired from others and enhanced or infused with delta-8 THC, delta-9 THC, or HHC developed using TCIW's proprietary processes and/or nanotechnology, including without limitation hemp flower, pre-rolled joints, and electronic vapes; oil tinctures; and edible gummies, candies, baked goods, and other ingestibles (the "Zen Master Products");

iii. any goods, products, foods, or beverages, including any hemp-derived CBD goods or products manufactured and distributed by others, you select that have been approved by us in writing (the "Other Permitted Item(s)") up to 10% of the total quantity of inventory at your Shaman Store; and

iv. any additional good or products manufactured or distributed by any of Our Affiliates we designate or approve at any time.

You must obtain our prior written approval of all the Other Permitted Items you offer and sell and you may not offer or sell at your Shaman Store any goods, products, merchandise, foods, or beverages not included as Approved Inventory (individually an "Unpermitted Item", and collectively "Unpermitted Items") without our prior written consent. Your Other Permitted Items may not include anything that violates Applicable Law or any marijuana products even if you are located in a state that permits recreational or medical marijuana sales. When Our Affiliates develop new hemp-derived or infused products you will be required to purchase those new products from us, Our Affiliates, or suppliers we designate or approve, unless Applicable Law prohibits that requirement. We shall include in Franchise Resources and periodically update a List of Permitted Third Party Vendors and Products containing approved brands and suppliers for your Shaman Store.

B. All Proprietary Products shall be stored, handled, and sold in strict compliance with our standards, practices, and packaging requirements as set forth in the latest version of the Shaman Manual available on Franchise Resources. You shall discard any Proprietary Product that is not fresh and in first class condition for any reason, that is older than any expiration date displayed on its packaging, or that is at or past any expiration or discard date set by Our Affiliate that manufactured or sold you the item.

C. You shall acquire only from us or a producer and/or supplier licensed to provide them (which may be any of Our Affiliates) any Proprietary Product or any product that is licensed to us by any third party (including, without limitation, Our Affiliates). You shall not at any time attempt to or permit or engage any other person or entity to attempt to identify the ingredients, contents, or components of, reproduce, duplicate, simulate, or replicate any Proprietary Product, recipe, formula, or formulation we or any of Our



Affiliates has developed or own. You shall participate in any product and/or service test marketing we choose to conduct in an area that includes the Franchise Location.

D. If we require, you shall obtain paper goods and other supplies bearing the Shaman Name and/or any of the Shaman Marks you are authorized to use from suppliers we designate or approve, which may be or include only us or any of Our Affiliates. We shall include in Franchise Resources lists of designated, approved, or suggested suppliers.

10.3 Permitted Third Party Vendor and Product Approval

A. You may make a written request that we approve a particular supplier or a particular brand of any good or product not identified on the List of Permitted Third Party Vendors and Products by using our Third Party Vendor and Product Approval Request Form available in Franchise Resources. To request an evaluation of a Other Permitted Item, you must submit a completed Third Party Vendor and Product Approval Request Form along with (i) if you are requesting an evaluation of a CBD good or product manufactured and distributed by others, a sample of the CBD good or product, a certificate of analysis (“COA”) from a reputable, independent, third-party laboratory authorized to perform tests in the state in which your Franchise Location is located, and any other information we may request, including information regarding its producer, suppliers, and availability or (ii) if you are requesting an evaluation of any other good, product, food, or beverage, a photograph of the good, product, food, or beverage and any other information we may subsequently request, including a product sample or information regarding its producer, suppliers, and availability. You must complete a Third Party Vendor and Product Approval Request Form for each product or flavor you submit for review. Promptly after receipt of any complete Third Party Vendor and Product Approval Request Form and the requisite supplemental information, we will review the item and make any investigation we deem necessary or desirable and you shall pay us within 15 days after receipt of an invoice up to \$500 per Third Party Vendor and Product Approval Request Form you submit.

B. If we do not respond to your request for an Other Permitted Item approval within 60 days after we receive your submission, the request will be considered disapproved and you may not sell that good, product, or brand in your Shaman Store. If in our subjective judgment the suggested good, product, or brand is comparable or superior in quality, grade, performance, appearance, and reputation to the currently approved goods, products, or brands and its producer and suppliers are capable of supplying it at the times and in the quantities our franchisees are likely to require, we may add the suggested good, product, brand, or supplier to our List of Permitted Third Party Vendors and Products. But we may choose to refuse to approve additional goods, products, brands, or suppliers that are as good as or better than the approved ones only because we limit the total number of sources of supply for quality control and management purposes. If we conclude that the suggested good, product, brand, or its suppliers should not be added to the List of Permitted Third Party Vendors and Products, we will promptly give you notice of that fact, setting forth the particulars on which we based our decision. If at any time we determine that any previously approved good, product, brand, or supplier no longer meets our approval requirements, you must cease doing business with that supplier and remove any remaining unapproved good or product from your inventory immediately upon receiving notice from us.

10.4 Noncompliant Goods Fee. You shall not display, carry, offer, trade, or sell any Unpermitted Item at the Franchise Location, through the Franchised Business, or using the Shaman Name or any of the Shaman Marks. In any month in which you display, carry, offer, trade, or sell any Unpermitted Item (the “Noncompliant Month”), you shall pay us on demand, and we may electronically withdraw from your bank account as provided in Section 3.5, a noncompliant goods fee in the amount equal to 5% of your Gross Revenue for the Noncompliant Month (the “Noncompliant Goods Fee”). The Noncompliant Goods Fee is



cumulative and does not preclude any other right or remedy given it by this Franchise Agreement, including termination of this Franchise Agreement.

10.5 Adequate Stock; Minimum Purchasing Requirements. You shall keep on hand at the Franchise Location an adequate stock of the full range of Shaman Products and, if Applicable Laws permit and you choose to carry them, Zen Master Products sufficient to meet the reasonably anticipated needs of your Franchised Business at all times. To maintain adequate stock, you shall purchase from the Proprietary Product Websites (a) if you choose to carry and Applicable Laws permit you to sell Zen Master Products, Shaman Products with a wholesale cost of no less than \$2,500 and Zen Master Products with a wholesale cost of no less than \$2,500 every calendar month during the Operating Period or (b) if you choose not to carry or Applicable Laws do not permit you to sell Zen Master Products, Shaman Products with a wholesale cost of no less than \$5,000 every calendar month during the Operating Period (collectively, the “Minimum Purchase Commitment”). If you do not comply with the Minimum Purchase Commitment for three consecutive calendar months, in addition to all other rights and remedies given us by this Franchise Agreement or Applicable Laws and subject to any Applicable Law, we may, but are not obligated to, terminate your Franchise Agreement.

10.6 Delivery. Unless prohibited by Applicable Laws, you may provide delivery service from your Franchise Location using a qualified, reliable third party delivery service.

10.7 Gift Cards; Processing. You shall purchase from us or any supplier we designate (which may be or include only us or any of Our Affiliates) and offer and sell at your Shaman Store CBD American Shaman gift cards in all denominations periodically available from us. You shall comply in all respects with all laws applicable to your sale and acceptance of gift cards and accept all *bona fide* CBD American Shaman gift cards tendered by customers. You shall not sell gift cards that are redeemable solely at your Franchise Location. Accounting and Gross Revenue credit for CBD American Shaman gift cards you issue or accept shall be governed by the terms in the latest version of the Shaman Manual available on Franchise Resources. You shall process all CBD American Shaman gift cards using the POS System as defined in Section 12.1.

10.8 Automated Teller and Other Machines. You shall not install or have installed at, in, or on your Shaman Store Franchise Location any currency or cryptocurrency automated teller machines or any other machines or devices that generate revenue in any form or by any means without our prior written consent.

10.9 No Rebate Rights. You shall not have any right to or interest in any rebates, bonuses, discounts, or other consideration we or Our Affiliates receive on account of or based in whole or in part on any purchases made by you, us, Our Affiliates, and/or CBD American Shaman franchisees or licensees in general. We may in our discretion pass on to some or all CBD American Shaman franchisees on any basis we select all or any portion of any rebates, bonuses, discounts, or other consideration we or Our Affiliates secure from one or more suppliers.

11. MAINTENANCE; REFURBISHMENT; ADDITIONAL OR REPLACEMENT FFE.

11.1 Maintenance, Repair, and Replacement. You shall keep the Franchise Location and all improvements to it, including (without limitation) interior decoration, FFE, signs, storefronts, plumbing, wiring, windows, glass, doors, any separate heating and air conditioning system, interior and exterior walls, and any other Improvements in clean, sanitary condition and good repair. You shall perform regular maintenance and upkeep at the Franchise Location. You shall promptly repair (or, if appropriate, cause the Landlord to repair) any damage to, deterioration of, or wear to the Franchise Location, the Improvements, any of the FFE, signs, plumbing, lighting, wiring, windows, glass, doors, heating or air conditioning systems, and interior or exterior walls on or in the Franchise Location, and promptly make (or, if appropriate, cause the Landlord to make) replacements as necessary. If any of the FFE becomes obsolete



or is worn out or damaged so that it does not function optimally and cannot be repaired, you shall replace that FFE with a brand or item we have approved at that time that meets the specifications in the latest version of the Shaman Manual available on Franchise Resources.

11.2 Refurbishment. If you renew this Franchise Agreement as permitted by Section 2.2, at least three months before the beginning of the renewal term, you shall refurbish, renovate, and remodel the Franchise Location at your own expense to cause it to comply with the layout, design, appearance, trade or service mark usage, and specifications we have then established for new Shaman Stores. Refurbishment shall include, to the extent necessary (but without limitation), replacement of signs; changes in layout, Appearance, murals, posters, and FFE; interior or exterior painting; and other similar undertakings (collectively, “Refurbishment”). You shall perform the Refurbishment in strict conformity with plans and specifications we have approved in writing. Refurbishment shall be completed to our satisfaction on or before the last day of the 61st calendar month after the Opening; provided, however, if a force majeure unavoidably delays or prevents you from completing the Refurbishment on time, the time in which you may complete the Refurbishment shall be extended for a period equal to the period of that unavoidable delay or prevention.

11.3 Additional or Replacement FFE. Upon receipt of notice from us at any time more than 15 months before the date the renewal term of this Franchise Agreement would expire if the right to renew were exercised, you shall acquire and install in the Franchise Location within the period we designate all replacement or additional furnishings, fixtures, or equipment we designate, so long as the cost of doing so does not exceed 3% of your Gross Revenue during the preceding calendar year. All replacement or additional fixtures or equipment installed as required by this Article shall become part of the FFE.

11.4 Remedy. If you do not comply with the provisions of this Article and do not cure that noncompliance within 10 days after you receive our notice of noncompliance, we and/or our representatives may enter the Franchise Location and clean, paint, perform Refurbishment, make repairs, renovate, remove alterations, make replacements, and/or install additional FFE as required by this Article. You shall pay us on demand all charges we incur for that work and FFE, plus interest at the maximum rate then legally permitted for commercial transactions from the date we paid the charges until we receive reimbursement.

12. RECORDKEEPING; SECURITY; REPORTS; INSPECTIONS AND AUDITS.

12.1 Point of Sale System. You shall acquire from the supplier we designate (which may be only or include us or any of Our Affiliates) and use only in the Franchise Location and for the Franchised Business our proprietary electronic point of sale software (the “POS System”). You shall enter on the POS System all transactions that would be included in Gross Revenue (including, without limitation, all revenue from sales delivered by a third party delivery service but excluding Gross Revenue from sales placed through your WAL) (collectively, “Excluded Items”), so as to create a complete and accurate record on the POS System of each individual sale, a cumulative total of all Gross Revenue, and all components of or deductions from Gross Revenue, excepting only the Excluded Items. You shall not use any other point of sale software in the Franchise Location or for the Franchised Business.

12.2 Computer System and Business Database. You shall obtain and maintain for use at the front counter of your Shaman Store the newest generation Linux or Windows computer or tablet capable of running the POS System and seamlessly communicating data to us, a receipt printer compatible with the operating system you have chosen, a cash drawer that connects to the POS System, a credit card processing terminal, and any other computer operating system, hard drive, monitor, and software (collectively, the “Computer System”) we designate or approve using any accounting, bookkeeping, word processing, and other software we designate on the Devices and Communication Services List. All bookkeeping and accounting records, financial statements, and reports shall be on the form (if any) specified in the latest



version of the Shaman Manual available on Franchise Resources, conform to the standards, forms, and requirements in the latest version of the Shaman Manual available on Franchise Resources, and be electronically accessible to us at all times. You shall enter and maintain on the Computer System all bookkeeping and accounting records, financial statements, and reports you maintain or prepare, so as to create on the Computer System complete and accurate records of all income, expenses, expenditures, financial transactions, and financial matters related to the Franchised Business (collectively, the “Business Database”).

12.3 Updating and Replacement. You shall update and/or replace the POS System and/or the Computer System hardware or software as and when we require, so long as the cost of updating or replacement of the POS System or Computer System in any calendar year does not exceed 3% of your Gross Revenue in the prior calendar year.

12.4 Data Collection and Security. You shall at all times comply with Applicable Laws in the collection, storage, and use of customer information, and your telephonic and electronic communications, including (without limitation) the Controlling the Assault of Non-Solicited Pornography and Marketing Act (15 U.S.C § 7701 et seq.), Payment Card Industry Data Security Standard (PCI-DSS), and Telephone Consumer Protection Act (47 U.S.C. § 227). You shall at all times employ current state of the art devices and practices to protect the security of all data on or in the POS System, Computer System, or Business Database from unauthorized access, including (without limitation) installing firewalls, virus protection software, and using high security passwords. Within two hours after you suspect or learn of any breach of any of the POS System, Computer System, or Business Database you shall deliver notice to us by email to the email address listed in the latest version of the Shaman Manual available on Franchise Resources and by calling our main office telephone number and shall implement all other procedures required by Applicable Laws.

12.5 Gross Revenue Report. In any month during the Term in which the POS System does not automatically generate a Gross Revenue report for any reason or in which we are unable to access the Gross Revenue report for any reason, you shall deliver to us electronically at or before midnight on the seventh day of the following calendar month in the time zone we designate from time to time a Gross Revenue report on the form provided in the POS System or specified in the latest version of the Shaman Manual available on Franchise Resources, covering the preceding calendar month. including a copy of every document received from or sent to a third-party delivery service so that all sales made through and all charges incurred for a third party delivery service will be reflected in documentation delivered to us. If you do not deliver any Gross Revenue report as and when required by this Section, in addition to all other remedies available to us, we may compute your Gross Revenue for that period from Your Records as defined in Section 12.8 or any other source we determine is reasonable and you shall pay us on demand or we may electronically withdraw from your bank account as provided in Section 3.5 all funds payable based on that computation, which shall be conclusively presumed to be your Gross Revenue for that period and shall not be subject to reduction for any reason but may be subject to increase if a subsequent audit shows your Gross Revenue was understated in any report to us.

12.6 Other Periodic Reports. On or before the dates we have designated in the latest version of the Shaman Manual available on Franchise Resources, you shall deliver to us electronically the reports for the periods we have designated in the latest version of the Shaman Manual available on Franchise Resources, all of which shall be for the appropriate period and on and in the form, if any, specified in the latest version of the Shaman Manual available on Franchise Resources. Within 30 days after the end of each calendar year, you shall deliver to us electronically a profit and loss statement and balance sheet for the Franchised Business for the preceding calendar year on the form we have specified in the latest version of the Shaman Manual available on Franchise Resources. All reports, profit and loss statements, and balance sheets shall be prepared in accordance with generally accepted accounting principles consistently applied from



applicable period to applicable period and certified by you or your chief executive or financial officer to be true, correct, and complete.

12.7 Sales Tax Returns; Other Reports. You shall deliver to us on or before the 25th day of each calendar month a copy of all sales tax returns, occupation tax reports, and other similar returns or reports prepared by you or on your behalf for the preceding calendar month. You shall deliver to us within five days after you receive it a copy of any report or statement of earnings, sales, or receipts, profit and loss statement, balance sheet, cost accounting, report of audit, and any other document reporting, summarizing, compiling, or projecting the gross or net income, sales, profits, expenses, or costs of the Franchised Business prepared by, for, or on behalf of you or at your request.

12.8 Books and Records. You shall keep at the Franchise Location at all times during the Term complete books of account, records, ledgers, receipts, check records, and all other documentation of the Gross Revenue, receipts, and expenses of the Franchised Business in the form and medium specified in the latest version of the Shaman Manual available on Franchise Resources, including (without limitation) the POS System; the Business Database; records of cash receipts; sales tax returns and statements; payroll records; cancelled checks; invoices; bank statements for all accounts into which any of the Gross Revenue or the receipts from the Franchise Location or the Franchised Business are deposited or out of which any expenses of the Franchise Location or the Franchised Business are paid; federal, state, and local income tax returns for the Franchised Business; and all other records or reports you used to record, compile, account for, or report cash flow, expenses, gross or net income, or gross or net revenue or sales (collectively, “Your Records”) for the preceding three years. You shall retain Your Records for at least the three prior calendar years in your possession throughout the Term and shall retain in your possession for at least three years after the expiration or termination of this Franchise Agreement Your Records for the three calendar years immediately before the expiration or termination of this Franchise Agreement. You expressly waive any privilege not to disclose income tax returns.

12.9 Our Business Database Access; Inspections and Audits; Penalties.

A. You shall at all times provide us electronic access to every part of the POS System and the Business Database through the mode or medium we designate in the latest version of the Shaman Manual available on Franchise Resources, and permit us and our designee to poll, retrieve, and/or upload to our servers the POS System, the Business Database, and/or information and data from either or both of them at any time and review, extrapolate, copy and/or reproduce in any medium, or print all information on either or both of them. You shall not at any time change the access number, password, or other means or requirement for access to the POS System or the Business Database without giving us at least three business days prior written notice of the change and the information necessary to access the POS System and Business Database.

B. Our representatives may inspect, copy, and/or audit any or all of Your Records and inspect and/or audit your cash register, credit card processor statements, and POS System totals and/or inventories at any time during the Term and for three years after the expiration or termination of that term, but not more than once each 12 month period unless a prior audit, field audit, or mystery shopper has shown a discrepancy, deficiency, or omission between actual and reported Gross Revenue. You shall make Your Records available to us at the Franchise Location or deliver Your Records to us on demand in a medium and/or at a location we designate, without any prior notice of any kind, and shall cooperate with us and our representatives in the conduct of any inspection and/or audit. You shall pay us on demand, and we may electronically withdraw from your bank account as provided in Section 3.5, any deficiency in payments of any kind or nature you have made to us revealed by any audit conducted by us or on our behalf, with interest at the maximum rate then legally permitted for commercial transactions from the due date until we receive payment. If any audit we conduct indicates your Gross Revenue was understated by 2% or more in any



report or statement used as the basis for computing your Gross Revenue, you shall pay us on demand, and we may electronically withdraw from your bank account as provided in Section 3.5, all expenses we incurred in connection with the audit and collection of the past due royalties, including (without limitation) accountant's and attorneys' fees, plus interest at the maximum rate then legally permitted for commercial transactions from the date we paid the expenses until reimbursement is received.

C. We may install a field auditor or auditors at the Franchise Location at any time to monitor your Gross Revenue by observing and noting all sales transactions taking place at or from the Franchise Location, with or without identifying that auditor to you. If the field auditor's monitoring reveals actual weekly Gross Revenue during any two week period (the "Audit Period") of 10% more than the average weekly Gross Revenue you reported during the preceding three month period (the "Measuring Period"), you shall pay us on demand, and we may electronically withdraw from your bank account as provided in Section 3.5, a royalty for the Measuring Period in an amount equal to the difference between the average amount of weekly Gross Revenue made during the Audit Period as shown by our field auditor's monitoring and Gross Revenue reported for each week of the Measuring Period, plus interest on the additional royalty at the maximum rate then legally permitted for commercial transactions from the last day of the week of the Measuring Period for which the additional royalty is payable until the date we receive it.

12.10 Failure to Provide Access, Keep Records, or Make Reports. If you do not provide us access to your Business Database and/or POS System, maintain records (including, without limitation, the information required to be on your POS System or in your Business Database), or furnish any report or statement as required and in the time specified in this Article, in addition to all other remedies provided by this Franchise Agreement, after giving you at least five days' notice of our intention to do so, we may appoint a certified public accountant to inspect and audit the POS System, Business Database, Your Records, and/or the Franchised Business and prepare a statement of your Gross Revenue that shall be conclusive on you. You shall pay us on demand, and we may electronically withdraw from your bank account as provided in Section 3.5, all royalties or fees that audit shows to be due to us and all charges we incurred in connection with the audit, preparation of the statement, and collection of past due royalties or fees, including (without limitation) accountant's and attorneys' fees, plus interest on all the past due fees and all charges we incurred at the maximum rate then legally permitted for commercial transactions from the date the monies were due or we paid the charges, respectively, until payment is received.

