

FRANCHISE DISCLOSURE DOCUMENT



Natural Life Franchise Corp.
A Florida corporation

~~Natural Life Franchise Corp.~~
~~(a Florida corporation)~~

1704 Capital Circle NE
Unit 103
Tallahassee, ~~FL~~Florida 32308

~~(800) 851-6839~~

~~Email:~~
~~admin@NaturalLifeFranchise.com~~

www.NaturalLifeFranchise.com

Phone: (800) 851-6839

Email: admin@NaturalLifeFranchise.com

Website: www.NaturalLifeFranchise.com

Natural Life Franchise Corp. offers franchises for the operation of a retail store that offers and sells a variety of lifestyle and wellness products to the general public under the name NATURAL LIFE WELLNESS BEGINS HERE.

~~The franchisee will operate a retail store offering CBD, Kratom, Kava, and related items approved by the franchisor, under the Natural Life CBD/Kratom/Kava trademark and system of operating procedures.~~

The total investment necessary to begin operation of a Natural Life ~~CBD/Kratom/Kava~~ franchise ranges from ~~\$192,830.00~~ ~~— \$308,700.00~~ ~~205,300~~ to ~~\$353,600~~. This includes ~~between \$115,500.00~~ ~~\$65,000~~ to ~~\$136,500.00~~ ~~95,000~~ that must be paid to ~~the franchisor or its affiliates~~ us and our affiliate.

~~Multi Unit Developers~~ Area developers must commit to open a minimum of 3 ~~units~~ Natural Life Stores. If you purchase area development rights to open 3 ~~outlets~~ to 5 Stores, the total investment necessary to begin operation of a Natural Life ~~CBD/Kratom/Kava~~ franchise ranges from ~~\$259,430~~ ~~270,300~~ to ~~\$374,000~~ ~~478,600~~. This includes ~~This includes between \$115,500.00 to \$136,500.00~~ ~~\$130,000 to \$220,000~~ that must be paid to ~~the franchisor or its affiliates~~. This includes a Multi Unit ~~us~~ Development Fee equal to the total of all initial franchise fees payable for the number of Franchised Businesses the Developer is permitted to open under the Multi Unit Development Agreement. The initial franchise fee for the first franchise purchased by Multi Unit Developers is \$40,000; the initial franchise fee for the second franchise purchased by Multi Unit Developers is \$35,000; and the initial franchise fee for the third and subsequent franchises purchased by Multi Unit Developers is \$30,000 each. our affiliate.

This ~~disclosure document~~ Disclosure Document summarizes certain provisions of your franchise agreement, area development agreement and other information in plain English. Read this ~~disclosure document~~ Disclosure Document and all accompanying agreements carefully. You must receive this ~~disclosure document~~ 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 governmental agency has verified the information contained in this document.**

You may wish to receive your ~~disclosure document~~ Disclosure Document in another format that is more

Franchise Disclosure Document (2024)

convenient for you. To discuss the availability of disclosures in different formats, contact **Gabriel Suarez**, [the franchisor at 1704 Capital Circle NE, Unit 103, Tallahassee, Florida 32308](mailto:admin@NaturalLifeFranchise.com) [or by phone at \(800-\) 851-6839](tel:(800)851-6839), ~~or~~ admin@NaturalLifeFranchise.com.

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

Buying a franchise is a complex investment. The information in this ~~disclosure document~~ [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~~ [Disclosure Document](#), is available from the Federal Trade Commission: [\(the "FTC"\)](#). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, ~~D.C.~~ [DC](#) 20580. You can also visit the FTC's home page at www.ftc.gov ~~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: ~~February 28, 2023 as amended May 30, 2023~~ [April 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:

<u>QUESTION</u>	<u>WHERE TO FIND INFORMATION</u>
<u>How much can I earn?</u>	<u>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 EXHIBIT "F".</u>
<u>How much will I need to invest?</u>	<u>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.</u>
<u>Does the franchisor have the financial ability to provide support to my business?</u>	<u>Item 21 or EXHIBIT "G" includes financial statements. Review these statements carefully.</u>
<u>Is the franchise system stable, growing, or shrinking?</u>	<u>Item 20 summarizes the recent history of the number of company-owned and franchised outlets.</u>
<u>Will my business be the only Natural Life Store in my area?</u>	<u>Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.</u>
<u>Does the franchisor have a troubled legal history?</u>	<u>Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.</u>
<u>What's it like to be a Natural Life franchisee?</u>	<u>Item 20 or EXHIBIT "F" lists current and former franchisees. You can contact them to ask about their experiences.</u>
<u>What else should I know?</u>	<u>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.</u>

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-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.

~~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 Exhibit F.
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 Natural Life 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 Natural Life franchisee?	Item 20 or Exhibit F lists 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.

Special Risks to Consider About *This* Franchise

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iv

Natural Life FDD-2023-B

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

1. **Out-of-State Dispute Resolution.** The franchise agreement ~~requires~~and area development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in ~~Florida~~Arizona. 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 ~~Florida~~Arizona than in your own state.
- ~~1.2.~~ **Limited Operating History.** 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.
- ~~2.3.~~ **Financial Condition.** The Franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
- ~~3.4.~~ **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
- ~~4.5.~~ **Spouse Liability.** Your spouse must sign a document that makes your spouse liable for your financial obligations under the franchise agreement, even though your spouse has no ownership interest in the business. This guarantee will place both your and your spouse's personal and marital assets, perhaps including your house, at risk if your franchise fails.
- ~~5.6.~~ **Mandatory Minimum Payments.** 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.
7. **Pricing of Customer Accounts. The franchisor determines the amount to be charged for your services by bidding on customer accounts. You have no say in that determination. If the franchisor prices a customer account too low, even by mistake, you still must service the customer under the price the franchisor negotiates, even if you will lose money doing so.**

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.

TABLE OF CONTENTS

~~ITEM 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES~~6

~~ITEM 2: BUSINESS EXPERIENCE PRESIDENT: GABRIEL SUAREZ~~8

~~ITEM 3: LITIGATION~~8

~~ITEM 4: BANKRUPTCY~~9

~~ITEM 5: INITIAL FEES INITIAL FRANCHISE FEE~~9

~~ITEM 6: OTHER FEES~~10

~~ITEM 7: ESTIMATED INITIAL INVESTMENT~~13

~~ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES~~17

~~ITEM 9: FRANCHISEE’S OBLIGATIONS~~20

~~ITEM 10: FINANCING~~21

~~ITEM 11: FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING~~21

~~ITEM 12: TERRITORY~~31

~~ITEM 13: TRADEMARKS~~33

~~ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION~~35

~~ITEM 15: OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS~~35

~~ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL~~36

~~ITEM 17:37~~

~~ITEM 18: PUBLIC FIGURES~~42

~~ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS~~42

~~ITEM 20: OUTLETS AND FRANCHISEE INFORMATION~~45

~~ITEM 21: FINANCIAL STATEMENTS~~47

ITEM 22: CONTRACTS.....	47
-------------------------	----

ITEM 23: RECEIPTS.....	47
------------------------	----

EXHIBITS

ITEM 1 FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES	4
ITEM 2 BUSINESS EXPERIENCE.....	7
ITEM 3 LITIGATION	10
ITEM 4 BANKRUPTCY.....	10
ITEM 5 INITIAL FEES	10
ITEM 6 OTHER FEES.....	16
ITEM 7 ESTIMATED INITIAL INVESTMENT.....	22
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	31
ITEM 9 FRANCHISEE’S OBLIGATIONS	38
ITEM 10 FINANCING	45
ITEM 11 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	45
ITEM 12 TERRITORY.....	66
ITEM 13 TRADEMARKS.....	72
ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION.....	74
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	75
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	77
ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION.....	78
ITEM 18 PUBLIC FIGURES	82
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS	3
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION	3
ITEM 21 FINANCIAL STATEMENTS.....	11
ITEM 22 CONTRACTS	12
ITEM 23 RECEIPT.....	12