12.11 Publication, Confidentiality, and Use of Sales, Earnings, and Profits. We may use your gross and/or net revenue, expenses, income, earnings, and profits in any gross or net revenue or sales, earnings, or profits projections, forecasts, or reports in any disclosure document, earnings projections, or reports to franchisees or others we prepare or have prepared, and may identify the Franchise Location as a franchise location on which those projections, forecasts, and reports are based. You shall not discuss your sales, earnings, profits, income, or expenses with any person other than our employees or representatives, your accountant, attorney, and business advisors, any Insider as permitted by Section 1.4E, and any person with whom we give you permission to discuss some or all of that information.

12.12 Survival. Our rights to access, audit, investigate, and inspect your POS System, the Business Database, and Your Records as provided in this Article shall survive the expiration or termination of this Franchise Agreement.

13. NONCOMPETITION.

13.1 Noncompetition. Recognizing that (a) the Shaman Business Method (i) is a unique product development, production, distribution, and business operating system in which we and Our Affiliates have invested many years of research and development and (ii) involves the use of proprietary techniques, methods, and practices we must protect in order to preserve its core value for all our franchisees, (b) we



could not protect the Shaman Business Method against unauthorized use and would not provide training in it or reveal the Shaman Business Method or the contents of the Shaman Manual if you or any of your Insiders, any person or entity in which you own any interest or which owns any interest in you or that is owned by an entity that owns any interest in you (“Your Affiliates”), your Manager, or those of your employees who will be trained in the Shaman Business Method or have access to the Shaman Manual were to operate or be employed by a competing business, and (c) a part of the consideration we receive for the obligations we undertake and the rights we grant in this Franchise Agreement is the assurance that there will be no such competition and no risk of the unauthorized use of the Shaman Business Method, the Shaman Manual, the Other Proprietary Information, or any of our other trade secrets in a competing business, you agree that:

a. Neither you, any of your Insiders, your Manager, nor any of Your Affiliates or the officers, directors, managers, shareholders, members, partners, or owners of Your Affiliates or any others in direct or indirect concert or participation with you, your Insiders, your Manager, Your Affiliates, or the officers, directors, managers, shareholders, members, partners, or owners of Your Affiliates (all the foregoing, collectively, “Your Interested Parties”) shall directly or indirectly (i) own any interest in, be employed by, provide advice or consultation to, or operate any other CBD retail or wholesale store or business that specializes in the sale of CBD products substantially similar to your Shaman Store, or (ii) have any interest in any entity that does any of those, at any time during the Term without our prior written consent, which may be withheld in our sole discretion; and

b. For two years after the expiration or termination of this Franchise Agreement, neither you, your Manager, any of Your Affiliates, nor any of Your Interested Parties shall (i) own any interest in, be employed by, provide advice or consultation to, or operate any other retail or wholesale business that specializes in the sale of cannabis products substantially similar to those sold at your Shaman Store within 15 miles from the Franchise Location or within four miles of any Shaman Store or, if the Franchise Location is located in a metropolitan area with 15 or more Shaman Stores (a “trade area”), within the trade area of your Franchise Location, or (ii) have any interest in any entity that does any of those, without our prior written consent, which may be withheld in our sole discretion.

c. To obtain our consent as required by this Section, you shall prove to our satisfaction that the proposed activity will not involve or create a risk of use of any trade secret, proprietary information, or other benefit obtained from us or involve any unfair competition with us, Our Affiliates, or our franchisees. The limitations in this Section shall not apply to a purely passive investment of no more than 5% of the total equity interest in any entity.

13.2 TRO; Injunction. Because compliance with the restrictions in this Article is vital to prevent immediate and irreparable injury, loss, and damage to the System, our other franchisees, CBDAS, and us, you consent to and will not oppose the granting without requirement of a bond of temporary restraining orders and temporary and permanent injunctions against you, your Insiders, and/or Your Interested Parties to enforce the provisions of this Article.

14. ADVERTISING AND PROMOTION; WEBSITE; SIGNS; TELEPHONE LISTINGS.

14.1 Definition. For purposes of this Franchise Agreement, the term advertising material shall mean all printed, audio, visual, electronic, digital, or other materials prepared for the purpose of increasing, encouraging, or promoting patronage of the Franchise Location, the Franchised Business, or Shaman Stores in general, or that use the Shaman Name or any of the Shaman Marks, or that depict any Proprietary Products, and shall include (without limitation) signs; radio spots; television advertisements; newspaper, magazine, internet or other printed or electronic materials; internet sites, websites or web pages, or other electronic databases or sites; social media postings; slogans; jingles; contests; coupons; gift certificates;



giveaways; promotional merchandise; posters; printed and digital flyers; leaflets; brochures; handbills; telemarketing campaigns; and direct mail presentations.

14.2 Advertising Approval; Advertised Prices. You shall not use, display, disseminate, or publish any advertising material we have not approved in writing. We shall notify you of our approval or disapproval of any advertising material you deliver to us within 20 business days after we receive it. If you do not remove and/or destroy on demand any unapproved advertising material you are displaying or using, we may remove and destroy that material, entering the Franchise Location as necessary, without being guilty of trespass, conversion, or any other tort. You shall not display or distribute at the Franchise Location or in the area in front of it any material promoting any other person or business without our prior written consent. You shall at all times adhere to all retail prices you advertise and shall not advertise in any deceptive or misleading manner.

14.3 Required Use and Participation.

A. You shall use and display advertising material only as we designate or approve. You shall display at the Franchise Location for the period we specify all advertising material we designate or furnish to you. We may require you at your own expense to join and participate in any advertising campaign, special offers, programs, contests, drawings, similar promotional events or activities (collectively, “Promotional Campaigns”), and/or loyalty program we designate, which presently includes our loyalty rewards program (the “Shaman Feather Rewards Program”), unless Applicable Laws prohibit your required participation. If we designate a vendor for any advertising or promotional material, you, at your own expense, shall acquire from the vendor we designate (which may be or include only us or any of Our Affiliates) all advertising material required for your participation in Promotional Campaigns as provided in this Section. If we do not designate a vendor, you, at your own expense, shall prepare or have prepared the advertising or promotional material but the quality of the advertising and promotional material must at all times meet the specifications in the latest version of the Shaman Manual available on Franchise Resources.

B. If you do not display any advertising material and/or participate in all Promotional Campaigns as provided in Paragraph A of this Article, without making an election of remedies, we and/or our representatives may enter the Franchise Location and place the advertising or Promotional Campaign material in the Franchise Location without being guilty of trespass, conversion, or any similar tort. You shall pay us on demand, and we may electronically withdraw from your bank account as provided in Section 3.5, all charges we incur in taking that corrective action, the administrative fee then set forth in the Fee Schedule, plus interest at the maximum rate then legally permitted for commercial transactions from the date we paid the charges until reimbursement is received.

14.4 Prohibitions; Website.

A. Except as permitted by this Article, you shall not engage in any social media communication that includes the Shaman Name or any of the Shaman Marks or that is used for the Franchised Business nor shall you create, broadcast, stream, or maintain any media broadcast, internet stream or site, web page, social media presence, cloud presence, listing, or other device, broadcast, or internet advertisement, presence, or location promoting or referring to the Franchised Business or that includes the Shaman Name or any of the Shaman Marks without our prior written consent, which we may withhold in our discretion.

B. We shall maintain a CBD American Shaman website (the “Website”). Before or concurrently with the Opening, we will add the Franchise Location to the list of Shaman Stores on the Website. So long as you are not in default under this Franchise Agreement, we will continue to include the Franchise Location in the list of Shaman Stores on the Website. On the Website Access Date, you will be provided access to a password-protected portion of the Website that serves as cloud-based file storage that we periodically



update (“Franchise Resources”). Franchise Resources includes (without limitation) training videos, an electronic copy of the latest Shaman Manual, the Onboarding Packet, the Fee Schedule, lists of designated and approved suppliers, and other forms, applications, notices, updates, rules, regulations, standards, specifications, lists, policies, procedures, instructions, directions, and guidelines for the outfitting, appearance, supply, and operation of the Franchise Location and Franchised Business. You may also access Franchise Resources from your POS System throughout the Term so long as you are not in default under this Franchise Agreement. You shall not share your password for access to Franchise Resources with any person, including your Manager, except as expressly permitted by this Franchise Agreement. **We do not make any warranty and disclaim any and all implied warranties that the Website will be accessible at all times, will not be hacked or otherwise compromised by any electronic or other attack, or will be secure from unauthorized access.**

C. At any time when you are in default under this Franchise Agreement, we may remove any mention or identification of the Franchise Location from the Website and/or block your access to any website we or Our Affiliates maintain or control and/or Franchise Resources. If you at any time create or maintain a social media presence, website, or web page for the Franchised Business without our prior written consent, in addition to all other rights and remedies provided by Applicable Laws or this Franchise Agreement, we may remove, disassemble, disable, or destroy all or any part of that social media presence, website, or web page or cause the host, operator, or owner of the social medium, website or web page to do so, without being guilty of trespass, conversion, or any other tort or crime. If you at any time distribute any coupon or offer any discount or distribute any advertising material in violation of this Section, you shall pay us on demand the remediation fee in the Fee Schedule.

14.5 Website Affiliate Link. You will be issued a WAL on the Website Access Date. You may not sell Proprietary Products online, but you may distribute and promote your WAL. Your WAL will direct customers to the website operated by CBDAS. Within 14 days after a customer makes a purchase using your WAL we will cause SB to issue credit for you to use on a Proprietary Product Website. The credit will be in the amounts set forth in the Fee Schedule and currently is (a) all net revenue from all retail purchases made through your WAL (net revenue is gross revenue less the item’s wholesale price, coupons used by customers, shipping and handling fees, and other fees and expenses) and (b) 25% of the revenue from all wholesale purchases made through your WAL (each a “WAL Commission”). If you owe us or Our Affiliates any past due sums, we may instead use the WAL Commission to pay any portion of those past due sums.

14.6 Technology Fee. You will pay us monthly the technology fee in the amount set forth in the Fee Schedule, currently \$200, for your use of and our maintenance and support for the POS System, Shaman Feather Rewards Program, Proprietary Product Websites, WAL, the Website, and any other software or technological innovations we create and require you to use and for any upgrades to any of them (the “Technology Fee”). You will pay us, or we may electronically withdraw from your bank account as provided in Section 3.5, the monthly Technology Fee in four equal installments on each of the first four Tuesdays of each calendar month beginning on the first Tuesday of the first calendar month 30 days after your Opening, with the first payment prorated based on the number of days remaining in the month in which the Opening occurs.

14.7 Social Media. You may have a presence and communicate with others on Facebook, Twitter, Tumblr, Pinterest, Instagram, TikTok, and any other social media we approve in the social media policy in the latest version of the Shaman Manual available on Franchise Resources or otherwise in writing (collectively, “social media”) for purposes of marketing the Franchise Location, the Franchised Business, and your WAL. All of your communications on social media are subject the requirements of this Franchise Agreement and the social media policy and practices set forth in the latest version of the Shaman Manual available on Franchise Resources (the “CBD American Shaman social media policy”). You shall not post



communications about the Franchised Business, System, or Shaman Manual that would disclose any proprietary or confidential information or violate any Applicable Laws or any terms of use imposed by the social media website. You shall remove and stop using any noncompliant content immediately upon notification from us. Any communication you create on any social media that violates the provisions of this Franchise Agreement or the CBD American Shaman social media policy shall be a default under this Franchise Agreement. You shall at all times take all action desirable or necessary to prevent the existence of any social media communication that falsely creates the impression that it is from an impartial third party.

14.8 Your Local Advertising and Monthly Local Marketing Commitment.

A. Subject to any requirements for format, representations, and media in the latest version of the Shaman Manual available on Franchise Resources and to our approval as required by Section 14.2, you shall expend for local advertising and promotion during each calendar month at least \$750. You may pool your money with other local franchisees to increase the impact of your advertisements. You may use advertising material available on Franchise Resources or develop and use local advertising material you have produced by a vendor you select, so long as you have obtained our prior written approval of all materials. You may implement your own local promotional program at your own cost so long as you comply with all marketing and promotion standards and criteria set forth in the latest version of the Shaman Manual available on Franchise Resources and obtain our prior written approval of the program. We may withhold or condition approval of your local advertising material, or marketing or promotional campaigns in our discretion and may require that any materials be produced using masters we provide. Your local advertising may include flyers or advertisements in limited circulation publications or other limited circulation media we have approved or social media posts, flyers, or videos as permitted by the CBD American Shaman social media policy contained in the latest version of the Shaman Manual available on Franchise Resources but shall not include coupons, gift cards provided by any person or entity other than us, or participation in coupon books or discount buying or membership benefit programs of any kind, all of which you are prohibited from participating in or using.

B. We may at any time audit your local marketing expenditures, including (without limitation) requiring you to provide us with copies of receipts for all your local marketing expenditures. Within 90 days after the close of each calendar year you shall deliver to us electronically a statement containing the computation of the amount you were required to spend for local advertising under this Section and an itemized accounting of the amount actually spent. You shall not be entitled to apply excess local advertising expenditures in any month or year to reduce the amount required to be spent in any subsequent month or year.

14.9 Cooperative Advertising Program.

A. We may at any time establish a cooperative advertising or promotion program (a “Cooperative”) for a geographical area we designate. We shall establish the mechanism for managing and administering each Cooperative we create and the financial reporting and audit rights of each participant.

B. If we establish a Cooperative for a geographical area that includes the Franchise Location, you shall participate in that Cooperative, attend all meetings relating to it, and be bound by a majority vote of the participants in the Cooperative (each Shaman Store in the geographical area of the Cooperative, including those owned by us or any of Our Affiliates, having one vote) at a meeting attended by the representatives of at least two-thirds of the Shaman Stores in the Cooperative as to matters pertaining to Cooperative advertising programs and/or special promotions, except that any fee imposed by the Cooperative shall not exceed 1.5% of your average monthly Gross Revenue during the preceding 12 calendar months unless all of the participants in the Cooperative approve a larger fee. Nothing contained in this Section shall be



construed as a device, method, or technique (direct or indirect) to require you to divide territorial or customer rights and responsibilities with or among other franchisees. You shall not be bound by any agreement to divide territories or customers, practices we expressly disapprove of and prohibit.

14.10 National Marketing Fund.

A. You must contribute to the National Marketing Fund we have created and maintain the amount in the Fee Schedule, currently \$800 per month paid in four equal installments on each of the first four Tuesdays of each month, beginning on the first Tuesday of the first calendar month after your Opening, with the first payment prorated based on the number of days remaining in the month in which the Opening occurs. We may increase the contribution amount by delivering no less than 90 days' written notice to you. We will collect National Marketing Fund payments by electronic withdrawal from your bank account as provided in Section 3.5.

B. We are not a trustee of National Marketing Fund contributions and shall not have any fiduciary obligations to you or any other CBD American Shaman franchisee with regard to the National Marketing Fund or the contributions to it and may commingle National Marketing Fund monies with our general or other funds. We shall administer advertising receipts and expenditures and will not be audited. We shall allocate and use the National Marketing Fund as we deem appropriate to perform market research, enhance or maintain the Website, create and develop local, regional, and national advertising, public relations, and/or promotional campaigns using print, radio, television, electronic, social, or other media to promote and enhance the value of the System in general, or for any other advertising, promotion, or marketing activities we select. We may require you to participate in any System-wide advertising campaigns, programs, contests, drawings, and/or other promotional events or activities, unless Applicable Laws prevent you from participating. We may either designate a vendor from whom you must acquire advertising materials we require you to use (which may be us or Our Affiliate) or give you templates you must use to have the materials prepared by a vendor you select. We are not required to spend National Marketing Fund money in any or every geographical area or to make expenditures proportionate or equivalent to contributions to the fund by franchisees operating in a particular geographical area, nor are we required to expend National Marketing Fund monies so that your Shaman Store franchise will benefit directly or in proportion to your contributions to the National Marketing Fund. Contributions to the National Marketing Fund will not be used to sell franchises but materials produced with National Marketing Fund monies may be used on the Website with materials advertising the availability of Shaman Store franchises. We may use advertising and marketing professionals to advise and assist in the conduct of any or all of the Marketing Fund's activities or may use advertising prepared by our in-house advertising personnel. If our staff or the staff of any of Our Affiliates provides in-house advertising services, we or Our Affiliates may be compensated from the National Marketing Fund. We may also retain any or all of the National Marketing Fund contributions to reimburse us for administrative and managerial expenses related to the National Marketing Fund, its advertising and promotion activities and campaigns, and production of advertising, including allocable portions of the salaries and benefits we pay to our employees. We shall have the right, but no obligation, to rebate to you at any time a portion of the sums on deposit in the National Marketing Fund and require you to expend the rebated amount on local advertising or provide a portion of the contributions to the Franchisee Association (as defined in Section 16.4) to spend on local advertising or to contribute a portion of the sums on deposit in the National Marketing Fund directly to the Franchisee Association and require the Franchisee Association to spend those sums on local advertising. We may periodically loan money to the National Marketing Fund, charging the market interest rate for those loans. Monies in the National Marketing Fund may be used to repay those loans in future years as we determine.

C. Within 90 days after the end of each calendar year you may request a statement covering the preceding year certified by our chief financial or chief executive officer to be true, correct, and complete, showing the amounts we collected for the National Marketing Fund, the amount actually expended, any amounts rebated



or forwarded to the Franchisee Association, and the amount remaining to be carried over for use during the following year (an “NMF Annual Statement”). If we receive your request within the 90-day period, we will deliver an NMF Annual Statement to you within 30 days after we receive your request.

14.11 Customer Feedback. You shall distribute, ask customers to complete, and return to us all surveys, customer comment cards, and other devices for soliciting customer evaluation we provide to you.

14.12 Signs.

A. You shall obtain and install and maintain in places at the Franchise Location we designate at any time during the Term, all signs we specify in any media we specify, all at your own expense. The type, appearance, and elevations of all signs used at the Franchise Location or to promote the Franchised Business shall be those we have approved. You shall keep the signs illuminated during all hours we designate or approve periodically. You shall not erect or display in, at, or on the Franchise Location any signs other than those we designate or display any trademark, service mark, name, logotype, or other commercial symbol without our prior written consent.

B. If you do not install and maintain the signs described in this Section, install signs other than those permitted by this Section, or do not illuminate the signs as we require, we and/or our representatives may enter the Franchise Location and erect and/or maintain the specified signs, remove signs installed in violation of this Section, or illuminate your signs, without being guilty of trespass, conversion, or any similar tort. You shall pay us on demand, and we may electronically withdraw from your bank account as provided in Section 3.5, all charges we incur in taking that corrective action, plus interest at the maximum rate then legally permitted for commercial transactions from the date we paid the charges until reimbursement is received.

14.13 Copyrights.

A. All advertising material we, Our Affiliates, or any vendor we designate or approve delivers to you shall be our sole and exclusive property and we or Our Affiliates, as the case may be, shall be the sole owner of the copyrights in and to them. You do not and shall not have any license, power, or right to claim or register a copyright on any of the design elements of the Franchise Location or any advertising material except the use rights granted by this Franchise Agreement.

B. You shall not at any time contest, directly or indirectly, Sanders’, our, or Our Affiliate’s, as the case may be, sole and exclusive copyrights in the design elements of the Franchise Location or any advertising material we, Our Affiliates, or a vendor we designate or approve deliver to you and all reproductions of any of that advertising material, all signs described in Section 14.12, and all other copyrighted materials delivered or licensed to you under this Franchise Agreement.

14.14 Telephone Listings. You shall obtain and maintain a landline telephone number for the Franchise Location that shall be listed and identified exclusively with the Franchised Business in all business telephone directories distributed by any third party in the geographical area of which the Franchise Location is a part and shall be included in all local advertising you prepare. All telephone listings shall identify the Franchised Business as a Shaman Store franchise.

14.15 Publicity. You shall report to us by electronic mail immediately any event or occurrence at the Franchise Location or involving the Franchised Business in any way that is or is likely to be covered by local news media, mentioned in social media sites, or otherwise be the subject of publicity or public comment. In order to protect the reputation and public image of the System, you shall not make or give any public statement regarding any unplanned occurrence or event at the Franchise Location or involving



the Franchised Business to any news medium or post on the internet or in any social media any statement regarding any unplanned event or occurrence at the Franchise Location or involving the Franchised Business. You shall refer all those communications to us and they shall be handled and made only by us.

15. OPERATING PARTNER; MANAGER; PERSONNEL; EFFORTS.

15.1 Operating Partner. You or if you are an entity a person who owns at least 25% of your equity, has the authority to bind you in all dealings, and has been approved by us (the “Operating Partner”) must (a) have satisfactorily completed our training program before your Opening and (b) be personally present in and operate your Shaman Store for at least 40 hours every week during the first six months after your Opening. After your Shaman Store has been open and operating for six months, you or your Operating Partner must (aa) at all times be personally responsible for the day to day oversight and administration of your Shaman Store and (bb) visit your Shaman Store and review its appearance and the conduct of business at it no less than once each calendar week.

15.2 Manager.

A. During all operating hours when you or your Operating Partner is not present in and managing the operation of your Shaman Store, your Shaman Store shall be managed by a Manager who has signed a Nondisclosure Agreement that has been delivered to us and has successfully completed the training described in Article 7 or has been trained by you and remains qualified to be the person on site at your Shaman Store principally responsible for the day to day operation of the Franchised Business when you or the Operating Partner is not present. Your Manager shall be present at and work in the Franchise Location at least five days each week, eight hours each day, 50 weeks of the year, and supervise, oversee, administer, and manage operation of the Franchise Location and the Franchised Business.

B. If your Shaman Store will be managed by a Manager other than you if you are an individual or your Operating Partner if you are an entity, you shall deliver to us notice of the appointment of your Manager (the “Appointment Notice”) before your Manager performs any managerial work in your Shaman Store. Your Appointment Notice shall provide the Manager’s name, address, personal telephone landline and mobile telephone numbers, home address, personal email address, and a list of the Manager’s educational background and employment history for the past five years, including reasons for employment termination. At any time within seven days after we receive your Appointment Notice, we may deliver to you notice of disapproval stating with specificity the basis for our disapproval. If we deliver any notice of disapproval you may deliver to us a subsequent Appointment Notice containing the same information as the first Appointment Notice but applicable to a new Manager. The process provided for in this paragraph shall be repeated until you have selected a Manager who is not disapproved or you decide not to hire a Manager.

C. You shall update periodically as necessary the name, home address, home and cell telephone numbers, and personal email address of your Manager. You shall notify us immediately upon determining or learning that you must change your Manager.

15.3 Personnel. Before the Opening and throughout the Operating Period, you shall staff the Franchised Business as required to provide the level and quality of service consistent with the System. You shall give each of your employees all the training and supervision necessary to assure that each employee can perform and is performing the work assigned to him or her in a competent fashion. These requirements are imposed to assure the uniform quality of service that will protect and enhance the reputation of the System. You are solely responsible for the employment, conduct, firing, and all other matters related to the personnel who work at your Shaman Store. We will not engage your personnel, dictate or consult with you regarding the terms of their employment or firing, or be responsible in any manner for their work with you. You shall be



solely responsible for all matters related to the personnel who work in your Shaman Store and for compliance with all Applicable Laws related to their labor for you.

15.4 Uniforms; Hygiene. If you choose to have your employees wear branded CBD American Shaman polo-style shirts and/or baseball caps featuring the CBD American Shaman logo, you shall purchase them from us or Our Affiliates. You shall obtain from us or any supplier we designate or approve periodically (which may be or include only us or any of Our Affiliates) all branded items that bear any of the Shaman Name or Shaman Marks. To protect the reputation and goodwill of the System, you shall require all employees present in your Shaman Store to practice good personal hygiene, be appropriately groomed and attired, and conform to the highest standards of sanitation.

15.5 Performance Standard; Operating Hours. You shall use your best efforts to operate your Shaman Store in a manner that will produce the maximum volume of Gross Revenue. You shall keep your Shaman Store open for business seven days each week, except New Year's Day, Thanksgiving Day, Christmas Day, and Easter between no later than 10:00 a.m. and at least 7:00 p.m., except to the extent prohibited by Applicable Laws or requirements of any retail commercial facility or development of which the Franchise Location is a part. If you do not keep your Shaman Store open for business as required by this Section, in addition to all other sums payable under this Franchise Agreement, you shall pay us on demand, and we may electronically withdraw from your bank account as provided in Section 3.5, a penalty assessment equal to 7% of your Gross Revenue during the latest equivalent period when the Franchise Location was open and operating during all required operating hours.

16. QUALITY CONTROL; CUSTOMER COMPLAINTS; FRANCHISEE ASSOCIATION.

16.1 Inspection.

A. We may at any time have one or more of our employees, a third-party quality control inspector, field auditor, a member of the Franchisee Association, or mystery shopper visit the Franchise Location, anonymously if we choose, to monitor and evaluate the operation of the Franchised Business. We shall deliver to you within 10 business days after any quality control visit a copy of any report prepared by the inspector and you shall consult with our representative about the results of the inspection and the implementation of any corrective action recommended by the inspector. You shall implement any recommended corrective action immediately after you have reviewed the inspector's report with our representative.

B. We and our representatives may at any time enter the Franchise Location, with or without notice, observe the operation of the Franchised Business, conduct inspections and evaluations of the Franchise Location, the FFE, inventory, supplies, goods, products, POS System, Business Database, Your Records, and/or your operation of the Franchise Location and Franchised Business, and/or talk with, interview, or question any of your present or former employees (whether or not that employee works or is present at the Franchise Location during that conversation, interview, or questioning). You shall cooperate and shall cause each of your employees to cooperate with us and our representatives in the conduct of any inspection, evaluation, conversation, interview, or questioning. We may prepare or have prepared a written report of the results of any inspection or evaluation. If a written report is prepared, we shall deliver a copy of the written report to you promptly after it is completed. You shall immediately commence correction of any failure to comply with this Franchise Agreement in any respect that is identified by us and/or our representative of which you are given notice verbally or in writing and diligently pursue that correction to completion, including without limitation immediate removal of any Unpermitted Item.



C. If you obtain a score of less than 90% in any area that is the subject of any inspection or evaluation, within three days after you receive a written or verbal report of the inspection or evaluation you shall take all action necessary to raise your score in every area to 90%.

D. Within 15 days after receipt of an invoice, you shall pay us all sums we have or will pay to a third party inspector or the inspection *per diem* charge in the Fee Schedule and reimburse us for all travel expenses (including, without limitation, airfare, automobile rental, lodging, and meals) incurred in connection with any re-inspection of the Franchise Location or Franchised Business to confirm that you have taken all corrective action required by this Section. We may electronically withdraw from your bank account as provided in Section 3.5 all charges provided for in this Paragraph.

16.2 Independent Evaluation. We may at any time deliver to you at least 30 days' notice requiring that you engage an evaluation service we have approved to make periodic independent inspections of the Franchise Location and the operation of the Franchised Business (the "Evaluator"). Within 30 days after your receipt of that notice, you shall engage the Evaluator. and thereafter maintain and pay for an evaluation service we have approved to make periodic inspections of the Franchise Location and the operation of the Franchised Business and deliver a written report on that inspection to you and us. You shall take all corrective action and make all improvements identified in the evaluator's report promptly after your receipt of the report.

16.3 Resolving Customer Complaints. You shall respond immediately to any customer complaint and use your best efforts to resolve the complaint to the customer's satisfaction immediately, making refunds and providing complimentary CBD American Shaman Products as appropriate. If you have not resolved any customer complaint by the day after you receive it, you shall report that complaint to us by sending us a description of the customer complaint and your efforts to resolve the complaint to us by electronic mail (the "Customer Complaint Report"). At any time after receipt of a Customer Complaint Report or a complaint directly from a customer, we may (but do not have to) take any action to assist in resolving it or mandate a resolution that you shall implement at your sole cost.

16.4 Franchisee Association.

A. You shall be a member of and participate in the American Shaman Franchisee Association, Inc., a Delaware nonprofit corporation (the "Franchisee Association") that we have established to provide a forum for us to disseminate information to franchisees, for franchisees to discuss relevant issues and communicate them to us, and through which franchisees can coordinate marketing, advertising, and promotion of the System. You shall pay the Franchisee Association any fee set by the Franchisee Association, currently \$50 per month due on the first day of the first calendar month after your Opening. We and Our Affiliates shall have the right, but no obligation, to make any financial contribution to the Franchisee Association we deem necessary or beneficial, including without limitation contributing any portion of the National Marketing Fund, the Technology Fee, or revenue earned from sales of Proprietary Products to franchisees to the Franchisee Association and requiring the Franchisee Association to expend those sums on local advertising.

B. We may at any time establish one or more additional franchisee associations and/or advisory councils (collectively, "franchisee association"). We shall determine the form, structure, nature, purpose, membership, and role of any franchisee association we create and the bylaws, rules, regulations, and procedures that govern its operation. If we establish a franchisee association with a membership that includes your Franchised Business, you shall be a member of and participate in that franchisee association.



17. INSURANCE.

17.1 Commercial General Liability. You shall obtain and maintain in full force and effect throughout the Term commercial general liability insurance with a single combined liability limit of not less than \$1,000,000, insuring against all liability of you, Your Interested Parties, and your agents and employees arising out of or related in any manner to the operation of the Franchised Business or use of the Franchise Location, including all damage from signs, glass, fixtures, equipment, or other appurtenances situated in or on the Franchise Location now or at any later date. Your commercial general liability coverage shall include General Commercial Liability Endorsement CG 20 29 04 13 – Additional Insured – Grantor of Franchise.

17.2 Automobile Liability. You shall obtain and maintain throughout the Term a policy providing hired and non-owned automobile liability insurance with a single combined liability limit of not less than \$1,000,000.

17.3 Additional Insured; Provisions; Other Coverage. We shall be additional named insured on all policies of insurance carried by you on the Franchise Location or its contents or with respect to the Franchised Business, except worker's compensation insurance. All policies of insurance you carry shall: (a) be primary and noncontributing with any other insurance; (b) be written by a company or companies authorized to engage in the business of general liability insurance in the state in which the Franchise Location is situated, with a Best's rating of at least A-7; (c) contain cross-liability endorsements; and (d) contain an endorsement requiring 30 days written notice to us before the policy may be cancelled or altered. You shall deliver to us at least 15 days before the Opening and at least 20 days before expiration of each policy term certificates of insurance evidencing the coverage required by this Article, with evidence that the premiums have been paid. You shall obtain any other or additional insurance you think is appropriate or desirable, including fire, theft, extended coverage, and business interruption insurance for your Shaman Store. We make no representation or warranty that the insurance required by this Article covers all the risks against which you, the Franchised Business, or the Franchise Location should be insured.

17.4 Waiver of Subrogation. You and we release one another and you release Our Affiliates, and Our Affiliates' respective officers, directors, shareholders, agents, employees, independent contractors, accountants, attorneys, consultants, and representatives (collectively, "Related Parties") from any claims for damage to any person, the Franchise Location, and/or the buildings, fixtures, equipment, personal property, improvements, or alterations located in or on the Franchise Location caused by or resulting from risks insured against under any insurance policies carried by you or us and in force at the time of the damage. You shall cause each insurance policy you obtain to provide that the insurance company waives all right of recovery by way of subrogation against us and/or our Related Parties in connection with any damage covered by any policy.

17.5 Remedies. If you do not obtain and maintain any of the insurance required by this Article within five days after our demand for compliance, in addition to all other rights or remedies given us by this Franchise Agreement or Applicable Laws, we may, but have no obligation to, obtain and maintain that coverage. You shall pay us on demand, and we may withdraw electronically as provided in Section 3.5, all charges we incur to obtain and maintain the coverage, plus interest at the maximum rate then legally permitted for commercial transactions from the date we paid the charges until reimbursement is received.

17.6 Increases. You shall increase the insurance coverage required by this Article at any time during the Term, but not more frequently than once in any 12 month period, upon receipt of notice that we have determined that the amount of that insurance is inadequate and shall deliver to us within 30 days after receipt of that notice a certificate evidencing the increased coverage.



17.7 Insurance Package. If at any time after the Effective Date, we provide notice that we have engaged an insurance company to provide a minimum insurance package to all franchisees, you shall deliver to us within 90 days after receipt of that notice a certificate evidencing the minimum required insurance coverage issued by the designated insurance company.

18. INDEMNITY. Because you will be actively operating and controlling the Franchise Location and Franchised Business, you shall indemnify, defend, and hold harmless us, Our Affiliates and our Related Parties and their and our respective successors and assigns from and against any loss, claims, costs, demands, liabilities, obligations, duties, damages, causes of action, actions, fines, penalties, interest, and expenses of any kind or nature whatsoever (including, without limitation, attorneys', consultants', and expert witness fees at trial and on any appeal) arising out of or related in any manner whatsoever to the Franchised Business and/or your use or occupancy of the Franchise Location or any improvements, fixtures, or equipment located in or on it, whether asserted during or after the Term.

19. TAXES AND ASSESSMENTS; PERMITS AND LICENSES.

19.1 Your Duty. You shall pay on or before the due date all payroll, personal property, franchise, sales, and other taxes or assessments imposed by any governmental entity or agency on or on account of the conduct of the Franchised Business or its receipts, other than income taxes on our income. If any of those taxes are levied against or paid by us, you shall reimburse us for those taxes on demand. You shall obtain and timely renew all permits and licenses required by any Applicable Laws or governmental entity or agency for operation of the Franchised Business or your use or occupation of the Franchise Location.

19.2 Remedies. If you do not pay any taxes or obtain any permits or licenses described in Section 19.1 within five days after the earlier of notification of noncompliance or our demand for compliance, in addition to all other rights and remedies given us by this Franchise Agreement or Applicable Laws, we may, but are not obligated to, pay those taxes (including any penalties and/or interest charges) or obtain those permits or licenses for you and on your behalf. You irrevocably designate, constitute, and appoint us your attorney-in-fact for those purposes. You shall pay us on demand, and we may withdraw electronically as provided in Section 3.5, all sums we spend for those taxes, permits, and licenses, plus interest at the maximum rate then legally permitted for commercial transactions from the date we paid the monies until repayment is received.

20. LIMITATIONS ON ASSIGNMENT.

20.1 Consent Required. To assure your continued personal responsibility for the operation of the Franchised Business and to protect the Shaman Name, Shaman Marks, Shaman Business Method, goodwill, and reputation and the Other Proprietary Information for the benefit of us and all CBD American Shaman franchisees, neither all nor any part of your interest in this Franchise Agreement, the Franchised Business, or the Franchise Location shall be assigned, sold, transferred, encumbered, or otherwise disposed of, voluntarily or by operation of law (individually a "Transfer" and collectively, "Transfers"), without our prior written consent, which shall not be unreasonably withheld but may be conditioned on fulfillment of any reasonable conditions (including, without limitation, those in Article 21), and may be denied on any reasonable grounds, including (without limitation) that: (a) the offer and sale of a Franchised Business to the proposed assignee does not constitute an exempt offer under both the Federal Trade Commission Franchise Rule and all other Applicable Laws pertaining to the offer or sale of franchises, (b) we consider the proposed recipient not to be sufficiently qualified to operate the Franchised Business based upon our assessment of the proposed recipient's business acumen, aptitude, experience, capability, financial stability or responsibility, involvement in another business enterprise, or other relevant characteristics; (c) we consider the purchase price and terms to provide for compensation that will create too great a risk that the transferee will default under the Franchise Agreement; (d) you do not propose to assign, sell, transfer, or



otherwise dispose of all of your interest in this Franchise Agreement, the Franchised Business, the Franchise Location, and the FFE; or (e) you are in default under this Franchise Agreement or any other agreement with us or any of Our Affiliates. No transfer shall be made unless you assign to the transferee the Lease or, if you own the Franchise Location, sell the Premises to the transferee or grant the transferee the right to occupy the Franchise Location for the balance of the Term.

20.2 Information. In connection with a request for consent to a Transfer, you shall deliver to us in writing (a) the name of the proposed transferee; (b) a description of the interest of which you propose to dispose, the nature of the proposed disposition, and the proposed consideration, terms, and conditions, if any; (c) a complete copy of the proposed form of Transfer documents and all contracts, instruments, and agreements relating to the proposed Transfer together with your certification that those constitute true and complete copies of all of the documents to be executed in connection with the Transfer and embody all the terms and conditions agreed to between you and the proposed transferee; (d) the proposed transferee's completed application on the form we are then using and any other information regarding the proposed transferee we require; (e) the proposed transferee's consent to and our receipt of a report of an investigation of the proposed transferee by a third party source we select that is satisfactory to us; (f) all documents relating to the conditions set forth in Section 20.1; and (g) any other financial or other information we request concerning the proposed transferee or the Transfer.

20.3 Deemed Transfers. The following shall be deemed to be Transfers requiring consent under this Article: (a) any transfer to a trust, corporation, partnership, limited liability company, or other entity; (b) if you are a corporation or limited liability company, any conversion, dissolution, merger, consolidation, or other reorganization, or sale or other transfer of any shares or membership units to a person or entity that is not an existing shareholder or member, or any sale of assets or change in the chief executive, operating, or financial officer or any manager; (c) if you are a partnership, any change in or withdrawal of any partner or conversion, merger, consolidation, or other reorganization or any dissolution of the partnership; and (d) if you consist of more than one person, any transfer from one person to any other.

20.4 Effect; Disclosure.

A. Any attempt to assign, sell, transfer, encumber, or otherwise dispose of any interest in this Franchise Agreement or the Franchised Business other than in accordance with the provisions of this Franchise Agreement shall be null and void. Our consent to one assignment, sale, transfer, encumbrance, or other disposition shall not be deemed a waiver of this provision or consent to any subsequent assignment, sale, transfer, encumbrance, or other disposition. Our approval of any proposed transfer by you shall not be construed as a representation or warranty by us that the terms or conditions of the proposed transfer are economically sound or that the proposed transferee will be capable of successfully conducting the Franchised Business. If a Transfer is not affected within 90 days after the date we consent to it or if there is any change in the terms of the proposed Transfer or any of the information provided to us, the consent we have given shall be deemed revoked and no Transfer shall be effected without obtaining our consent.

B. We may, but are not obligated, to furnish any prospective transferee with copies of any financial information relating to the Franchised Business in our possession. We may, but are not obligated, to inform any prospective transferee of any claimed uncured breach or default by you under this Franchise Agreement or any other agreement relating to the Franchised Business.

20.5 Transfer by Us. We may sell or assign all or any portion of our interest in this Franchise Agreement or the System to any person or entity who expressly assumes those obligations in writing at the time of the transfer. We may encumber all or any part of our interest in this Franchise Agreement or the System at any time.



21. CONDITIONS TO ASSUMPTION OF YOUR INTEREST; FEE.

21.1 General Conditions. No person or entity may succeed to your interest in this Franchise Agreement or operate the Franchised Business in your place unless and until:

- a. If Applicable Laws require, the prospective transferee has received and acknowledged receipt of the form of Franchise Disclosure Document we are then using for renewal and transfers and the waiting period prescribed by Applicable Laws has expired;
- b. The prospective transferee if he, she, or they are an individual or the prospective transferee's Operating Partner if it is an entity satisfactorily completes a course of training we prescribe and we receive any payment required for that training;
- c. The prospective transferee has agreed in writing to be bound by and executed a copy of the form of Franchise Agreement we are then offering to prospective assignees of single unit franchises;
- d. The prospective transferee has the right or option to occupy the Franchise Location for the balance of the term of the Franchise Agreement;
- e. Concurrently with the request for approval, we have received payment of the nonrefundable franchise transfer fee in the Fee Schedule, which is currently none if you are transferring to an entity that will be owned entirely by you or to a trust as long as you retain full control of your interest and 50% of the then-current initial franchise fee for all other transfers;
- f. Any breach of your obligations to us or any of Our Affiliates has been cured;
- g. All sums payable by you to us or any of Our Affiliates before the effective date of the transfer have been paid or arrangements satisfactory to us or Our Affiliates, as the case may be, have been made for the assumption of those obligations by the transferee;
- h. Each individual who will be the franchisee or each person who will be an owner of any entity franchisee has executed and delivered to us an Owner's Agreement in the form we are then requiring or any other form we are then using for that purpose; and
- i. You and each person who has previously executed an Owner's Agreement in connection with the grant of the franchise to you has executed and delivered to us a general release in our favor and a covenant survival agreement on the form we are then using for that purpose.

21.2 Entity Conditions.

A. In addition to the requirements in Section 20.1 and the conditions in Section 21.1 and any other reasonable conditions, our consent to any Transfer of your interest in this Franchise Agreement or the Franchised Business or your transfer to a corporation or limited liability company may be conditioned on any or all of the following: (i) all the shares of stock or units of membership interest of the corporation or company being owned in the same proportions as they were owned before the transfer or our consenting to the transfer of a portion of the shares or units to holders other than you and you agreeing in writing to own legally and beneficially a majority of the shares or units at all times during the Term; (ii) the certificates evidencing shares or units bearing an appropriate legend prominently disclosing the existence of the restrictions on transfer contained in this Franchise Agreement; (iii) the governing documents requiring and you if you are an individual or your principal executive officer or manager if you are an entity agreeing to serve as the principal executive officer of the corporation or manager of the company at all times during



the Term; and (iv) each shareholder or member executing a personal guarantee of the corporation or company's obligations to us.