EXHIBIT "A" LIST OF STATE ADMINISTRATORS ~~AND~~ AGENTS FOR SERVICE OF PROCESS

~~A. DEPOSIT RECEIPT~~

EXHIBIT "B" FRANCHISORS AGENT FOR SERVICE OF PROCESS

EXHIBIT "C" FRANCHISE AGREEMENT

~~MULTI-UNIT~~ EXHIBIT "D" AREA DEVELOPMENT AGREEMENT

EXHIBIT "E" TABLE OF CONTENTS OF BRAND STANDARDS MANUAL

EXHIBIT "F" LIST OF FRANCHISEES

EXHIBIT "G" FINANCIAL STATEMENTS FOR NATURAL LIFE FRANCHISE CORP.

~~B. OUTLETS AS OF THE DATE OF THIS DISCLOSURE DOCUMENT~~

~~C. TABLE OF CONTENTS OF OPERATIONS MANUAL~~

EXHIBIT "H" OTHER AGREEMENTS

~~D. EXHIBIT "H"-1 STATE SPECIFIC ADDENDA~~

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v

~~ITEM 1: THE~~

EXHIBIT "H"-2 GENERAL RELEASE
EXHIBIT "I" STATE EFFECTIVE DATES
EXHIBIT "J" RECEIPTS

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any document relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the

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franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

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

The Franchisor

The franchised business offered under this Disclosure Document is for a retail store that offers and sells hemp-based products to the general public under the name NATURAL LIFE WELLNESS BEGINS HERE (a "Store"). To simplify the language in this Disclosure Document, "you" means the person who buys the franchise for a Store – the franchisee, and includes your partners if you are a partnership, your shareholders if you are a corporation, and your members if you are a limited liability company. "We," "us" and "the Company" mean Natural Life Franchise Corp. – the franchisor.

Corporate Information

Natural Life Franchise Corp. is a Florida corporation that was ~~formed in Florida effective~~ incorporated on June 1, 2019. ~~The~~ Our principal business address ~~of Natural Life Franchise Corp.~~ is 1704 Capital Circle NE, Unit 103, Tallahassee, Florida 32308. ~~We do business under the names "Natural Life Franchise Corp." and "Natural Life CBD/Kratom/Kava".~~ Our telephone number is (800) 851-6839. Our agents for service of process are disclosed in EXHIBIT "A" (for franchise registration states) and EXHIBIT "B" (for other states). We do not do business under any names other ~~names~~ than "Natural Life Franchise Corp." and our tradename "Natural Life".

Business History

~~Our business is limited to~~ founder opened the first Store in February 2018 in Florida. We began offering the franchises that are described in this Disclosure Document and providing services to our franchisees. We do not offer for Stores in November 2019. We are not engaged in any business other than offering franchises or engage in any for Stores and administering the franchise system. We have never offered franchises in any other line of business, nor have we done so prior to the date of this Disclosure Document. We began franchising in November, 2019. We have never directly owned and operated a Store.

~~Our agent for service of process is disclosed in Exhibit "A" to this Disclosure Document. Our Parents, Predecessors, Parents and Affiliates~~

We do not have any ~~parents or~~ predecessors.

or parent companies. We do not have an any affiliates that offer (or have ever offered) franchises in this or any other line of business. Our affiliate, NL Fulfillment Corp., a Florida corporation, ("NL Fulfillment"), that sells products to") sells all branded inventory items, and certain non-branded inventory items, to franchisees. NL Fulfillment also operates our affiliates and franchisees. The e-commerce platform allowing customers to purchase products online. NL Fulfillment has never owned and operated a Store. NL Fulfillment's principal business address for NL Fulfillment Corp. is 2101 W. Pensacola Street, Unite 3B, Tallahassee, Florida 32304. Except for NL Fulfillment Corp. has never offered franchises in this or any other line of business.