B. In addition to the requirements in Section 20.1 and the conditions in Section 21.1 and any other reasonable conditions, our consent to a Transfer, or other disposition of your interest in this Franchise Agreement or the Franchised Business or your transfer to a partnership may be conditioned on any or all of the following: (i) our approval of the composition of the partnership and the business acumen, aptitude, experience, financial stability or responsibility, and other relevant characteristics of each partner; (ii) the execution of a written partnership agreement that provides that no interest in the partnership shall be transferred or change in partnership composition made without our prior written consent and approval; and (iii) the partnership being a general partnership.

22. RIGHT OF FIRST REFUSAL.

22.1 Right. If you propose to assign, sell, transfer, or otherwise dispose, with or without consideration, of all or any portion of your interest in this Franchise Agreement, the Franchised Business or, if you are an entity, any interest in you, you shall promptly give us written notice of the proposed assignment, sale, transfer, or other disposition, including the information required by Section 20.2. Unless the transfer described in the notice is a conversion to a different form of entity without any change in equity ownership or a lifetime transfer to your spouse, domestic partner, or issue or the trustee of a trust the sole beneficiaries of which are you, your spouse, domestic partner, or issue, or some combination of them and will not result in any change in the day-to-day management of the Franchised Business, we or our nominee shall have the first right to acquire the interest described in your notice by giving you notice of the exercise of that right within 30 days after we receive your notice and all the information described in this Section. The notice of exercise shall set a place and a date no less than 30 nor more than 120 days later for transfer to us or our nominee of the interest described in your notice in return for the consideration, if any, described in your notice, except that we or our nominee may substitute an equivalent sum of cash for any consideration other than cash. On the date and at the place described in the notice of exercise, you shall deliver appropriate written evidence of transfer to us or our nominee of the interest described in your notice, subject to delivery by us or our nominee of the consideration, if any, described in your notice, as modified by this Section.

22.2 Non-Exercise. If we do not exercise the right of first refusal in Section 22.1, subject to the provisions of Articles 20 and 21, you may dispose of the interest described in your notice to the party named in your notice, in the manner, for the consideration, if any, and on the terms and conditions, if any, in your notice; provided, however, that if the transfer is not made within 90 days after the expiration of the right of first refusal in Section 22.1, any subsequent disposition shall be deemed to be a disposition subject to that right of first refusal. Any change in the consideration, terms, and/or conditions in your notice shall constitute a new offer and require compliance with Articles 20 and 21. Nothing contained in this Section shall be deemed or construed to give you the right to dispose of any interest in this Franchise Agreement or the Franchised Business other than in compliance with Articles 20 and 21.

23. RIGHT TO REQUIRE SALE ON DEATH, DISABILITY, OR DEADLOCK; RIGHT TO INTERIM MANAGER.

23.1 Right.

A. If (i) you, if you are an individual, or your Operating Partner if you are an entity, dies, is rendered incapable of attending to the Franchised Business for a period in excess of 60 days, is certified as mentally incompetent by a medical doctor duly licensed to practice medicine in the jurisdiction where the Franchise Location is situated, or has a guardian or conservator appointed (collectively, a "Disabling Event"), or (ii) you are an entity or more than one individual and we deliver written notice that we have determined that a



dispute has developed between or among some or all of the owners of the entity or you that is adversely affecting the Franchised Business (all, individually and collectively with a Disabling Event, an “Option Occurrence”), whether or not the Franchised Business has previously been transferred to a trust, we may require you or your heirs, beneficiaries, personal representative, estate, guardian, conservator, or other successor in interest or the trustee of any trust (individually and collectively, “Your Successor”) list with a licensed business opportunities broker qualified to sell franchised businesses and sell within 180 days for the best offer obtained within 120 days after listing to a buyer approved by us as required in Section 20.1, all of your interest in this Franchise Agreement, the Franchised Business, and the FFE, and lease, sublease, or otherwise grant the buyer the right to occupy the Franchise Location on terms acceptable to us (including, without limitation, the requirements of Section 4.2) for the balance of the Term.

B. Within 10 days after any Disabling Event, you or Your Successor shall deliver to us written notice of the Disabling Event. We shall exercise the right given us in Paragraph A(i) by giving you or Your Successor notice of exercise within 120 days after we receive written notice from you or Your Successor or otherwise learn of a Disabling Event, or concurrently with or at any time after we deliver the notice provided for in Paragraph A(ii). Within 20 days after receipt of our notice of exercise of the rights in Paragraph A, you or Your Successor shall deliver to us written evidence of the listing required by Paragraph A.

C. If we do not exercise any of the rights in Paragraph A after a Disabling Event and you are not then in default under this Franchise Agreement, (i) you may continue to operate the Franchised Business so long as you select and we approve a new Operating Partner, or (ii) Your Successor may succeed to your interest in this Franchise Agreement and the Franchise Location and operate the Franchised Business after satisfying the conditions in Article 21. If we do exercise the right to require sale as provided in Paragraph A, we may exercise the right of first refusal provided in Article 22.

23.2 Appointed Manager. During any period of your incapacity, if you are an individual, or the incapacity of your Operating Partner or on the happening of any Option Occurrence, whether or not we exercise any of the rights in Section 23.1A, we may appoint a manager (who may be our employee) to oversee operation of the Franchised Business until, you or your Operating Partner, as the case may be, is capable of attending to the Franchised Business or, in any other case, a transfer of your interest in this Franchise Agreement is effected in accordance with this Franchise Agreement. You or Your Successor, as the case may be, shall pay, and we may electronically withdraw from your bank account as provided in Section 3.5, our charge for the manager’s salary, any transportation, travel, lodging, or related living expenses, and the management administration fee in the Fee Schedule within 30 days after receipt of an invoice.

24. CLAIM NOTICE AND RESOLUTION PERIOD. Before you deliver notice of termination of this Franchise Agreement based upon any claimed default by us you shall deliver to us a written statement setting forth the claims you would make and a detailed description of the basis for them, including the factual and legal support for them (a “Claim Notice”). During the 45 days after you deliver a Claim Notice (the “Resolution Period”) and prior to claiming to terminate this Franchise Agreement, you shall meet and confer with us at mutually agreeable times as we request to attempt to resolve the claims that are the subject of the Claim Notice. You may terminate this Franchise Agreement only if the claims in it have been the subject of a Claim Notice delivered to us and have not been resolved during the Resolution Period.

25. OUR TERMINATION RIGHTS.

25.1 Termination Events. In addition to all other rights given us by this Franchise Agreement or by Applicable Laws, we may terminate this Franchise Agreement if you:



- a. Fail to pay any sum due and payable to us as and when required by this Franchise Agreement and do not make that payment, including all applicable late charges and interest, within five days after receipt of notice from us;
- b. Fail to adhere to the brand designations or approvals, product, supply, FFE, and other specifications, standards, rules, regulations, methods, techniques, and procedures in latest version of the Shaman Manual available on Franchise Resources and do not take appropriate corrective action within three days after receipt of notice from us;
- c. Sell any Unpermitted Item or fail to carry a full range of Shaman Products at the Franchise Location, and do not take appropriate corrective action within three days after receipt of notice from us;
- d. Violate the requirements of Section 1.3 regarding use of the Shaman Name, Shaman Marks, or Shaman Business Method and do not take appropriate corrective action within three days after receipt of notice from us;
- e. Violate the restrictions in Section 1.3 regarding use of the Shaman Name, Shaman Marks, or Shaman Business Method;
- f. Permit access to the Shaman Manual, Onboarding Packet, or Franchise Resources or disclose, divulge, disseminate, display, duplicate, reveal, reproduce, publish, sell, show, or communicate the Shaman Business Method, any of the contents of the Shaman Manual, or any of the Other Proprietary Information to any person or entity except as permitted by this Franchise Agreement;
- g. Fail to use and maintain all reporting and data systems and/or make any report or maintain and retain any records in accordance with Article 12 and do not cure that failure within five days after receipt of notice from us;
- h. Fail to enter in the POS System any item of Gross Revenue, use any point of sale system other than the POS System at your Franchise Location, or submit to us on three or more occasions during the Term, whether or not consecutive, reports of Gross Revenue that any audit or audits we conduct reveals to have understated Gross Revenue by more than 2%;
- i. Fail to (i) be present at and work in the Franchise Location, if you are an individual, or fail to have your Operating Partner be present at and work in the Franchise Location as required by Section 15.1 and/or (ii) have your Manager present in and supervising, overseeing, and managing operation of the Franchise Location during all other times, unless prevented by a national emergency, act of terrorism, act of Nature, or disaster;
- j. Fail to deliver to us on or before the date described in Section 17.3 evidence of the insurance coverage required by Article 17 and do not obtain that insurance within five days after receipt of notice from us;
- k. Have any insurance described in Article 17 cancelled by the carrier and fail to obtain replacement coverage at least five days before the cancellation date;
- l. Purport to Transfer all or any portion of your interest in this Franchise Agreement, the Franchised Business, or you (if you are an entity) in violation of Article 20, 21, or 22;
- m. Cease to operate the Franchised Business or do not open the Franchise Location for business for two days in succession, unless that failure is due to a force majeure;



- n. Fail to comply with any of the Applicable Laws, including (without limitation) fail to pay any taxes or to obtain any license or permit described in Section 19.1 within five days after the earlier of notification of noncompliance or receipt of our demand for compliance;
- o. Display, carry, offer, trade, or sell any item that violates Applicable Laws, any marijuana product, or any Unpermitted Item containing hemp at your Franchise Location or through the Franchised Business;
- p. Fail to comply with the Minimum Purchase Commitment for three consecutive calendar months;
- q. Default in performance of any of your covenants, duties, or obligations under this Franchise Agreement or fail to fulfill any condition of this Franchise Agreement not described in subparagraphs (a) through (p) and do not cure that default within 10 days after notice from us;
- r. Fail on three or more occasions during any 12-month period to pay when due or have available when we make a direct Electronic Withdrawal any sum due and payable to us as required by this Franchise Agreement, whether or not the payment was ultimately made;
- s. Fail to comply with each and every term, covenant, and condition and to perform on time each of your duties and obligations as required by this Franchise Agreement, other than your obligation to pay us money, on three or more occasions in any calendar year or on more than five occasions throughout the Term, whether or not the performance was ultimately rendered;
- t. Default in the performance of any of your covenants, duties, or obligations as required by any other agreement between you and us, any of Our Affiliates, and/or any third party relating to the Franchised Business, the FFE, or the Franchise Location and do not cure that default within the time, if any, allowed for cure;
- u. Own any interest in, or any of Your Interested Parties or your Manager owns any interest in, any entity or business that defaults in the performance of any of its covenants, duties, or obligations as required by any other agreement between that party and us or any of Our Affiliates or our Related Parties, and/or with any third party relating to any business that is the subject of any franchise, license, or other agreement between that person or entity and us or any of Our Affiliates or our Related Parties, and you or the defaulting party do not cure that default within the time, if any, allowed for cure;
- v. Have any decree or order for relief issued with regard to you in an involuntary case under any applicable bankruptcy, insolvency, or other similar law in effect now or at a later date or appointing a receiver, liquidator, assignee, custodian, trustee, or similar official for you or any substantial part of the property of the Franchised Business, or ordering the winding up or liquidation of your affairs or the affairs of any of your owners if you are an entity, and that decree or order remains unstayed and in effect for 60 consecutive days;
- w. Commence a voluntary case under any applicable bankruptcy, insolvency, or other similar law in effect now or later, or consent to the entry of an order for relief in any voluntary case under any law of that type, or consent to the appointment of a receiver for you or the Franchised Business, or taking by a receiver, liquidator, assignee, custodian, trustee, or similar official of any substantial part of the property of the Franchised Business, or make any general assignment for the benefit of creditors, fail generally to pay your debts as they become due, admit your inability to pay your debts as they become due, or take any action in furtherance of any of the things described above or, if you are an entity, any of your owners does any of those things;



x. Fail to obtain release of any writ of attachment or execution levied against all or any part of your interest in the Franchised Business, the Franchise Location, the Approved Inventory, the FFE, or any fixtures, equipment, monies, goods, products, or inventory located in or on the Franchise Location within five days after levy;

y. Fail to satisfy any final judgment against you, the Franchised Business, or (if you are an entity) any of your owners for 30 days without filing a *supersedeas* or other appeal bond and all or any part of the Franchised Business, the Franchise Location, or any of the Approved Inventory, the FFE, or any fixtures, equipment, monies, goods, products, or inventory situated at or in the Franchise Location is seized, taken over, or foreclosed on by any government official, creditor, lienholder, or landlord;

z. Commit any act or engage in any conduct that in our commercially reasonable opinion reflects unfavorably on, endangers, or damages any of the Shaman Name, Shaman Marks, goodwill, or the reputation or operation of the Franchised Business or System, including (without limitation) being convicted of a felony or other criminal misconduct;

aa. Make or have made any misrepresentation to us; or

bb. Cease to have the right to occupy the Franchise Location and do not have a right to relocate the Franchised Business as provided in Section 2.3.

25.2 Termination Notice Delivery. Any termination notice delivered as provided in Section 25.1 or any other Section of this Franchise Agreement shall be deemed delivered as provided in Section 31. If you refuse to accept delivery of the notice it shall be deemed delivered on the date of your refusal.

26. CONTINUING LIABILITY; LIQUIDATED DAMAGES.

26.1 Continuing Liability. Notwithstanding the termination of this Franchise Agreement under Article 25, we retain all rights and remedies given us by this Franchise Agreement or by law and you shall remain fully liable for the performance of your existing duties and obligations arising out of this Franchise Agreement or the operation of the Franchised Business, including (without limitation) your obligations to maintain Your Records and make them available to us as required by Article 12; your noncompetition and nondisclosure obligations under Article 13; your nondisclosure obligations relating to the Shaman Manual, the Shaman Business Method, the Other Proprietary Information, and any other information this Franchise Agreement provides is proprietary, confidential, or not to be disclosed; your obligation to indemnify us and our Related Parties as provided in Article 18; and payment of: (a) all amounts then due to us or that become due to us as a result of that termination; (b) the accrued salaries of your employees and all taxes related to those salaries; and (c) all costs and expenses incurred and all profits we have lost as a result of the termination, all of which shall survive the termination or expiration of the Term for any reason or its expiration.

26.2 Liquidated Damages. If we terminate this Franchise Agreement prior to expiration of its term because you default in performance under this Franchise Agreement by displaying, carrying, offering, trading, or selling any product that violates Applicable Law, any marijuana product, or any Unpermitted Item that contains hemp you shall deliver to us in a single payment by wire transfer no more than 10 days after the termination date as damages for the reputational and goodwill losses we incur and not as a penalty, an amount equal to \$50,000 (the “Liquidated Damages”). You acknowledge that the sale of any product that violates Applicable Law, any marijuana product, or any Unpermitted Item that contains hemp at the Franchise Location, through the Franchised Business, or using the Shaman Name or any of the Shaman Marks, will harm the reputation of the System and the goodwill associated with it and we will suffer losses and damages the exact amount of which it would be extremely difficult and impracticable to ascertain.



You agree that the Liquidated Damages represents a fair and reasonable estimate of the losses and damages to the reputation of the System and the goodwill associated with it we will suffer if you display, carry, offer, trade, or sell product that violates Applicable Law, any marijuana product, or any Unpermitted Item that contains hemp at the Franchise Location, through the Franchised Business, or using the Shaman Name or any of the Shaman Marks. To the greatest extent permissible under Applicable Law, the Liquidated Damages are cumulative, imposed solely to compensate for reputational harm and damage to goodwill, and does not preclude any other payment, right, remedy, damages, or relief given to us by this Franchise Agreement or Applicable Laws, including (without limitation) the right to indemnification.

27. PROCEDURE FOR WINDING UP FRANCHISED BUSINESS.

27.1 Procedure.

A. Upon cancellation, termination, or expiration of this Franchise Agreement, you shall:

i. Stop using the Shaman Name or any of the Shaman Marks, the Shaman Business Method, the Other Proprietary Information, and any item we designate as trade dress from time to time, or any of them, in any manner whatsoever, execute all documents necessary to give notice of cessation, including (without limitation) a statement of abandonment of fictitious, trade, or assumed business name, and deliver to us within five days after the cancellation, termination, or expiration photographs and/or videos of the Franchise Location evidencing any required debranding and deidentification of the Shaman Name, any of the Shaman Marks, or any item we designate as trade dress;

ii. Maintain the confidence of and not thereafter disclose or use any information you have regarding the Shaman Business Method or the Other Proprietary Information;

iii. Immediately deliver to us all materials containing the Shaman Name or any of the Shaman Marks or any other names or marks that belong to us, all materials relating or referring to or containing the Shaman Business Method or the Other Proprietary Information, and all materials containing any copyright, symbols, devices, insignia, designs, labels, or logotypes that belong to us or any of Our Affiliates, including (without limitation) the Shaman Manual and all bulletins, instruction sheets, memoranda, guidelines, and forms and irretrievably delete all those, including the POS System and its executable files from every computer drive, tablet, or electronic storage medium in your possession or under your control;

iv. Do all things necessary or appropriate to transfer to us or our nominee all telephone, facsimile, modem numbers, or other electronic communication numbers, IP addresses, or other addresses used in connection with the Franchised Business and make appropriate changes in directory listings;

v. Pay us on or before the expiration date or the effective date of the termination all sums due or to become due to us under this Franchise Agreement; and

vi. Deliver to us a Franchise Termination and Covenant Survival Agreement and Release in the form we provide, signed by or on behalf of you and each person holding an equity interest in you or who has signed an Owner's Agreement.

B. Upon termination of this Franchise Agreement under Article 25, in addition to the requirements of Section 27.1A, if we require, you shall: (i) vacate the Franchise Location on or before the effective date of the termination and assign the Lease to us or our nominee or, if you are the owner of the Franchise Location, lease the Franchise Location to us or our nominee for a period equal to the remaining period in the initial Term, with an option to renew for one five year term, at the fair rental value and on terms comparable to those generally offered for comparable commercial premises on the termination date but including the



provisions described in Section 4.2; (ii) sell or assign to us or our nominee all of your interest in all or any portion of the signs, displays, FFE, fixtures, or equipment located on or at the Franchise Location and we shall pay you for your interest in those signs, displays, FFE, fixtures, or equipment you own a sum equal to the aggregate of the payments you made to acquire your interest in those signs, displays, FFE, fixtures, or items of equipment, less any portion of that sum you paid as rent, lease payments, or interest and a depreciation allowance of 25% for each year since their purchase, but not less than 10% of the original cost of each item; and (iii) sell all or any part of the goods, products, supplies, and Approved Inventory in the Franchise Location to us or our nominee for the same price you paid for them. If we do not exercise the right given us in clause (i) of this Paragraph, you shall do all things we require to de-identify the Franchise Location and remove or alter all elements and characteristics of its appearance that we consider part of our trade dress.

C. Notwithstanding any other provision of this Article, neither we nor our nominee shall be required to purchase any FFE that is not in good condition and fully operational or usable or any fixtures, equipment, goods, products, supplies, merchandise, or inventory of a brand we have not then approved or not meeting any specifications we have established or that is older than any expiration or use by date on the goods, products, supplies, merchandise, or inventory.

27.2 Failure to Perform. If you do not perform any act described in Section 27.1A within the time period provided, in addition to all other rights given to it by this Franchise Agreement or by law, we may:

a. Enter the Franchise Location without being deemed guilty of trespass or conversion or any other tort and without liability to you or your successors in interest and make the changes and removals described in Section 27.1A for and at your expense and you shall pay that expense on demand;

b. Execute for and in your name any instruments necessary to accomplish the things described in Section 27.1A, and you hereby irrevocably appoint, constitute, and designate us as your attorney-in-fact to do any acts and things necessary to accomplish the winding up of the Franchised Business in accordance with Section 27.1A; and

c. If we have a right to be permitted to occupy or acquire the Franchise Location, remove from the Franchise Location and store at your expense at a location we select any personal property in the Franchise Location that we choose to remove. All that property shall be forfeited to us for storage costs if it is not claimed and all storage costs are not paid within 90 days after the termination of this Franchise Agreement or the expiration of its term, as the case may be.

28. RIGHT TO SPECIFIC PERFORMANCE AND INJUNCTION. Because the Franchised Business is part of a system of commercial establishments that have a common appearance and present a uniform public identity and because the Shaman Name, Shaman Marks, and Shaman Business Method are unique, your failure to comply with the terms of this Franchise Agreement would cause irreparable damage to us, our Related Parties, other CBD American Shaman franchisees, the System, and the Shaman Name, Shaman Marks, and Shaman Business Method. Accordingly, if you do not comply with any of your obligations as required by this Franchise Agreement, other than your obligations to pay money to us, we shall be entitled to a decree of specific performance enforcing those provisions and/or an injunction against continued conduct in violation of this Franchise Agreement against you, your officers, directors, shareholders, members, managers, partners, agents, servants, employees, and all others in active concert or participation with you, without notice and without bond or other security.

29. LATE CHARGE; APPLICATION OF PAYMENTS; OFFSET; NONPERFORMANCE FEE; SERVICE CHARGES.



29.1 Late Charge. If we do not receive payment of any sum payable to us under this Franchise Agreement within 10 days after the due date, we shall incur expenses not contemplated by this Franchise Agreement, including (without limitation) processing, accounting, collection, and other administrative expenses, the exact amount of which it would be extremely difficult and impracticable to ascertain. Therefore, you agree that if we do not receive any payment due to us from you under this Franchise Agreement within 10 days after the due date, you shall deliver to us with the past due payment a late charge equal to 10% of the past due payment but not less than \$50. You agree that this late charge represents a fair and reasonable estimate of the expenses we will incur as a result of late payments. We have the right to choose to impose this fee if you fail to pay any amount due within 10 days after the due date, but may not always impose the fee, depending on our discretionary assessment of the circumstances. Acceptance of any late charge shall not constitute a waiver of your default with respect to the past due amount or prevent us from exercising any other rights given us by this Franchise Agreement or law.

29.2 Application of Payments; Offset. We may apply any payments received from you to any items then due or past due from you regardless of any designation you make. We may offset against any sums belonging to you or to which you are entitled any sums you owe us or will, with the passage of time, owe us. You may not offset against any amounts due or payable to us any sums you claim are due from us to you without our prior written consent.

29.3 Noncompliance Fee. You acknowledge that if you have not complied with one or more of your obligations in Articles 10, 11, or 14 through 16 and Sections 7.2B, 8.3, and 12.1 (the “Standards Provisions”) and you fail to cure that noncompliance in the time period provided in our notice, we and other franchisees will suffer damage to the goodwill and public image of the System, the exact amount of which is not readily ascertainable with certainty. Accordingly, you agree that as a reasonable estimate of the damage, if we give you notice of a violation of any of the Standards Provisions and you do not cure that violation in the time period provided in our notice, you shall pay us, in addition to all other sums due to us, a \$500 noncompliance fee for each default for the first month in which you are noncompliant, a \$750 noncompliance fee for each default for the second month in which you are noncompliant, and a \$1,000 noncompliance fee for each default for each subsequent month in which you are noncompliant (the “Noncompliance Fee”). You shall deliver the noncompliance fee to us within five business days after you receive an invoice and we may collect it in any manner, including (without limitation) by electronic withdrawal from your bank account as provided in Section 3.5.

29.4 Service Charge. You acknowledge that if we exercise any of the rights given us by Article 11 (maintenance; Refurbishment; additional FFE), Article 12 (recordkeeping; reports; inspections and audits), Section 14.3 (advertising and promotional campaigns), Section 14.12 (signs), Article 17 (insurance), or Article 19 (taxes and assessments; permits and licenses) (collectively, the “Remediable Violations”), we will be performing for and on your behalf certain of your obligations and duties under this Franchise Agreement and, in so doing, we shall incur expenses not otherwise contemplated by this Franchise Agreement, the exact amount of which it would be extremely difficult and impracticable to ascertain. Those expenses include (without limitation) administrative costs related to the procurement and supervision of the remedial work and processing, accounting, and collection costs. Therefore, if we take any remedial action permitted for any of the Remediable Violations, you shall pay us on demand, and we may electronically withdraw from your bank account as provided in Section 3.5, in addition to all other sums due to us, a service charge equal to 5% of the charges we incurred in taking that remedial action, but not less than \$50. You agree that this service charge represents a fair and reasonable estimate of the costs we will incur in taking that remedial action. Acceptance of any service charge shall not constitute a waiver of your default with regard to the obligation or duty we elected to fulfill or prevent us from exercising any other rights given us by this Franchise Agreement or law.

30. DISPUTE RESOLUTION AND LITIGATION.



30.1 Mediation.

A. Except as otherwise provided in this Article, before we or you may initiate an action in court against the other or commence an arbitration proceeding, the claimant must first deliver to the other party a written statement setting forth the claims it would make and a detailed description of the basis for them, including the factual and legal support for them (a “Claim Statement”) and meet and confer in person or by video conference at a mutually acceptable time within 15 days after delivery of the Claim Statement to attempt to resolve the dispute between us (the “Personal Meeting Period”). If the dispute is not resolved during the Personal Meeting Period, the claimant must submit all its claims to non-binding mediation with the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes within 15 days after the Personal Meeting Period. The mediation shall take place in Kansas City, Missouri. Each party shall identify an officer with decision-making authority who shall attend the mediation. We and you shall share the costs of the mediation equally.

B. We may at any time by amending the Shaman Manual, or otherwise in writing, designate: (i) an administrative entity other than the American Arbitration Association to administer any mediation required to be brought under this Section and (ii) different or additional procedures or rules for any mediation.

30.2 Arbitration.

A. Except as otherwise provided in this Article, any dispute between us and you (or any of our respective affiliates, officers, directors, or managers) arising under, out of, in connection with, or in relation to this Franchise Agreement, the Franchised Business, the Franchise Location, or the relationship between us and you shall be submitted to binding arbitration administered by the American Arbitration Association pursuant to their then-current commercial arbitration rules and procedures and as provided in the Federal Arbitration Act without reference to any state arbitration statutes, rules, or regulations. All questions of arbitrability will be determined by the arbitrator prior to or during arbitration. The arbitration shall take place in Kansas City, Missouri. The arbitration shall be heard by one arbitrator who has at least 10 years of experience in business or franchise law. The arbitrator must follow the law and not disregard the terms of this Franchise Agreement.

B. Any arbitration shall be on an individual basis. Neither we, you, nor the arbitrator shall have any authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any other claim or any other proceeding involving third parties.

C. A judgment may be entered on the arbitration award by any state or federal court in the state where we maintain our headquarters or the state where the Franchised Business is located. The decision of the arbitrator will be final and binding on all parties to the dispute; however, the arbitrator may not under any circumstances: (i) stay the effectiveness of any award pending termination of this Franchise Agreement; (ii) assess punitive or exemplary damages; or (iii) make any award that extends, modifies, or suspends any lawful term of this Franchise Agreement or any reasonable standard of business performance set by us.

30.3 Claims Not Subject to Mediation or Arbitration. Notwithstanding Sections 30.1 and 30.2, the following claims will not be subject to mediation or arbitration: (a) any action seeking preliminary or permanent injunctive relief, whether brought prior to, during, or after the pendency of any mediation or arbitration proceedings initiated pursuant to this Franchise Agreement, and (b) any action in ejectment or for possession of any interest in real or personal property.

30.4 Limitations of Actions. Except for payments owed by one party to the other and unless prohibited by Applicable Laws, as a precondition to bringing any claim, you must provide written notice of any dispute



regarding any action or inaction by us or Our Affiliates within 30 days of the events giving rise to that dispute or claim or the same is deemed waived. We and you agree that any legal action of any kind by a party arising out of or relating to this Franchise Agreement or a default of this Franchise Agreement must be commenced within one (1) year from the occurrence of the facts giving rise to any such claim or action or such claim or action will be barred provided, however, that the forgoing limitation shall not apply where required by applicable law, to the parties indemnification obligations under this Franchise Agreement.

30.5 Choice of Law. Except to the extent prohibited by Applicable Laws, the laws of the State of Missouri, without regard to its law on conflicts of law, shall govern the validity, construction, performance, and enforcement of this Franchise Agreement or any dispute relating to it, the Franchised Business, the Franchise Location, or the relationship between us and you. Provided, however, if (a) any provision of this Franchise Agreement would not be enforceable under Missouri law and you or the Franchised Business are located outside the State of Missouri, and (b) that provision would be enforceable under the laws of the state in which you or the Franchised Business are located, then that provision shall be interpreted and construed under the laws of the state in which you or the Franchised Business is located, whichever would enforce that provision or, if both would enforce it, whichever we select. Nothing in this Section is intended to subject this Franchise Agreement to any statute or regulation (including those that regulate the offer or sale of franchises or franchise relationships) that would not by its own terms apply to this Franchise Agreement.

30.6 Forum; Venue. Any legal action, claim, or lawsuit directly or indirectly arising out of or related in any manner to this Franchise Agreement, the Franchised Business, the Franchise Location, or the relationship between us and you shall be instituted exclusively in the federal or state courts located in Jackson County, Missouri and nowhere else. A legal action, claim, or lawsuit that is subject to federal jurisdiction for any reason shall be instituted exclusively in a federal district court located in the Western District of Missouri. We and you consent to the personal jurisdiction of the courts as provided in this Section and waive any questions of or defenses as to personal jurisdiction or venue for the purpose of carrying out this provision.

30.7 No Class Actions. No action or proceeding directly or indirectly arising out of or related in any manner to this Franchise Agreement, the Franchised Business, the Franchise Location, or the relationship between us and you shall be brought as a class action. Any claim you bring or assert against us shall be brought or asserted only by and for you individually and not as a member of any class.

30.8 No Jury Trial. TO THE MAXIMUM EXTENT PERMITTED BY ANY APPLICABLE LAWS, YOU KNOWINGLY AND VOLUNTARILY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATED TO THIS FRANCHISE AGREEMENT, THE FRANCHISED BUSINESS, THE FRANCHISE LOCATION, OR THE RELATIONSHIP BETWEEN US AND YOU.

30.9 No Punitive Damages. You and we, for yourselves, ourselves and on behalf of your owners respectively, hereby waive to the fullest extent permitted by applicable law, any right to, or claim for, punitive or exemplary damages against the other, and agree that except to the extent provided to the contrary in this Franchise Agreement, in the event of a dispute you and we shall each be limited to recovering only the actual damages proven to be sustained any legal action of any kind.

30.10 Injunctive Relief. You acknowledge and agree that your failure to comply with any term of this Franchise Agreement other than those requiring the payment of money but including failure to comply promptly and fully with all post-termination obligations, is likely to cause irreparable harm to us, Our Affiliates, other CBD American Shaman American Shaman franchisees, and the System. Therefore, if you breach or threaten by actions or words to breach any term of this Franchise Agreement, we shall be entitled



to injunctive relief (both preliminary and permanent) restraining that breach and/or specific performance to prevent the irreparable harm that you agree your failure to comply will cause, without being required to post any bond or security. Any equitable remedies sought by us shall be in addition to, not in lieu of, all remedies and rights we otherwise may have under Applicable Laws or because of any breach of this Franchise Agreement.

31. ATTORNEYS' FEES AND COLLECTION COSTS.

31.1 Attorneys' Fees. If any arbitration, action, or proceeding is brought to enforce rights arising out of or related in any manner to this Franchise Agreement, the Franchised Business, the Franchise Location, or the relationship between us and you, the prevailing party shall be entitled to recover all costs, including (without limitation) any arbitration fees and expenses, including filing, administrative, and arbitrator fees, and reasonable attorneys' fees (including all expert witness and consultant fees and fees incurred in connection with any appeal) as costs of suit (and not as damages). For purposes of this Section, prevailing party shall mean the party who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other party of its claim or defense. Neither the amount of attorneys' fees awarded to a party nor the portion of an award to a party equal to the amount offered to that party in any statutory offer to compromise shall be included in calculating the amount of a judgment for purposes of determining whether a party is entitled to recover costs or attorneys' fees.

31.2 Collection and Termination Costs. You shall pay us on demand, in addition to all other sums due us, all attorneys' fees and other expenses we incur in connection with the collection of any sums past due from you under this Franchise Agreement and/or the termination of this Franchise Agreement, whether or not a legal proceeding is commenced or final judgment is obtained, unless you are awarded attorneys' fees under Section 31.1 in an action or proceeding brought by us to collect those sums or terminate your interest.

32. NOTICES; PAYMENTS.

32.1 Addresses. All notices and demands required or permitted to be given pursuant to this Franchise Agreement shall be in writing and personally delivered or sent by electronic mail, overnight courier service, or United States priority mail, addressed as follows:

If to us:

American Shaman Franchise System, LLC
1501 Iron Street
North Kansas City, MO 64116
Attention: Tara Latil, Director of Franchise Operations
Email: tara@cbdamericanshaman.com

With copy to:

American Shaman Franchise System, LLC
1501 Iron Street
North Kansas City, MO 64116
Attention: Morgan Sanders
Email: morgan@cbdamericanshaman.com



If to you:

Email: _____

The addresses in this Section may be changed by giving notice of that change in accordance with this Section.

32.2 Constructive Receipt. Notice shall be deemed to have been received upon delivery as to communications that are personally delivered or sent by overnight courier service, by electronic mail if transmitted any business day before 5:00 p.m. local time at the place of receipt or on the next business day if transmitted after 5:00 p.m. local time at the place of receipt, and upon the earlier of actual receipt or three postal delivery days after deposit in any United States mail post office box in the state to which the notice is addressed or four postal delivery days after deposit in any United States mail post office box other than in the state to which the notice is addressed, postage prepaid and addressed as set forth in this Article.

32.3 Delivery of Payments and Reports. All payments and reports to be made or delivered to us under this Franchise Agreement shall be made or delivered as required by this Franchise Agreement and to the address in Section 31.1. All payments must be received by us no later than the due date.

32.4 Dedicated Email Address. You must have a dedicated email address we can use to send you notices, updates, and other communications. Your email address may not include any part of our trade name unless it is modified by the word franchisee.

32.5 Electronic Counterparts. All notices or documents required or permitted to be delivered to you by us may be delivered electronically, including (without limitation) as a PDF attached to an email message, and shall be deemed delivered on any business day on which they are sent before 5:00 PM local time at the place of receipt or the next business day if not delivered before 5:00 PM local time at the place of receipt.

33. MISCELLANEOUS.

33.1 Time of Essence. Time is of the essence for each provision of this Franchise Agreement.

33.2 Successors and Assigns. Except as otherwise provided in Articles 20 and 21 and Section 22.1 the terms of this Franchise Agreement shall apply to, be binding upon, inure to the benefit of, and be enforceable by your and our respective personal representatives, successors in interest, heirs, and assigns.

33.3 Severability; Modification. If any term, covenant, or condition of this Franchise Agreement or the application of it to any person, entity, or circumstance is held invalid or unenforceable to any extent by a final decision of a court of competent jurisdiction or arbitrator, as applicable, after all appeal rights have been exhausted or have expired, that term, covenant, or condition shall be deemed amended to the extent and for purposes of that application to render it enforceable to the fullest extent permitted by law. The remainder of this Franchise Agreement, or the application of that term, covenant, or condition to persons, entities, or circumstances other than those as to which it is held invalid or unenforceable shall not be affected and shall be valid and enforced to the fullest extent permitted by law. Except as otherwise provided in this Section, no amendment to or modification of this Franchise Agreement shall be effective or enforceable unless contained in a writing signed by you and us.

33.4 Entire Agreement.



A. This Franchise Agreement is intended to be a final expression of the agreement between you and us regarding the Franchised Business; its terms may not be contradicted by evidence of any prior or contemporaneous agreements. We and you further intend this Franchise Agreement to be a complete and exclusive statement of the terms of our agreement regarding the Franchised Business; no extrinsic evidence other than the related agreements to which reference is made in this Franchise Agreement may be used to interpret, explain, or supplement this Franchise Agreement.

B. You represent and warrant to us that: (i) you have neither received nor reviewed and are not relying upon any earnings claims other than those, if any, contained in any Franchise Disclosure Document delivered in connection with the offer and sale of the franchise; (ii) you have not received or relied upon any promises regarding any financial assistance to be obtained from or through us; (iii) you have not received or relied upon any claim, representation, statement, or projection regarding future growth, income, or viability of the Franchised Business or the System; and (iv) neither we nor any of our employees, agents, or representatives have made any representations or promises not expressly stated in this Franchise Agreement or any Franchise Disclosure Document delivered in connection with the offer and sale of the franchise.

C. Nothing in this Franchise Agreement or any related agreement we have made with you is intended to or shall disclaim any representation contained in any Franchise Disclosure Document we delivered to you or require you to waive reliance on any representation made in that Franchise Disclosure Document or any exhibit or amendment to it.

33.5 Headings. The headings in this Franchise Agreement are for convenience only and shall have no effect on its interpretation.

33.6 Waiver. No waiver by either party of any of its rights under this Franchise Agreement shall be effective or enforceable unless contained in a signed writing delivered to the other party. No course of dealing, delay in exercising any right, power, or remedy, acceptance of payments, late charges, or performance from a party when that party is in default, or enforcement of any remedy shall operate as a waiver of or otherwise prejudice the other party's rights, powers, or remedies under this Franchise Agreement.

33.7 Remedies Cumulative. All rights and remedies of the parties under this Franchise Agreement shall be cumulative and none shall exclude any other right or remedy given by this Franchise Agreement or by law. The exercise by a party of any right or remedy provided by this Franchise Agreement or by law shall not prejudice, exclude, or waive that party's right to avail itself of any other right or remedy provided by this Franchise Agreement or by law and shall not act as or be deemed an election of remedies.

33.8 Survival of Covenants. Wherever the context requires, your covenants and duties under this Franchise Agreement shall survive the cancellation, termination, or expiration of the Term.

33.9 Enforcement. We may, in our sole discretion, choose to waive or refrain from enforcing temporarily or permanently any Franchise Agreement provision or requirement or any rule, regulation, policy, procedure, or requirement set forth in the Shaman Manual, or any element of the Shaman Business Method against any one or more franchisees in the System (collectively, "System Standards"). You have no claim or cause of action against us for choosing not to enforce System Standards based on our business judgment.

33.10 Relationship of Parties. The relationship between you and us is, and shall at all times be, only that of licensee and licensor. You are not and shall not hold yourself out as our agent, employee, legal



representative, subsidiary, joint venturer, or partner and nothing contained in this Franchise Agreement or elsewhere shall be construed to create any relationship between you and us other than independent contractors. You shall not have any right or power to and shall not attempt to bind, make liable, or obligate us in any manner whatsoever. You further agree that fulfillment of any and all of our obligations written in the Franchise Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

33.11 Joint and Several Liability. The liability of each individual or entity executing this Franchise Agreement as franchisee shall be joint and several.

33.12 Recitals; Schedule and Exhibits. The recitals set forth in paragraphs A through E at the beginning of this Franchise Agreement are the basic premises of this Franchise Agreement and are incorporated in it. The Exhibits and Schedule referred to in this Franchise Agreement are attached and incorporated in it by this reference.

33.13 Use of Pronoun. The word you shall be deemed and taken to mean each and every person or entity executing or authorizing execution of this Franchise Agreement as franchisee. The use of the neuter singular shall be deemed to include the plural, feminine, masculine, nonbinary, and all other gender or nongender specific pronouns.

33.14 Covenants and Conditions. Each of your obligations and duties under this Franchise Agreement shall be deemed to be not only a covenant but also a condition to any of our obligations or duties.

33.15 Counterparts; Electronic and Digital Signatures. This Franchise Agreement may be executed in one or more counterparts, all of which taken together shall constitute one original agreement. Facsimile, electronic, and digital signatures shall be as effective as original signatures. Counterparts transmitted electronically or by facsimile transmission, including (without limitation) as a PDF, JPEG, or similar file, shall be as effective as an original.

33.16 Anti-Terrorism Law Compliance. You represent and warrant to us that: (a) neither you nor any of your shareholders, members, officers, directors, managers, employees, or anyone associated with the Franchised Business in any way (collectively, “Associates”) is subject to sanctions of the United States government or is in violation of any laws relating to anti-corruption, anti-bribery, terrorism, money laundering or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, as amended, and Executive Order No. 13224 (Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) (the “Executive Order”) (collectively, the “Anti-Bribery, Anti-Money Laundering, and Anti-Terrorism Laws”); (b) neither you nor any of your Associates is acting, directly or indirectly, on behalf of terrorists, terrorist organizations, or narcotics traffickers, including those persons or entities that appear on the Annex to the Executive Order, or are included on any relevant lists maintained by the Office of Foreign Assets Control of the United States Department of Treasury, United States Department of State, or other United States governmental authority, all as may be amended from time to time; (c) neither you nor any of your Associates is a country, territory, individual, or entity named on any of (i) the two lists maintained by the United States Department of Commerce (Denied Persons and Entities), (ii) the list maintained by the United States Department of Treasury (Specially Designated Nationals and Blocked Persons), and (iii) the two lists maintained by the United States Department of State (Terrorist Organizations and Debarred Parties) (a “Government List”); (d) neither you nor any of your Associates is currently



the subject of any United States sanctions program administered by the Office of Foreign Assets Control of the United States Department of the Treasury (“OFAC”) and none of the funds to be used in connection with the Franchised Business constitute property of, or are held by any person currently subject to any United States sanctions program administered by OFAC, nor are those funds derived from or the result of any unlawful activity; (e) no property owned by or interests of you or any of the Associates is subject to being “blocked” under any of the Anti-Bribery, Anti-Money Laundering, and Anti-Terrorism Laws; and (f) if any of the Associates becomes subject to or violates any of the Anti-Bribery, Anti-Money Laundering, and Anti-Terrorism Laws you shall immediately sever their relationship with you and the Franchised Business. Any violation of this Section is an incurable breach of this Franchise Agreement that gives us the right to terminate this Franchise Agreement without prior notice. Your representations and warranties set forth in this Section shall survive the expiration or earlier termination of this Franchise Agreement.