~~Except as described above, we do not have any parents or affiliates that offer franchises in any line of business, or that provide products or services to our franchisees.~~

The Franchisor's Business

Natural Life Franchise Corp. was formed in Florida effective June 1, 2019 under the laws of the State of Florida to franchise the ~~Natural Life CBD/Kratom/Kava~~ retail store concept.

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~~We are in the business of granting franchises and providing services to Franchisees consisting of the opportunity to open and operate a retail store (referred to in this Disclosure Document as the “Franchised Business” or a “Store”) at a location approved in writing by us (an “Authorized Location”) under the **Natural Life CBD/Kratom/Kava** trademark and system of operating procedures. We have offered **Natural Life CBD/Kratom/Kava** franchises since November, 2019. We do not sell franchises in any other line of business. We do not intend to operate our own **Natural Life CBD/Kratom/Kava** Stores, nor are we involved in any other businesses. However, our affiliates listed below operate **Natural Life CBD/Kratom/Kava** Stores, and this and other affiliates may in the future operate additional **Natural Life CBD/Kratom/Kava** Stores.~~

The Franchise Offered

~~The Franchise Agreement authorizes you to use the **Natural Life CBD/Kratom/Kava** trade name and service mark in connection with the operation a retail store that offers to the general public hemp based products including CBD, hemp flower and hemp flower derived products, Kratom extract and Kratom infused products, Kava extract and Kava infused products, and related products (collectively the “Products”). You may only sell the products and services developed and approved by us and our affiliates. You will be licensed to use our logos, trade secrets and other confidential information. You must also use signage approved by us. You are not permitted to offer or sell marijuana/cannabis products.~~

~~We will grant you the right to operate a Franchised Business at a single location acceptable to us in accordance with the Franchise Agreement. The Franchise Agreement that you must sign is attached as Exhibit “C” to this Disclosure Document.~~

~~You must operate your Franchised Business according to our standards and procedures, as described in our Brand Standards Manual (the “**Manual**”). We will allow you access to an electronic version of the Manual for the duration of the Franchise Agreement. In addition, we will grant you the right to use our marks, including the mark “**Natural Life CBD/Kratom/Kava**” and any other trade names and marks that we designate in writing for use with the System (the “**Proprietary Marks**”).~~

Multi-Unit Description of Franchised Business

~~The franchised business offered under this Disclosure Document is for a retail store that offers and sells various lifestyle and wellness products. If we award you a franchise, you must sign the form of franchise agreement attached to this Disclosure Document as EXHIBIT "C" (the “Franchise Agreement”). We refer to the franchised business you purchase as your “Business” or your “Store”. The Franchise Agreement grants you a license to use certain service marks, trademarks, trade names and logos, including the trademark NATURAL LIFE WELLNESS BEGINS HERE and related logos (collectively, the “Marks”). The Marks also include our distinctive trade dress used to identify a Store or the products it sells. The Franchise Agreement also grants you a license to use our system that was developed for the operation of a Store (the “System”). Our confidential Brand Standards Manual (the “Manual”) describes the operational aspects of a Store. You will operate your Store as an independent business using the Marks, the System, the information in the Manual, and the support, guidance and other methods and materials we provide.~~

Area Development Offering Rights

~~We also offer the opportunity If you satisfy our criteria for you to open and operate multiple Franchised Businesses under a Multi-Unit multi-unit developers, we may (but need not) offer you the right to sign the form of Area Development Agreement. ~~The Multi-Unit Development Agreement that you must sign is attached as Exhibit “D” to this Disclosure Document. Under the Multi-Unit Development Agreement, as EXHIBIT "D" (the “ADA”). The ADA grants you pre-pay for all of the initial franchise fees for the number of Franchised Businesses that you have the right to right and~~~~

obligation to develop, open and operate multiple Stores within a defined “development territory” according to a predetermined “development schedule”. You must develop, open and operate ~~at all of the Stores identified in the time you sign the Multi-Unit Development Agreement. You must sign our then-current~~ development schedule. We only grant area development rights to franchisees who commit to develop, open and operate a minimum of 3 Stores. You must sign a separate franchise agreement for each ~~Franchised Business that you open, the terms of which may differ materially from the Store you develop. Each~~ franchise agreement ~~for the first Franchised Business. You will be granted a non-exclusive area in which you may open additional Franchised Businesses. A multi-unit developer must open a minimum of 3 units.~~our then-current form of franchise agreement, which may differ from the current Franchise Agreement attached to this Disclosure Document.