33.17 Information; Investigation; Compliance with FTC Rule and State Law. You acknowledge that you: (a) have had an opportunity to investigate and analyze the Franchised Business independently and discuss with your advisors as you thought appropriate the advisability, risks, and merits of purchasing and operating a Shaman Store franchise; (b) have had an opportunity to independently investigate, review, and analyze any Franchise Location presently identified in Exhibit A, understand that our indication that a location fits our basic site criteria does not constitute any warranty regarding its desirability, viability, or condition, and are not relying on any implicit or explicit representation from us regarding the Franchise Location; (c) unless the offer and sale of a franchise to you is exempt under Applicable Laws, received a copy of the CBD American Shaman Franchise Disclosure Document at least 14 calendar days before the date you signed this Franchise Agreement and/or paid or gave us any consideration; and (d) received a copy of this Franchise Agreement and any Addenda to it in form for execution at least seven calendar days before the date you signed this Franchise Agreement.

IN WITNESS WHEREOF, we have caused this Franchise Agreement to be executed by our duly authorized officer and you have executed this Franchise Agreement or caused it to be executed by your duly authorized officer or manager as of the date written below.

US
 American Shaman Franchise System, LLC,
 a Nevada limited liability company

YOU

By _____
 Name: _____
 Title: _____
 Date: _____

By _____
 Name: _____
 Title: _____
 Date: _____



**SCHEDULE 1
TO THE FRANCHISE AGREEMENT
SHAMAN MARKS**

Registered Marks

Unregistered Marks

CBD AMERICAN SHAMAN

Zen Master™



CBGo



AMERICAN SHAMAN



CBNIGHT



**EXHIBIT A
TO THE FRANCHISE AGREEMENT
FRANCHISE LOCATION**



**EXHIBIT A
FRANCHISE LOCATION**

Location for Shaman Store selected by Franchisee this _____ day of _____.
Location: _____.

FRANCHISOR

FRANCHISEE

American Shaman Franchise System, LLC, _____
a Nevada limited liability company _____

By _____
Name: _____
Title: _____
Date: _____

By _____
Name: _____
Title: _____
Date: _____

**EXHIBIT B
TO THE FRANCHISE AGREEMENT
MEMORANDUM OF OPENING DATE**



EXHIBIT B
MEMORANDUM OF OPENING DATE

As provided by Section 2.1 of that certain CBD American Shaman Franchise Agreement made and entered into by and between American Shaman Franchise System, LLC, a Nevada limited liability company (“Franchisor”) and the undersigned franchisee (“Franchisee”) dated as of _____, the undersigned hereby confirms and states that the Franchise Location opened to the public for business on _____.

IN WITNESS WHEREOF, Franchisor and Franchisee have executed this Memorandum of Opening Date.

FRANCHISOR

American Shaman Franchise System, LLC,
a Nevada limited liability company

FRANCHISEE

By _____
Name: _____
Title: _____
Date: _____

By _____
Name: _____
Title: _____
Date: _____

**EXHIBIT C
TO THE FRANCHISE AGREEMENT
FRANCHISE LOCATION LEASE ADDENDUM**



EXHIBIT C

ADDENDUM

TO LEASE DATED _____ (**“Lease”**)

BY AND BETWEEN

_____ (**“Landlord”**)

AND

_____ (**“Tenant”**)

FOR BENEFIT OF

AMERICAN SHAMAN FRANCHISE SYSTEM, LLC (“Franchisor”)

FACTUAL BASES.

A. Franchisor is the franchisor and Tenant is the franchisee under that certain CBD American Shaman Franchise Agreement dated _____ (the “Franchise Agreement”), pursuant to which Franchisor has granted Tenant a franchise to operate a CBD American Shaman store (the “Franchised Business”).

B. Tenant wishes to enter into a Lease with Landlord (the “Lease”) for the premises owned by Landlord described in Schedule 1 (the “Premises”) to develop and operate the Franchised Business at the Premises.

C. Franchisor has approved Tenant’s request to locate the Franchised Business in the Premises so long as the terms and conditions set forth in this Addendum are made a part of the Lease.

D. Recognizing the value of having the Franchised Business in the Premises and having the Franchisor or another franchisee as a backup tenant and therefore wishing to take the actions the Franchise Agreement requires as conditions to Tenant entering into the Lease, Landlord is willing to amend the Lease as set forth in this Addendum.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Landlord and Tenant hereby agree to modify, amend, and supplement the Lease as follows:

1. Use of CBD American Shaman Marks, Trade Dress, and Signage. Landlord shall permit Tenant and Franchisor to install in and around the Premises the tenant improvements designated by Franchisor, decorate the Premises with the trade dress designated by Franchisor (including, without limitation, painting and other interior and exterior decorations), use and install signs and displays periodically designated by Franchisor, and change and redecorate the Premises as periodically required by Franchisor. Any interruption in Tenant’s operations related to the exercise of these rights shall not constitute a violation of any continuous operation covenant in the Lease.

2. Restricted Use. The Premises shall be used solely for the operation of the Franchised Business and for no other purpose throughout the duration of the Lease and any extended occupancy by Tenant, except as Franchisor may otherwise agree in writing. Should Tenant’s right to operate the Franchised Business expire or be terminated for any reason, the Lease shall terminate unless Franchisor exercises its right to assume the Lease as provided in this Addendum.



3. Franchisor's Right to Assume Lease. Landlord grants Franchisor the right to assume the Lease if Tenant and Franchisor agree to terminate the Franchise Agreement for any reason or at any time when Tenant is in default under the Lease or the Franchise Agreement, without fulfilling any of the requirements or conditions of the Lease and notwithstanding any conditions to assumption set forth in the Lease. Upon receipt of Franchisor's written notice of the assumption of the Lease as provided in this Addendum, Landlord shall recognize Franchisor's assumption of the Lease and shall recognize Franchisor as the tenant under the Lease in place and stead of Tenant, and Franchisor will thereafter be bound by all of the terms and conditions of the Lease. Any assumption of the Lease by Franchisor or subsequent assignment of the Lease by Franchisor as permitted by this Addendum will not release Tenant from its obligations under the Lease and any cure amount paid by Franchisor will be limited to an amount equal to two months of the base rent due under the Lease. Unless and until Franchisor exercises its right to assume and agrees in writing to assume the Lease, Franchisor will have no liability or obligation to Landlord under the Lease or otherwise and shall not succeed to any liability for any default of Tenant that predates Franchisor's assumption of the Lease.

4. Notices to Franchisor; Franchisor's Cure Period. Landlord will deliver to Franchisor copies of each and every communication or notice in any medium whatsoever ("Notice") Landlord delivers to Tenant or to the Premises at the same time the Notice is delivered to Tenant or to the Premises. If the Notice is a notice of default under the Lease and Tenant fails to timely cure the noticed default in the cure period allowed by the Lease or the Notice (whichever is longer), as a condition to any further action by Landlord to terminate the Lease or Tenant's tenancy, on the business day after the cure period expires Landlord shall deliver to Franchisor written notice of Tenant's failure to timely cure ("No Cure Notice"). Separate from its right to assume the Lease provided in Section 3 and with no obligation to assume the Lease, Franchisor shall have the option but no obligation to cure any default by Tenant. Franchisor shall have five business days after receipt of the No Cure Notice to deliver to Landlord notice that Franchisor elects to undertake to cure the default and 10 days after its receipt of the No Cure Notice to cure any monetary default or commence cure of any nonmonetary default not capable of being cured in 10 days, so long as after the expiration of the 10 day period Franchisor diligently pursues cure of any nonmonetary default (respectively, the "Franchisor's Cure Period"). If Franchisor delivers notice to Landlord that Franchisor will undertake cure of the default, Landlord shall not take any action to terminate the Lease until Franchisor's Cure Period has expired. Franchisor's election to cure shall not be deemed an election to assume the Lease unless and until Franchisor gives Landlord express written notice of assumption as provided in this Addendum. If Franchisor does not elect to cure a Tenant default or does not complete cure, Landlord may proceed directly against Tenant in the manner provided in the Lease but will have no rights or remedy against Franchisor.

5. Franchisor's Assignment of Lease. At any time concurrently with or after Franchisor delivers notice of its assumption of the Lease, Franchisor may assign the Lease or sublet the Premises to an affiliate of Franchisor or a franchisee approved by Franchisor by delivering written notice of the assignment or subletting and a copy of a written assignment and assumption or sublease signed by or on behalf of the affiliate or franchisee, without charge or penalty. Upon any assignment, Franchisor shall be released from any further obligations under the Lease. Upon request by Franchisor, Landlord shall execute a written consent to assignment or subletting and, in the case of an assignment, a general release of Franchisor in a mutually acceptable form.

6. Additional Covenants. Landlord shall not accept Tenant's voluntary surrender of the Lease without Franchisor's prior written consent. Landlord shall not consent to Tenant's assignment of the Lease to any person or entity except Franchisor without Franchisor's prior written consent and Landlord consents to Tenant's assignment of the Lease to Franchisor if Tenant proposes to cease being the tenant under the Lease for any reason. Tenant and Landlord shall not renew or extend the term of the Lease without Franchisor's prior written consent. Tenant and Landlord shall not amend, modify, or alter any Lease term without



Franchisor's prior written consent, in the absence of which no amendment, modification, or alteration of the Lease shall be enforceable against Franchisor or its assignees or subtenants. Tenant shall not assign its interest in the Lease or sublet all or any portion of the Premises without Franchisor's prior written consent, which may be withheld or conditioned on the same bases Franchisor may refuse to consent to or condition an assignment of the Franchise Agreement.

7. De-Identification. Franchisor shall deliver written notice to Landlord of any termination of the Franchise Agreement prior to its expiration. At any time not more than 30 days after any termination or expiration of the Franchise Agreement or the Lease, Franchisor upon no less than 48 hours' notice to Landlord may enter the Premises and remove all trade names, trade dress, and other trade indicia associated with Franchisor, including (without limitation) removing external and internal signage and point of purchase materials and removing or modifying all architectural characteristics associated with CBD American Shaman as Franchisor deems necessary, all without being guilty of trespass or liable for any tort. Franchisor shall repair any damage to the Premises caused by Franchisor's removals as permitted by this Addendum.

8. Access. Franchisor may access the Premises during the Lease term to ensure compliance by Tenant with its obligations under the Franchise Agreement.

9. Third Party Beneficiary; Addendum Supersedes. Landlord and Tenant agree that Franchisor is an intended third-party beneficiary of the Lease with an independent right to enforce its terms against Landlord and Tenant as provided in this Addendum.

10. Renewals and Extensions. If the Lease contains any option or right for renewal or extension that Tenant does not exercise, Landlord will give Franchisor written notice of Tenant's inaction (the "Renewal Notice"). For 30 days after receipt of the Renewal Notice, Franchisor shall have the option, but no obligation, to exercise Tenant's renewal or extension option or rights on the terms and conditions set forth in the Lease, except as to time for exercise, by delivering written notice to Landlord. Within 15 days after Landlord's receipt of Franchisor's notice of exercise as provided in this Addendum, Landlord and Franchisor shall execute a Lease assumption agreement in a mutually acceptable form, to be effective on commencement of the extension or renewal term.

11. Notices. Any notices given to Franchisor pursuant to this Addendum shall be in writing and delivered as provided in the Lease notice provisions. Franchisor's address for notice is:

American Shaman Franchise System, LLC
1501 Iron Street
North Kansas City, MO 64116
Attention: Tara Latil, Director of Franchise Operations
Email: tara@cbdamericanshaman.com

With copy to:

American Shaman Franchise System, LLC
1501 Iron Street
North Kansas City, MO 64116
Attention: Morgan Sanders
Email: morgan@cbdamericanshaman.com



12. Effect. This Addendum amends, supplements, and modifies the Lease and shall be and is made a part of the Lease. If there is any conflict between the terms of the Lease and the terms of this Addendum, the terms of this Addendum will govern.

13. Miscellaneous. This Addendum will be binding upon and inure to the benefit of Landlord, Tenant, Franchisor and their respective successors, assigns, heirs, personal representatives, and subtenants. This Addendum sets forth the entire agreement of Landlord and Tenant with respect to Franchisor's rights related to the Lease, superseding any and all prior agreements and understandings between or among the parties to it relating to the subject matter of this Addendum, all of which supplement and are supplemented by this Addendum. This Addendum may be amended only by a written agreement signed by Landlord and Tenant and approved by Franchisor.

LANDLORD

TENANT

By _____
Name: _____
Title: _____
Date: _____

By _____
Name: _____
Title: _____
Date: _____

FRANCHISOR

American Shaman Franchise System, LLC,
a Nevada limited liability company

By _____
Name: _____
Title: _____
Date: _____



EXHIBIT C

SCHEDULE 1: PREMISES

EXHIBIT DO NOT FILL



EXHIBIT G
FRANCHISEE OWNER'S ASSUMPTION, GUARANTY,
CONFIDENTIALITY AGREEMENT, AND ASSIGNMENT



**FRANCHISEE OWNER’S ASSUMPTION, GUARANTY, CONFIDENTIALITY
AGREEMENT, AND ASSIGNMENT**

EXHIBIT DO NOT FILL

_____ (“Owner”) acknowledges that as a person owning an interest in a CBD American Shaman franchisee or an entity that owns an interest in a CBD American Shaman franchisee (“Franchisee”) granted by American Shaman Franchise System, LLC, a Nevada limited liability company (“ASFS”), Owner:

A. Wishes to induce ASFS to enter into a CBD American Shaman Franchise Agreement (the “Franchise Agreement”) with and grant a franchise to Franchisee and recognizes why ASFS would not grant a franchise to an entity franchisee unless the entity’s owners stand behind the entity’s obligations under the Franchise Agreement;

B. Will obtain and have access to confidential information, trade secrets, and proprietary information, materials, and data that belong to ASFS or its licensor, which may be Stephen Vincent Sanders (“Sanders”), or a person or entity in which Sanders or an entity owned by Sanders owns an interest, which owns an interest in ASFS, or which is owned by an entity that owns an interest in ASFS (each an “ASFS Affiliate” and collectively, including Sanders, “ASFS Affiliates”) and licensed to ASFS for sublicensing to franchisees including (without limitation) hemp-derived cannabis retail store operating techniques; inventory selection, presentation, and promotion; product composition, descriptions, formulations, selection, and characteristics; quality control standards and mechanisms; product ideas and concepts; proprietary software, source codes, and object codes; customer names, needs, requirements, preferences, and purchasing habits; names of vendors and suppliers; prices at which franchisees purchase and sell goods, products, services, and supplies; operating, production, and sales costs; customer education, sales, marketing, and business management techniques and information; employee compensation and other terms of employment; revenue, expense, sales, income, and other financial information; and other methods, standards, practices, ideas, inventions, improvements, plans, and information about the franchised business and its operation and the CBD American Shaman method of doing business, franchise system, franchise operations, business, and products (collectively the “Proprietary Information”); and

C. Understands and agrees that ASFS relies on its franchisees and their owners, who use and benefit from resources, training, know-how, reputation, goodwill, and Proprietary Information ASFS and/or one or more of the ASFS Affiliates have developed at substantial cost, not only to preserve the secrecy of the Proprietary Information but also to generate and develop new and improved ideas, processes, techniques, methods, and recipes and new and additional business, all of which belong to ASFS or one or more of the ASFS Affiliates and are part of the value received by ASFS in return for the license granted to Franchisee to use the CBD American Shaman name, marks, and method of doing business and participate in the CBD American Shaman franchise system.

NOW, THEREFORE, in consideration of the grant of a franchise to Franchisee, disclosure of the Proprietary Information, and the license or sublicense granted to Franchisee to use the Proprietary Information during the term of the franchise (which Owner acknowledges and agrees will benefit Owner), Owner hereby agrees:

1. UNCONDITIONAL ASSUMPTION AND CONTINUING PERSONAL GUARANTY.

1.1 ASSUMPTION. Owner consents to, approves, and agrees to be bound by the provisions of the Franchise Agreement and agrees that any and all of Owner’s interest in Franchisee shall be subject to the transfer restrictions and other provisions of the Franchise Agreement and that, except as expressly permitted



by the Franchise Agreement, Owner will not transfer or attempt to transfer in any manner whatsoever any interest in Franchisee or cause or permit Franchisee to issue any additional ownership interests of any kind or nature whatsoever without ASFS' prior written consent, which ASFS may withhold as set forth in the Franchise Agreement. Owner unconditionally and irrevocably assumes and agrees to perform as Owner's personal obligation, as if Owner were a primary and direct party to the Franchise Agreement, each and all of the terms, covenants, and conditions of the Franchise Agreement to be kept or performed by Franchisee, including (without limitation) payment of all sums that become due under the Franchise Agreement.

1.2 PERSONAL GUARANTY. Owner unconditionally, irrevocably, and continually guarantees the full performance of each and all of the terms, covenants, and conditions of the Franchise Agreement to be kept or performed by Franchisee, including (without limitation) payment of all sums that become due under the Franchise Agreement. Owner further agrees that:

- a. This guaranty shall continue in favor of ASFS notwithstanding any (i) extension, modification, or alteration of the Franchise Agreement; or (ii) assignment of the Franchise Agreement, with or without ASFS' consent;
- b. No extension, modification, alteration, or assignment of the Franchise Agreement shall in any manner release, discharge, or exonerate Owner;
- c. Owner consents to any extension, modification, alteration, or assignment of the Franchise Agreement;
- d. This guaranty shall continue in full force and effect and shall not be changed despite any bankruptcy, reorganization, or insolvency of Franchisee or any successor or assignee of Franchisee, or any disaffirmance or abandonment by a trustee of Franchisee;
- e. ASFS may assign or transfer this guaranty in whole or in part, with or without notice, and no assignment or transfer shall operate to extinguish or diminish Owner's liability;
- f. Owner's liability under this guaranty shall be primary and ASFS may, at its option, proceed against Owner for the payment or performance of any obligation of Franchisee under the Franchise Agreement without first seeking payment or performance by or instituting any action against Franchisee, and without joinder of Franchisee in any action to enforce this guaranty;
- g. Recourse may be had against Owner's separate property for Owner's obligations or liabilities under this guaranty regardless of whether the CBD American Shaman franchise is community property;
- h. This guaranty shall be binding upon and inure to the benefit of the respective successors in interest, personal representatives, heirs, and assigns of ASFS and Owner; and
- i. Owner waives presentment, demand for performance, notice of default under the Franchise Agreement, notice of nonperformance, notice of acceptance of this guaranty, and diligence, and all other notices or formalities to which Owner might otherwise be entitled.

2. PROPRIETARY INFORMATION.

2.1 Ownership. The Proprietary Information belongs to ASFS or one or more of the ASFS Affiliates and Owner disclaims any rights in it. Owner will use the Proprietary Information only in Owner's capacity as an owner and/or employee of Franchisee and during the term of Franchisee's Franchise Agreement and will not at any time during or after termination of Franchisee's Franchise Agreement directly or indirectly disclose, use, or communicate in any fashion, form, or manner any of the Proprietary Information or any proprietary or confidential information of any kind, nature, or description concerning, affecting, or relating to ASFS or ASFS Affiliates' businesses or products except as expressly permitted by the Franchise Agreement and only during the term of the Franchise Agreement. Owner will never use any of the



Proprietary Information for the benefit of any person or entity except ASFS, one or more of the ASFS Affiliates, or ASFS franchisees.

2.2 No Copies. Owner will not make any copies of any of the Proprietary Information or any documents, memoranda, reports, files, samples, correspondence, or other written or electronic records or materials related to or concerning ASFS or ASFS Affiliates' businesses or products (collectively, "Documents") without ASFS's prior written consent. Owner will return to ASFS on demand any copies of any Documents or Proprietary Information or irretrievably delete electronic files containing any of them that are in Owner's possession. Owner will not remove the CBD American Shaman Operations Manual from the franchise location and will store any part of the CBD American Shaman Operations Manual that is delivered or stored electronically on a password protected device and/or in a password protected directory.

2.3 No Disclosure; No Competitive Employment. Owner joins in, assumes, and undertakes each and every covenant and duty pertaining to protection of Proprietary Information, trade secrets, trade or service marks, or other intellectual property, confidentiality, honesty, and accuracy set forth in the Franchise Agreement. Owner will not (a) directly or indirectly reveal to any person or entity any information Owner learns or learned about ASFS or any of ASFS Affiliates' business operations, methods, or customers, while Franchisee is a CBD American Shaman franchisee or upon assignment, expiration, or termination of the Franchise Agreement for any reason; (b) except as expressly permitted in writing by ASFS, undertake any employment or activity competitive with ASFS or Franchisee during the term of Franchisee's franchise, or after the term of Franchisee's franchise if the loyal and complete fulfillment of Owner's duties would require Owner to reveal, make judgments based upon, or otherwise use any of the Proprietary Information; or (c) except as expressly permitted in writing by ASFS, which permission may be withheld in ASFS' sole discretion, for two years following the expiration or termination of the Franchise Agreement (i) own any interest in, be employed by, provide advice or consultation to, or operate any other retail or wholesale business that specializes in the sale of cannabis products substantially similar to your CBD American Shaman store within 15 miles from the franchise location or within four miles of any CBD American Shaman store or, if the franchise location is situated in a metropolitan area with 15 or more CBD American Shaman stores (a "trade area"), within the trade area of your franchise location, or (ii) have any interest in any entity that engages in any of the activities described in this clause. Because the Proprietary Information is unique, ASFS will be entitled not only to damages for breach of the requirements and limitations pertaining to Proprietary Information but also to specific performance of them and an injunction against any action in violation of them, without having to post any bond.

3. ASSIGNMENT OF INVENTIONS. Owner will disclose to ASFS all methods, processes, procedures, techniques, ideas, discoveries, or other innovations that relate in any manner to ASFS' past, present, or contemplated business, or any area of business into which ASFS might naturally expand, conceived or developed by Owner, alone or with others, during the term of the Franchise Agreement (collectively "Developments"). All Developments shall belong exclusively to ASFS. During the term of the Franchise Agreement and at any time thereafter, Owner shall sign any documents ASFS deems necessary or desirable to assign to ASFS or any of the ASFS Affiliates all of Owner's interest in any Development or to obtain patents or copyrights for any Development in any country and Owner will assist ASFS or any of the ASFS Affiliates in obtaining patents and copyrights anywhere in the world. Owner hereby assigns, sells, and transfers to ASFS any and all interest Owner may have in the copyrights or any patent obtained for any Development. Owner represents and warrants to ASFS that all the work on any Development created by Owner is Owner's original work and that no other person or entity has any interest in any of it. Owner understands that this assignment requirement does not apply to inventions that qualify fully under California Labor Code Section 2870 to the extent it applies to Owner.

4. SEVERABILITY; LEGAL FEES. If any portion of this Agreement is found to be void or unenforceable, that portion shall be deemed amended to the extent necessary to make it fully enforceable and the remaining portions shall continue to be binding and fully enforceable. If any action is brought for breach of this Agreement, the prevailing party shall be entitled to an award of legal fees incurred in connection with that action.

IN WITNESS WHEREOF, Owner has executed this Agreement.

Dated: _____

SIGNATURE

Print Name

Street Address

City and State

Home Telephone Number

Mobile Telephone Number

Email Address



EXHIBIT H
CONSENT OF SPOUSE/DOMESTIC PARTNER

CONSENT OF SPOUSE/DOMESTIC PARTNER

I, _____, hereby certify that I:

1. Am the spouse/domestic partner of _____ (“Owner”), who owns an interest in _____ that has signed a CBD American Shaman Franchise Agreement dated as of _____ (the “Franchise Agreement”). Owner has signed a Franchisee Owner’s Assumption, Guaranty, Confidentiality Agreement, and Assignment for American Shaman Franchise System, LLC, a Nevada limited liability company (“ASFS”) (the “Owner’s Agreement”).
2. Have read the Franchise Agreement and the Owner’s Agreement know their contents and that by their provisions Owner agrees to certain restrictions on the assignment, sale, or transfer of any interest in the Franchise Agreement, agrees to maintain the confidentiality of certain information, and assigns to ASFS all rights in inventions and other intellectual property related to the business that is the subject of the Franchise Agreement (the “Franchised Business”).
3. Acknowledge that I may have a community property, common law, or other interest in the Franchised Business.
4. Consent to and approve the provisions of the Franchise Agreement and the Owner’s Agreement, accept and agree to be bound by the Franchise Agreement and the Owner’s Agreement as if I had independently signed each of them, and agree that any and all of my interest, if any, in the Franchised Business shall be subject to the provisions of the Franchise Agreement and the Owner’s Agreement and to management by Owner alone.
5. Agree that I will not at any time take any action to hinder the operation of the Franchise Agreement or the Owner’s Agreement or the performance of the terms of either of them with respect to my interest, if any, in the Franchised Business or any intellectual property that is the subject of the Owner’s Agreement and will not attempt to dispose, by Will or otherwise, of all or any part of any interest I may have in Franchise Agreement or the Franchised Business and that the residuary clause of my Will shall be deemed not to apply to any interest in either of them.
6. Agree that in connection with any dissolution of my present marriage or domestic partnership I will transfer to my spouse or domestic partner any and all of my interest, actual or beneficial, in the Franchise Agreement and the Franchised Business.
7. Consent to having my interest, if any, in the Franchise Agreement and the Franchised Business held by Owner in Owner’s name alone and managed, controlled, and disposed of solely by Owner.
8. Appoint Owner as my attorney-in-fact for the exercise of any rights or obligations under the Franchise Agreement or the Owner’s Agreement.
9. Agree that this Consent shall be binding on my executors, administrators, heirs, and assigns.
10. Agree to execute and deliver any other documents necessary or desirable to carry out the intent of the Franchise Agreement, the Owner’s Agreement, or this Consent.



11. Am aware that the legal, financial, and business interests and matters covered by the Franchise Agreement and the Owner’s Agreement are complex and that I should seek independent professional guidance or counsel with respect to them if I wish to have that advice.

12. Acknowledge that I have either sought independent guidance, including legal and financial guidance or counsel as I chose, or determined after reviewing the Franchise Agreement and the Owner’s Agreement carefully that I will waive the right to do that.

13. Acknowledge that I am under no disability or impairment that affects my decision to sign this Consent and I knowingly and voluntarily intend to be legally bound by this Consent.

IN WITNESS WHEREOF, I have executed this Consent knowingly and voluntarily as of

_____.

~~EXHIBIT~~

Signature
~~DO NOT SIGN~~

Print Name



EXHIBIT I
FRANCHISE TERMINATION AND COVENANT SURVIVAL AGREEMENT AND RELEASE



FRANCHISE TERMINATION AND COVENANT SURVIVAL AGREEMENT AND RELEASE

THIS FRANCHISE TERMINATION AND COVENANT SURVIVAL AGREEMENT AND RELEASE is made and entered into as of _____ by and among American Shaman Franchise System, LLC, a Nevada limited liability company (“ASFS”), _____ (“Franchisee”), and _____ (“Owner”) with reference to the following facts:

A. ASFS is the franchisor and Franchisee is the franchisee under that certain CBD American Shaman Franchise Agreement dated as of _____ (the “Franchise Agreement”). The Franchise Agreement gives Franchisee the right to own and operate one CBD American Shaman store (the “Franchised Business”) at _____ (the “Franchise Location”) for a term of five years from the date the Franchise Location opened to the public. Owner is the owner of Franchisee and has personally guaranteed Franchisee’s performance under the Franchise Agreement.

B. [Describe circumstances of termination or expiration of Franchise Agreement, for example, Owner and Franchisee have asked ASFS to terminate the Franchise Agreement/Franchisee and ASFS have agreed to terminate the Franchise Agreement/Franchisee and/or ASFS has chosen not to renew the Franchise Agreement] because [describe circumstances justifying termination or expiration, for example Franchisee’s sale of the Franchised Business to a buyer that will enter into a new Franchise Agreement with ASFS].

C. Subject to survival of certain provisions of the Franchise Agreement that are stated to survive its expiration, ASFS is willing to terminate the Franchise Agreement on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the covenants and conditions set forth below, and their performance and fulfillment, ASFS, Franchisee, and Owner hereby agree:

1. TERMINATION OR EXPIRATION OF FRANCHISE AGREEMENT.

1.1 Termination or Expiration. Except as provided in Section 1.2, the Franchise Agreement and Franchisee’s license and right to use any trade name, marks, trade secrets, trade dress, processes, methods, techniques, software, or other confidential or proprietary information developed by or belonging to ASFS or one or more of its licensors (collectively “ASFS’s Affiliates”) (collectively, the “IP”) is terminated as of or expires on _____ (the “Termination Date”) and from and after the Termination Date, Franchisee and Owner shall:

a. Cease to use any of the IP in any manner, return all materials relating or referring to or containing any of the IP including (without limitation) all manuals, bulletins, instruction sheets, memoranda, guidelines, and forms; irretrievably delete all electronic files containing, relating, or referring to any of the IP from every computer hard drive, tablet, or electronic device or storage medium in your possession or under your control; remove all signs and signage associated with the Franchised Business; and refrain from using any trade name, trade or service mark, or trade identity or identifier of any kind or nature whatsoever, or any trade dress that is similar to any of the IP as it exists on the Termination Date;

b. For two years after the Termination Date, refrain from (i) owning any interest in, being employed by, providing advice or consultation to, or operating any other retail or wholesale business that specializes in



the sale of cannabis products substantially similar to those sold by the Franchised Business within 15 miles from the Franchise Location or within four miles of any CBD American Shaman store or, if the Franchise Location is located in a metropolitan area with 15 or more CBD American Shaman stores (a “trade area”), within the trade area of the Franchise Location, or (ii) having any interest in any entity that does any of those, without ASFS’s prior written consent, which may be withheld in ASFS’s sole discretion;

c. Execute all documents necessary to give notice of cessation of its use of any trade name belonging to ASFS, including (without limitation) a statement of abandonment of fictitious, trade, or assumed business name; and

d. Deliver to ASFS within five days after the Termination Date photographs and/or videos of the Franchise Location evidencing the modifications required by this Article.

1.2 Continuing Obligations.

A. Franchisee and Owner confirm and acknowledge that notwithstanding termination of the Franchise Agreement Franchisee and Owner shall continue to be (i) liable for performance of all its obligations under the Franchise Agreement or any other agreement between it and ASFS or any of ASFS’s Affiliates or in any way related to the Franchised Business that pre-date the Termination Date; and (ii) bound by those provisions of the Franchise Agreement that are stated to survive termination of the Franchise Agreement, including (without limitation) the requirements that Franchisee:

a. Maintain the confidence of and not disclose or use any information disseminated to Franchisee regarding the Franchised Business or any trade secrets or confidential or proprietary information belonging to ASFS or any of ASFS’s Affiliates; and

b. Indemnify, defend, and hold harmless ASFS and its officers, directors, shareholders, agents, and employees from and against any and all losses, claims, costs, demands, liabilities, obligations, damages, causes of action, actions, and expenses of any kind and nature whatsoever (including, without limitation, attorney’s fees) arising out of or related in any manner whatsoever to the Franchised Business, Franchisee’s lease, occupancy, or use of the Franchise Location, or Franchisee’s use or sale of any fixtures or equipment located in or on the Franchise Location or used in the Franchised Business.

c. Franchisee and Owner shall do all things within their respective power or the power of any person or entity in which Franchisee or Owner own any interest or which owns any interest in Franchisee or Owner or that is owned by an entity that owns any interest in Franchisee or Owner (“Franchisee’s Affiliates”) necessary or desirable to prevent any manager employed by Franchisee at any time (each a “Manager”), and any of Franchisee’s Affiliates or the officers, directors, managers, shareholders, members, partners, or owners of Franchisee’s Affiliates or any others in direct or indirect concert or participation with Franchisee, Owner, Manager, Franchisee’s Affiliates, or the officers, directors, managers, shareholders, members, partners,

or owners of Franchisee’s Affiliates (all the foregoing, collectively, “Franchisee’s Interested Parties”) from (i) owning any interest in, being employed by, providing advice or consultation to, or operating any other retail or wholesale business that specializes in the sale of cannabis products substantially similar to the Franchised Business within 15 miles from the Franchise Location or within four miles of any CBD American Shaman store or, if the Franchise Location is located in a metropolitan area with 15 or more CBD American Shaman stores (a “trade area”), within the trade area of the Franchise Location, or (ii) having any interest in any entity that does any of those, without ASFS’s prior written consent, which may be withheld in ASFS’s sole discretion.

B. Owner acknowledges and agrees that any and all of Owner’s obligations and ASFS’s rights under any Franchisee Owner’s Assumption, Guaranty, Confidentiality Agreement and Assignment between Owner and ASFS is not terminated and continues in full force and effect.

1.3 Conditions to Termination. Termination of the Franchise Agreement as provided in this Agreement shall not be effective unless and until Franchisee has fulfilled each and all of the following conditions (the “Termination Conditions”):

- a.** Removed from the Franchise Location and delivered to ASFS or destroyed, as ASFS requires, each and every item that contains or constitutes the IP, including (without limitation) removal and cessation of usage of all signs, signage, displays, or personal property of any kind that includes or displays any of the IP;
- b.** Performed all its obligations under and fulfilled all conditions of the Franchise Agreement to be fulfilled by it on or prior to the Termination Date; and
- c.** Delivered to ASFS any consideration if, as, and when required by this Agreement.

[1.4 Consideration to ASFS. Franchisee and Owner acknowledge and agree that termination of the Franchise Agreement will cause ASFS very significant economic loss and loss of goodwill. Accordingly, Franchisee and Owner, jointly and severally, agree [add provisions for delivery of any consideration to ASFS, including nature, amount, and payment terms.]]

2. RELEASE.

2.1 GENERAL RELEASE OF RELEASED PARTIES. As required by the Franchise Agreement, on and as of the Termination Date, Franchisee and Owner, for it and him, her, or their self and for it or his, her, or their shareholders, directors, officers, members, managers, agents, employees, independent contractors, spouse (as manager of any community property interest in Franchisee), domestic partner (as manager of any domestic partnership interest in Franchisee), heirs, beneficiaries, executors, administrators, parents, subsidiaries, affiliates, predecessors and successors in interest, and assigns, and for every person or entity with any interest, direct or indirect, in Franchisee on the Termination Date (collectively, “Releasers”) hereby releases, acquits, and forever discharges ASFS, ASFS’s Affiliates, and their respective officers, directors, shareholders, members, managers, parents, subsidiaries, affiliates, agents, employees, independent contractors, and attorneys and the respective heirs, beneficiaries, executors, administrators, parents, subsidiaries, affiliates, predecessors and successors in interest, and assigns of their officers, directors, shareholders, members, managers, agents, and

employees, and every person or entity with any interest in any of them (collectively, “Released Parties”) from any and all duties, claims, debts, liabilities, demands, obligations, expenses, damages, actions, and causes of action of any kind or nature whatsoever, whether known or unknown, suspected or unsuspected (collectively, “Claims”) arising prior to the Termination Date, including (without limitation) those arising out of or related in any manner whatsoever to the Franchised Business, the Franchise Agreement, or any alleged breach of contract, misrepresentation, or violation of any statute, law, rule, or regulation relating to the offer or sale of franchises, business opportunities, seller assisted marketing plans, or similar methods of distribution.

2.2 Unknown Claims. Each of Releasers acknowledges and agrees that it, he, she, or they intends this Agreement to be effective as a bar to each and all of the Claims, even though it, he, she, or they recognizes that it, he, she, or they may be releasing Claims of which it, he, she, or they is totally unaware or



unsuspecting and which, if known at the time of signing this Agreement, may have materially affected this Agreement and its, his, her, or their decision to enter into it and grant the release contained in this Section. Accordingly, each of Releasors expressly agrees that this Agreement shall finally and forever be given full force and effect according to each and all of its express terms and provisions, including (without limitation) those related to unforeseen, unknown, and unsuspected claims, demands, or causes of action, if any, and shall deprive it, him, her, or them of all Claims against any or all of the Released Parties. Each of Releasors waives any right or Claim that might arise as a result of any different or additional Claims or facts. In furtherance of this intention, each of Releasors expressly, knowingly, and intentionally waives any and all rights, benefits, or protections that might otherwise be conferred on it, him, her, or them by California Civil Code Section 1542 and of any other state or federal statute or common law principle limiting the scope of a general release. California Civil Code Section 1542 provides:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

2.3 No Assignment. Each of Releasors represents and warrants to each of the Released Parties that it, he, she, or they have not assigned or transferred, or purported to assign or transfer, to any other person or entity any claim or other matter released by this Agreement. Each of Releasors shall indemnify, defend, and hold harmless each of the Released Parties from and against any loss, claims, costs, or expenses (including, without limitation, all legal, expert, and other fees and costs related to the defense of any action) based upon or arising out of any claimed assignment or transfer by it, him, her, or them.

3. LEGAL FEES. Should any action or proceeding be brought to enforce rights pursuant to this Agreement, the party prevailing in that action shall be entitled to recover reasonable legal fees, including (without limitation) costs and fees incurred in connection with any appeal, as costs of suit (and not as damages).

4. GOVERNING LAW. Except to the extent prohibited by applicable laws, the laws of the State of Missouri, without regard to its law on conflicts of law, shall govern the validity, construction, performance, and enforcement of this Agreement, any dispute relating to it, the Franchised Business, the Franchise Location, or the relationship between ASFS and Franchisee or Owner. Provided, however, if any provision of this Agreement would not be enforceable under the laws of Missouri, Franchisee, Owner, or the Franchised Business are located outside Missouri, and that provision would be enforceable under the laws of the state in which one or more of Franchisee, Owner, or the Franchised Business are located (a “Nexus State”), then that provision shall be interpreted and construed under the laws of the Nexus State that would enforce them.

5. FORUM; VENUE. Any legal action, claim, or lawsuit directly or indirectly arising out of or related to this Agreement, the Franchised Business, the Franchise Location, or the relationship between ASFS and Franchisee or Owner shall be instituted exclusively in the federal or state courts located in Jackson County, Missouri and nowhere else. Any legal action, claim, or lawsuit involving any of those matters as to which there is for any reason federal jurisdiction shall be instituted exclusively in a federal district court located in the Western District of Missouri. The parties consent to the personal jurisdiction of those courts and waive any questions of or defenses as to personal jurisdiction or venue for the purpose of carrying out this provision.

6. SUCCESSORS. The terms of this Agreement shall apply to, be binding upon, inure to the benefit of, and be enforceable by the respective successors in interest and assigns of each of Releasors and each of the Released Parties.

7. COUNTERPARTS; ELECTRONIC SIGNATURES. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one original agreement. This Agreement shall be binding upon each party as and when it has been signed by or on behalf of that party, regardless of whether any other party has or does sign any counterpart. Digital or electronic signatures and signatures on counterparts transmitted electronically (including, without limitation, in a PDF or JPEG file) or by facsimile transmission shall be as effective as an original.

8. ENTIRE AGREEMENT. This Agreement contains the entire agreement and understanding of the parties regarding the termination of the Franchise Agreement and supersedes all prior negotiations, discussions, and agreements.

9. REPRESENTATION. Franchisee and Owner acknowledge and warrant that it, he, she, or they have been represented by counsel of its, his, her, or their own choosing in connection with the execution of this Agreement. Accordingly, although this Agreement was initially prepared by ASFS’s counsel, it shall not be construed more strictly against one party than another.

10. SPECIFIC PERFORMANCE. Should Franchisee or Owner fail to comply with any of its, his, her, or their obligations pursuant to Article 1 other than its obligations to pay money, ASFS shall be entitled to a decree of specific performance enforcing those provisions and/or an injunction against continued conduct in violation of this Agreement.

11. AUTHORITY. Each signatory represents and warrants that it, he, she, or they have full authority to execute this Agreement on behalf of any entity for which it, he, she, or they signs and that by its, his, her, or their signature below that entity is bound.

IN WITNESS WHEREOF, ASFS, Franchisee, and Owner have executed this Agreement as of the date first above written.