Market and ~~Competition and General Market for the Goods or Services~~

The target market for Store customers includes health-conscious members of the general public between the ages of 35 to 64 seeking natural alternatives for their wellness needs. Our industry is developing and growing rapidly. Sales are not seasonal. As a franchisee, you will compete with other retail and online businesses that sell hemp-based products similar to those sold by our Stores. Some of our competitors are independently owned and operated businesses while others consist of regional or national chains. Some of our competitors operate through a franchise model.

Laws and Regulations

You must comply with all federal and state licensing and other regulatory requirements relating to the operation of your Store.

Our Stores offer and sell various lifestyle and wellness products, including CBD, hemp flower and hemp flower-derived products, Kratom extract and Kratom-infused products, Kava extract and Kava-infused products. These products may contain: (a) CBD or other cannabinoids with tetrahydrocannabinol (THC) concentrations less than 0.3%; or (b) kratom. As further discussed below, there are federal and state laws that may regulate the transportation, possession, sale and use of these wellness products. We make no representation that you can lawfully sell our entire product line from your Store. We will provide you with any information we have regarding federal and state laws that may regulate the sale of our wellness products, but it is your responsibility to investigate the specific federal, state, municipal and local laws and regulations applicable to your Store that restrict or prohibit the sale of any of our wellness products in your state. Your Store may not offer or sell any wellness products that are prohibited in your state. Your failure to carry these products is not a breach of the Franchise Agreement. Our Stores are prohibited from selling marijuana or cannabis products.

The U.S. Food and Drug Administration (FDA), United States Department of Agriculture (USDA) and other federal and state agencies and departments administer and enforce laws, rules and regulations governing the production, transportation, sale and use of agricultural products, cosmetic products, foods and dietary supplements, and the ingredients that may be utilized in foods and dietary supplements. The Agriculture Improvement Act of 2018 (known as the “2018 Farm Bill”) established a new category of cannabis, classified as “industrial hemp” (defined as the plant Cannabis sativa L. and any part of such plant, whether growing or not, with a [THC] concentration of not more than 0.3% on a dry weight basis) and removed it as a “controlled substance” under federal law. Our Stores sell wellness products that contain cannabidiol derived from industrial hemp. The FDA and certain states currently take the position that cannabidiol is prohibited from use as an ingredient in food and dietary supplements. The Federal Food, Drug and Cosmetic Act prohibits the marketing or sale of THC or CBD products as “dietary supplements”. Our wellness products that contain cannabidiol are distinguishable from marijuana products as none of our products contain a THC concentration of more than 0.3% on a dry weight basis,

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or in any extractions from its isomers and other biomass. As such, our product line complies with federal industry regulations allowing for the sale of such products (the 2018 Farm Bill).

There are ongoing efforts at the federal and state levels to change current restrictions on hemp and cannabidiol, and you should investigate these laws, rules and regulations on a continual basis. Some state laws are or may be inconsistent with federal law, and may still prohibit the sale of CBD products while at the time allowing the sale of recreational or prescribed medicinal marijuana products. It is very important that you investigate the most recent federal and applicable state and local laws and regulations governing the transportation, possession, sale, and use of hemp and cannabidiol, and the use of cannabidiol as an ingredient in foods and dietary supplements. There is no federal license or certification required to sell CBD or other industrial hemp-based products at our Stores.

Our Stores also offer and sell certain wellness products derived from “kratom”, which is a tropical tree native to Southeast Asia. Kratom is not a controlled substance under federal law but some states have laws restricting or prohibiting the sale or possession of kratom.