ASFS

FRANCHISEE

American Shaman Franchise System, LLC,
a Nevada limited liability company

By _____
Name: _____
Title: _____

By _____
Name: _____
Title: _____

OWNER

Signature
Name: _____

By _____
Name: _____
Title: _____

EXHIBIT J
FRANCHISEE INFORMATION



FRANCHISEE INFORMATION

1. Approved location: _____

2. Address for notices (if different than 1): _____

3. Franchisee's ownership and management. Franchisee is [check one]
 _____ (a) an individual who is not married and is not a domestic partner
 _____ (b) married couple
 _____ (c) domestic partners
 _____ (d) a corporation State of incorporation: _____
 _____ (e) a limited liability company State of formation: _____
 _____ (f) a general partnership State of formation: _____
 _____ (g) a limited partnership State of formation: _____
 _____ (h) other Identity of general partner: _____
 Explain: _____

4. The following persons are the owners, officers, directors, and managers of Franchisee and their spouses or domestic partners:

| | | | |
|---|-----------|--|--|
| Name | | | |
| Address | | | |
| Telephone | | | |
| Email | | | |
| Indicate all positions held as Manager or Officer, Director, and/or partner | | | |
| Percentage of ownership | | | |
| Spouse or Domestic Partner | Name | | |
| | Address | | |
| | Telephone | | |
| | Email | | |

5. Initial Operating Partner is: _____

FRANCHISEE

 By _____
 Name and Title: _____

EXHIBIT K
AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM



EXHIBIT K

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

| | |
|--|--------------------------|
| Franchisee Name | Business No. |
| Franchisee Mailing Address (street) | Franchisee Phone No. |
| Franchisee Mailing Address (city, state, zip) | |
| Contact Name, Address and Phone number (if different from above) | |
| Franchisee Fax No. | Franchisee Email Address |

Bank Account Information:

| | | |
|--|-------------|-----------------------------|
| Bank Name | | |
| Bank Mailing Address (street, city, state, zip) | | |
| <input type="checkbox"/> Checking <input type="checkbox"/> Savings | | |
| Bank Account No. | (check one) | Bank Routing No. (9 digits) |
| Bank Mailing Address (city, state, zip) | | Bank Phone No. |

Authorization:

Franchisee hereby authorizes American Shaman Franchise System, LLC (“Franchisor”) to initiate debit entries to Franchisee’s account with the Bank listed above, and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee’s account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature: _____ Date: _____
Printed Name: _____
Its: _____
Federal Tax ID Number: _____

Rev. 032916

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

EXHIBIT L
STATE ADDENDA



CALIFORNIA ADDENDUM

Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner of the Department of Financial Protection and Innovation.

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the FDD.

California Corporations Code Section 31125 requires us to give to you an FDD approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement.

The Franchise Agreement contains provisions requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in Missouri. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California. The Franchise Agreement contains a mediation provision. If so, the parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator's fees.

The Franchise Agreement requires the application of the law of Missouri. This provision may not be enforceable under California law.

Neither Franchisor nor any other person listed in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

The Franchise Agreement provides for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

The Franchise Agreement contains a covenant not to compete provision which extends beyond the termination of the Franchise. Such provisions may not be enforceable under California law.

Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.

You must sign a general release of claims if you renew or transfer your Franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Franchise Fee Deferral

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business.

ILLINOIS ADDENDUM

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

ITEM 5. INITIAL FEES

DUE TO OUR FINANCIAL CONDITION, THE OFFICE OF THE ILLINOIS ATTORNEY GENERAL HAS REQUIRED THAT WE DEFER YOUR OBLIGATION TO PAY TO US THE INITIAL FRANCHISE FEE AND THE RESERVE DEPOSIT REQUIRED UNDER THE FRANCHISE AGREEMENT UNTIL WE HAVE COMPLETED OUR INITIAL OBLIGATIONS TO YOU AS DESCRIBED UNDER THE HEADINGS “PRE-OPENING ASSISTANCE” AND “TRAINING PROGRAM” IN ITEM 11 OF THE FRANCHISE DISCLOSURE DOCUMENT AND YOUR FRANCHISED CBD AMERICAN SHAMAN STORE IS OPEN AND OPERATING.

ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

The conditions under which your franchise can be terminated and your rights upon non-renewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20.

Under Illinois law, 815 ILCS 705/4, any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void provided that a franchise agreement may provide for arbitration in a forum outside of Illinois. Under Illinois law, Ill. Admin. Code tit. 14 §200.608, a franchise agreement shall not provide for a choice of law provision for any state other than Illinois.



**ILLINOIS ADDENDUM TO THE
 CBD AMERICAN SHAMAN
 FRANCHISE AGREEMENT**
 between
AMERICAN SHAMAN FRANCHISE SYSTEM, LLC
 and

This Addendum modifies and amends the CBD American Shaman Franchise Agreement dated as of _____ (the "Franchise Agreement"), between American Shaman Franchise System, LLC, a Nevada Limited Liability Company and _____ ("you").

1. FOR THE PROTECTION OF PROSPECTIVE FRANCHISEES DUE TO OUR FINANCIAL CONDITION, THE OFFICE OF THE ATTORNEY GENERAL HAS REQUIRED THAT WE DEFER YOUR OBLIGATION TO PAY TO US THE INITIAL FRANCHISE FEE AND THE RESERVE DEPOSIT UNTIL WE HAVE COMPLETED OUR INITIAL OBLIGATIONS TO YOU AS DESCRIBED UNDER THE HEADINGS "PRE-OPENING ASSISTANCE" AND "TRAINING PROGRAM" IN ITEM 11 OF THE FRANCHISE DISCLOSURE DOCUMENT AND YOUR FRANCHISED CBD AMERICAN SHAMAN STORE IS OPEN AND OPERATING.

2. You do not waive any of your rights under the provisions of the Illinois Franchise Disclosure Act of 1987 or the Rules and Regulations under the Act with respect to the offer and sale of a franchise and the franchise relationship. Where required under Illinois law, the laws of the state of Illinois will govern.

3. Any provision that requires you to agree to jurisdiction or venue in a forum outside of Illinois is void with respect to any legal action that is otherwise enforceable in Illinois, except that mediation and arbitration may take place outside the State of Illinois. Any provision that provides for the application of the law of any state other than the State of Illinois is void.

4. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

The parties have signed this Addendum on the dates set forth below but with effect as of the date of the Franchise Agreement.

American Shaman Franchise System, LLC,
 a Nevada limited liability company

YOU

By _____
 Name: _____
 Title: _____
 Date: _____

By _____
 Name: _____
 Title: _____
 Date: _____

MARYLAND ADDENDUM

The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

There might be other risks concerning this franchise.

ITEM 5. INITIAL FRANCHISE FEE

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement.

ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

Item 17 is amended to add:

1. Pursuant to COMAR 02.02.08.16L, the general release required as a condition of the sale, renewal, or consent to assignment or transfer of a franchise shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law ("Maryland Franchise Law");
2. Franchisee may sue in Maryland for claims arising under Maryland Franchise Law;
3. Any claims arising under Maryland Franchise Law must be brought within three years after the franchise is granted; and
4. The provision in the Franchise Agreement for termination upon the franchisee's bankruptcy may not be enforceable under the United States Bankruptcy Code (11 U.S.C. Section 101 *et seq.*).

**AMENDMENT TO FRANCHISE AGREEMENT FOR FRANCHISEES COVERED BY
MARYLAND LAW**

1. Sections 2.2A and 21.1(i) of the Franchise Agreement are amended by adding as the last sentence:

However, any release required as a condition of renewal, sale, and/or assignment or transfer will not apply to any claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

2. Section 3.2 of the Franchise Agreement is amended by adding as the third sentence:

All initial fees and payments owed by you shall be deferred until we complete our pre-opening obligations under the Franchise Agreement.

3. Section 25.1 of the Franchise Agreement is amended by adding:

The provisions in the Franchise Agreement for termination upon your bankruptcy may not be enforceable under the United States Bankruptcy Code.

4. Section 30.6 of the Franchise Agreement is amended by adding:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. The Franchise Agreement is amended by adding Section 30.10:

30.10 Effect of Maryland Law. All representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. Any claims arising under Maryland Franchise Law must be brought within three years after the franchise is granted.

US
American Shaman Franchise System, LLC,
a Nevada limited liability company

YOU

By _____
Name: _____
Title: _____
Date: _____

By _____
Name: _____
Title: _____
Date: _____

MINNESOTA ADDENDUM

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of your rights as provided for in Minnesota Statute 80C or (2) your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Any condition, stipulation, or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of Minnesota, or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota to waive compliance or which has the effect of waiving compliance with any provision of Minnesota Statute 80C.01 to 80C.22 or any rule or order thereunder is void.

Minnesota law provides franchisees with certain termination and non-renewal rights. It requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise not be unreasonably withheld (Minn. Stat. Sec. 80C.14, Subd. 3, 4, and 5).

Minnesota considers it unfair to not protect your right to use the Shaman Marks (Minn. Stat. 80C.12, Subd. 1(g)). We will indemnify you for any damages for which you are held liable due to your authorized use of the Shaman Name or any of the Shaman Marks, if you have used the Shaman Name and Shaman Marks properly, in accordance with your Franchise Agreement, and notified us immediately of your knowledge of a claim against you. We have the right to control any administrative proceedings or litigation involving the Shaman Name and/or any of the Shaman Marks and you must cooperate fully in those actions.

Minnesota Rule 2860.4400D (the "MN Rule") provides that it is unfair or inequitable to require a franchisee to assent to a release, assignment, novation, or waiver that would relieve any person from liability under Minnesota Statutes 1973 Supplement, Sections 80C.01 to 80C.22. To the extent of a conflict between any provision of the Franchise Agreement and the MN Rule, the MN Rule shall prevail.



We cannot require you to consent to us obtaining injunctive relief, but we may seek injunctive relief through the court system. A court will determine if a bond is required (Minn. Rule 2860.4400J).

No action may be commenced pursuant to Minnesota Statute 80C.1 more than three years after the cause of action accrues.

Minnesota Statute Section 604.113 sets a cap of \$30 on fees to be paid to us if any check, draft, electronic or otherwise, is returned for insufficient funds.



**MINNESOTA ADDENDUM TO THE
CBD AMERICAN SHAMAN
FRANCHISE AGREEMENT**
between
AMERICAN SHAMAN FRANCHISE SYSTEM, LLC
and

This Addendum modifies and amends the CBD American Shaman Franchise Agreement dated as of _____ (the “Franchise Agreement”), between American Shaman Franchise System, LLC, a Nevada Limited Liability Company and _____ (“you”).

1. RENEWAL AND TERMINATION. Sections 2.2 and 25.1 of the Franchise Agreement are amended by adding as the last sentence:

However, with respect to franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subdivisions 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Franchise Agreement.

2. RELEASES. Minnesota Rule 2860.4400D (the “MN Rule”) provides that it is unfair or inequitable to require a franchisee to assent to a release, assignment, novation, or waiver that would relieve any person from liability under Minnesota Statutes 1973 Supplement, Sections 80C.01 to 80C.22. To the extent of a conflict between the MN Rule and any provision of the Franchise Agreement, the MN Rule shall prevail.

3. SHAMAN MARKS. Section 1.4F of the Franchise Agreement is amended by adding as the last sentence:

Provided you have complied with all provisions of this Franchise Agreement applicable to the Shaman Marks, we will protect your right to use the Shaman Marks and will indemnify you from any loss, costs, or expenses arising out of any claim, suit, or demand regarding your use of the Shaman Marks in accordance with Minnesota Statute 80C.12, Subdivision 1(G).

4. LIQUIDATED DAMAGES. Section 26.2 of the Franchise Agreement is amended by adding as the last sentence:

We and you acknowledge that certain parts of this Section might not be enforceable under Minnesota Rule 2860.4400J. However, we and you agree to enforce the provision to the maximum extent the law allows.

5. GOVERNING LAW; CONSENT TO JURISDICTION; JURY TRIAL. Article 30 and Section 26.2 of the Franchise Agreement are amended by adding as the last sentence:

Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages,

termination penalties, or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota Statute 80C or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

6. INJUNCTIVE RELIEF. Section 30.9 of the Franchise Agreement is amended by adding as the last sentence:

Minnesota law provides that we cannot require you to consent to us obtaining injunctive relief, but we may seek injunctive relief through the court system (Minn. Rule 2860.4400J). A court will determine if a bond is required.

7. LIMITATION OF CLAIMS. Section 30.4 of the Franchise Agreement is amended by adding as the last sentence:

Minnesota law provides that no action may be commenced pursuant to Minnesota Statute 80C.1 more than three years after the cause of action accrues.

US
American Shaman Franchise System, LLC,
a Nevada limited liability company

YOU

By _____
Name: _____
Title: _____
Date: _____

By _____
Name: _____
Title: _____
Date: _____



NEW YORK ADDENDUM

THE STATE OF NEW YORK REQUIRES US TO DISCLOSE THE FOLLOWING INFORMATION:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

The Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

You must make minimum advertising, and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

ITEM 3. LITIGATION

With the exception of what is stated above, the following applies to American Shaman Franchise System, LLC, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A.** No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B.** No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.
- C.** No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D.** No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.



ITEM 4. BANKRUPTCY

Neither American Shaman Franchise System, LLC, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the disclosure document (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

ITEM 5. INITIAL FEES

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

The “Summary” sections of Item 17(c), titled “Requirements for a franchisee to renew or extend,” and Item 17(m), titled “Conditions for franchisor approval of transfer” are amended by adding to the end:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

The “Summary” section of Item 17(d), titled “Termination by franchisee” is deleted and replaced with:

You may terminate the agreement on any grounds available by law.

The “Summary” section of Item 17(j), titled “Assignment of contract by us” is amended by adding the following:

However, no assignment will be made except to an assignee who, in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the franchise agreement.

The end of the “Summary” sections of Item 17(v), titled “Choice of forum,” and Item 17(w), titled “Choice of law” are amended by adding to the end:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

NORTH DAKOTA ADDENDUM

To the extent the North Dakota Franchise Investment Law, N.D. Cent. Code, §§51-19-01 – 51-19-17 applies, the terms of this Addendum apply.

ITEM 5. INITIAL FEES

Based upon the franchisor's financial condition, the North Dakota Securities Department has required financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement and the franchisee has commenced doing business pursuant to the Franchise Agreement.

ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

Because the Commissioner has determined these provisions to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, Item 17 is amended to add:

Covenants not to compete during the term of and upon termination or expiration of the franchise agreement are enforceable only under certain conditions according to North Dakota law. If the Franchise Agreement contains a covenant not to compete that is inconsistent with North Dakota law, the covenant may be unenforceable.

Any provision requiring franchisees to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a state other than North Dakota may be unenforceable under North Dakota law. Any mediation or arbitration will be held at a site agreeable to all parties. If the laws of a state other than North Dakota govern, to the extent that such law conflicts with North Dakota law, North Dakota law will control.

The Franchise Disclosure Document and Franchise Agreement require franchisees to consent to termination or liquidated damages. This requirement may not be enforceable under North Dakota law.

The Franchise Agreement requires the franchisee to consent to a waiver of trial by jury. This waiver may not be enforceable under North Dakota law.

The Franchise Agreement includes a waiver of exemplary and punitive damages. This waiver may not be enforceable under North Dakota law.

Any general release the franchisee is required to assent to as a condition of renewal is not intended to nor shall it act as a release, estoppel, or waiver of any liability franchisor may have incurred under the North Dakota Franchise Investment Law.

To the extent that the Franchise Agreement requires the franchisee to consent to a limitation of claims, the statute of limitations under North Dakota law applies.

**NORTH DAKOTA ADDENDUM TO
CBD AMERICAN SHAMAN
FRANCHISE AGREEMENT**
between
AMERICAN SHAMAN FRANCHISE SYSTEM, LLC
and

This Addendum modifies and amends the CBD American Shaman Franchise Agreement dated as of _____ (the “Franchise Agreement”), between American Shaman Franchise System, LLC, a Nevada Limited Liability Company (“Franchisor”) and _____ (“Franchisee”).

Notwithstanding anything to the contrary contained in the Franchise Agreement:

1. RESTRICTIVE COVENANTS. Section 13.1 of the Franchise Agreement is amended by adding the following sentence after Paragraph c:

d. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent Applicable Law permits.

2. ARBITRATION. Section 30.2A of the Franchise Agreement is amended by adding as the following sentence:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, any mediation or arbitration will be held at a site agreeable to all parties.

3. FORUM; VENUE. Section 30.6 of the Franchise Agreement is amended by adding as the last sentence:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, and subject to your arbitration obligations, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

4. CHOICE OF LAW. Section 30.5 of the Franchise Agreement is amended by adding as the last sentence:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, the laws of the State of North Dakota, without regard to its law on conflicts of law, shall govern the validity, construction, performance, and enforcement of this Franchise Agreement or any dispute relating to it, the Franchised Business, the Franchise Location, or the relationship between us and you.

5. LIQUIDATED DAMAGES. Section 26.2 of the Franchise Agreement is amended by adding the following sentence:



We and you acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. However, we and you agree to enforce the provision to the maximum extent Applicable Law permits.

6. WAIVER OF JURY TRIAL. Section 30.8 of the Franchise Agreement is amended by adding as the last sentence:

Notwithstanding the foregoing, this waiver may be unenforceable under the North Dakota Franchise Investment Law.

7. WAIVER OF EXEMPLARY AND PUNITIVE DAMAGES. Section 30.3C of the Franchise Agreement is amended by adding as the last sentence:

Notwithstanding the foregoing, any waiver of exemplary and punitive damages may be unenforceable under the North Dakota Franchise Investment Law.

8. GENERAL RELEASE. Section 2.2A of the Franchise Agreement is amended by adding as the last sentence:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

9. FEE DEFERRAL. Section 3.2 of the Franchise Agreement is amended by adding as the third sentence:

All initial fees and payments owed by you shall be deferred until we complete our pre-opening obligations under the Franchise Agreement and your franchised CBD American Shaman store is open and operating.

IN WITNESS WHEREOF, Franchisor and Franchisee have caused this Addendum to be executed on their behalf on the dates set forth below but effective as of the effective date of the Franchise Agreement.

FRANCHISOR

American Shaman Franchise System, LLC,
a Nevada limited liability company

FRANCHISEE

By _____
Name: _____
Title: _____
Date: _____

By _____
Name: _____
Title: _____
Date: _____

WASHINGTON ADDENDUM

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sales of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

**WASHINGTON ADDENDUM TO
CBD AMERICAN SHAMAN
FRANCHISE AGREEMENT**
between
AMERICAN SHAMAN FRANCHISE SYSTEM, LLC
and

This Addendum modifies and amends the CBD American Shaman Franchise Agreement dated as of _____ (the “Franchise Agreement”), between American Shaman Franchise System, LLC, a Nevada Limited Liability Company (“Franchisor”) and _____ (“Franchisee”).

Notwithstanding anything to the contrary contained in the Franchise Agreement:

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sales of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

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IN WITNESS WHEREOF, Franchisor and Franchisee have caused this Addendum to be executed on their behalf on the dates set forth below but effective as of the effective date of the Franchise Agreement.

FRANCHISOR

American Shaman Franchise System, LLC,
a Nevada limited liability company

By _____
Name: _____
Title: _____
Date: _____

FRANCHISEE

By _____
Name: _____
Title: _____
Date: _____



EXHIBIT M
STATE EFFECTIVE DATES



State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

| State | Effective Date |
|--------------|-----------------------|
| Indiana | pending |
| Minnesota | pending |
| Wisconsin | pending |

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**EXHIBIT N
RECEIPT**



RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If American Shaman Franchise System, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Iowa law, if applicable, American Shaman Franchise System, LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires American Shaman Franchise System, LLC to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If American Shaman Franchise System, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit A.

| The name, principal business address, and telephone number of each franchise seller offering the franchise is: |
|--|
| Stephen Vincent Sanders, 1501 Iron Street North Kansas City, MO 64116, (855) 427-2233 |
| Tara Latil, 1501 Iron Street North Kansas City, MO 64116 (855) 427-2233 |
| Morgan Sanders, 1501 Iron Street North Kansas City, MO 64116, (855) 427-2233 |
| Jamie Cheatwood, 1501 Iron Street North Kansas City, MO 64116, (855) 427-2233 |

Issuance Date: May 22, 2024

I received a disclosure document issued May 22, 2024 which included the following exhibits:

- Exhibit A List of State Administrators and Agents for Service of Process
- Exhibit B CBD American Shaman Operations Manual Table of Contents
- Exhibit C List of CBD American Shaman Franchisees
- Exhibit D List of Former CBD American Shaman Franchisees
- Exhibit E Financial Statements
- Exhibit F Franchise Agreement
- Exhibit G Franchisee Owner's Assumption, Guaranty, Confidentiality Agreement, and Assignment
- Exhibit H Consent of Spouse/Domestic Partner
- Exhibit I Franchise Termination and Covenant Survival Agreement and Release
- Exhibit J Franchisee Information
- Exhibit K ACH Payment Authorization Form
- Exhibit L State Addenda
- Exhibit M State Effective Dates
- Exhibit N Receipts

Date Signature Printed Name

Date Signature Printed Name Rev. 012417

PLEASE RETAIN THIS COPY FOR YOUR RECORDS.

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| Exhibit J | Franchisee Information |
| Exhibit K | ACH Payment Authorization Form |
| Exhibit L | State Addenda |
| Exhibit M | State Effective Dates |
| Exhibit N | Receipts |

Date Signature Printed Name

Date Signature Printed Name Rev. 012417

Please sign this copy of the receipt, date your signature, and return it to American Shaman Franchise System, LLC Attn: Tara Latil, 1501 Iron Street North Kansas City, MO 64116 (855) 427-2233 tara@cbdamericanshaman.com