The laws regulating the sale of the wellness products described above may change. You are responsible for compliance with the norms and rules related to FDA, USDA and state health regulations and other directives relating to the making of medical or any other form of health claims, issuing diagnosis or health advice, issuing endorsements, guarantees or promises regarding any particular intended use of products, or as to safety, reliability, durability and performance of those products, along with the use of certain prohibited terms, expressions, words and phrases relating to the products.

Our Stores do not currently offer tobacco products, such as cigarettes. However, they may do so in the future. Retailers selling tobacco products are subject to additional federal and state laws and regulations (including those implemented by the Alcohol and Tobacco Tax and Trade Bureau). These laws impose various requirements on retailers, including: obtaining a tobacco license; paying special tobacco taxes; restrictions on sales to minors; restrictions on distributing “samples”; and restrictions on advertisements for tobacco products.

While our Stores do not currently sell tobacco products, they do offer and sell various products, such as e-cigarettes and vapes, that the FDA refers to as “ENDS Products” (Electronic Nicotine Delivery System Products). Retailers that sell ENDS Products are subject to various federal and state laws and regulations. Currently, the FDA treats ENDS Products similar to tobacco products. As result, you are subject to the same federal laws and regulations applicable to the sale of tobacco products. Some states and local municipalities also subject retailers of ENDS Products to the same state and local laws and regulations applicable to the sale of tobacco products. For further information, the FDA provides an overview of the laws and regulations applicable to retailers who sell tobacco and/or ENDS Products that can be accessed via the following FDA webpage: <https://www.fda.gov/tobacco-products/products-guidance-regulations/products-ingredients-components>.

There may be other local, state and/or federal laws or regulations pertaining to your Store with which you must comply. We strongly suggest that you investigate these laws before buying this franchise.

~~**BUSINESS EXPERIENCE** You will be competing against other stores offering products containing CBD, Kratom, Kava, and related products. The market for these products is developing and growing rapidly. You will offer your products and services to the general public at retail only. We do not anticipate that sales will be seasonal.~~

Franchisor's Experience

~~We began our franchising business in November, 2019. Our affiliate has been operating Natural Life CBD/Kratom/Kava Stores since February 2018.~~

Industry Specific Regulations

~~The U.S. Food and Drug Administration and the U.S. Department of Agriculture have laws and regulations concerning the growing, cultivation, processing, production, and sale of CBD. The U.S. Food and Drug Administration and certain states currently take the position that cannabidiol is prohibited from use as a ingredient in food and dietary supplements. The laws and regulations regarding the sale of CBD, Kratom, and Kava is changing rapidly. We do not provide any assurances that you will be able to sell all of our products in your jurisdiction. You must satisfy yourself that the laws and regulations in your jurisdiction permit you to operate a Franchised Business under our System. It is your responsibility to investigate the most recent laws and regulations in your jurisdiction regarding the transportation, possession, sale and use of CBD, Kratom, and Kava products, and the use of extracts from these products in foods and dietary supplements. State and local departments of health and other agencies also have laws, rules, regulations and ordinances regulating the sale of CBD, Kratom, and Kava. In Florida, you must obtain a Florida Department of Agriculture license before you open for business. You may also be required to obtain other licenses. In addition, there are laws, rules, regulations and ordinances applicable to retail businesses generally, such as the Americans with Disabilities Act, Federal Wage and Hour laws, and the Occupation, Safety and Health Act. You should consult with your legal counsel to determine if any other licenses may be required in your local area.~~

~~ITEM 2~~ ~~ITEM~~ ~~2:~~ ~~BUSINESS~~ ~~EXPERIENCE~~
PRESIDENT:

Gabriel Suarez: President & Founder

~~Mr. Mr.~~ Suarez is a ~~founder~~ our Founder and ~~has served as our~~ President of the Company. He has been the President of the Company since inception (June 1, 2019). Since January, 2009, During the prior 5 years, he ~~Mr.~~ Suarez has been the owner and President of The Corner Shop Inc. in Tallahassee, Florida. ~~Mr.~~ Suarez is also the owner and President of the affiliate described above. held the following positions:

New Location Opening

<u>Company</u>	<u>Location</u>	<u>Title</u>	<u>Period of Time</u>
<u>NL Fulfillment Corp.</u>	<u>Tallahassee, FL</u>	<u>President & Owner</u>	<u>Jan 2021 to present</u>
<u>The Corner Shop Inc.</u>	<u>Tallahassee, FL</u>	<u>President & Owner</u>	<u>Jan 2009 to present</u>

Jennifer Gassler: Support: ~~Chris Pilato~~

~~Mr. Pilato~~ leads the location opening team for the Company. He has been leading this department since March 2020. From February 2018 to March 2020, ~~Mr. Pilato~~ was the Regional **Manager** of Natural Life Stores in Tallahassee FL. From January 2015 to March 2018, ~~Mr. Pilato~~ was an assistant manager for The Corner Shop, Inc. in Tallahassee, Florida.

Store ~~Ms. Gassler~~ has served as our Support Supervisor: ~~Michael 'Cole' Sharrett~~

~~Mr. Sharrett~~ is has been the Store Support Supervisor, the main point of contact and support for all open locations from February 2023 to present. He has been supporting and leading teams to success for 10+ years. ~~Previously he was Post Harvest Manager from August 2020 to December~~ since 2022 from Trulieve in Monticello, Florida. Prior to that he was ~~Dry Department Lead in Quincy, Florida. Prior to that he was a Trim Technician from December 2018 to October 2019 in Quincy, Florida for Trulieve (World's top 3 largest cannabis companies).~~ 2023. During the prior 5 years, she has also held the following position:

Territory Development: ~~Tony Belle~~

~~Mr. Belle~~ is the main point of contact for prospects looking to join the Natural Life franchise. Tony has been scouting the perfect franchisees for Natural Life since October of 2021. Mr. Belle has specialized in franchise awardment for over 17+ and has awarded over 500 franchises throughout his career. From August 2014 to January 2020 he worked for Cruise planners American Express Travel in Coral Springs, FL as Director Franchise Development. From January 2020 to March 2021 for The Learning Experience in Deerfield Beach, FL as Franchise Sales Manager. From June 2021 to November 2021 for Nestle Toll House Cafe in Richardson, TX as Franchise Senior Business Dev Director Franchise.

Director of Marketing: ~~Anthony Wasserman~~

~~Mr. Wasserman~~ oversees all of Natural Life's branding and marketing efforts at every customer touch point, ensuring effectiveness and consistency. Mr. Wasserman has been working in the franchise retail sector for over 30+ years. Steering Committee Member—Digital Marketing, University of South Florida in Tampa, FL from July 2021 to Present. Executive Consultant for

~~Dream Vacations/CruiseOne in Tampa, FL from February 2020 to July~~

<u>Company</u>	<u>Location</u>	<u>Title</u>	<u>Period of Time</u>
<u>Atticus Franchise Group</u>	<u>Atlanta, Georgia</u>	<u>District Manager</u>	<u>Dec 2018 to Sep 2023</u>

Megan Hoss: Marketing Manager

Ms. Hoss has served as our: (a) Marketing Manager (November 2023 to present); and (b) Graphic Designer (March 2021 to November 2023). During the prior 5 years, she has also held the following positions:

<u>Company</u>	<u>Location</u>	<u>Title</u>	<u>Period of Time</u>
<u>Self Employed</u>	<u>Tallahassee, FL</u>	<u>Freelance Artist</u>	<u>Jun 2020 to Mar 2021</u>
<u>Unemployed – Student</u>	<u>Tallahassee, FL</u>	<u>Student</u>	<u>Mar 2019 to Jun 2020</u>

~~2021. Chief Operating Officer for DuberTime Group in St. Petersburg, FL from February 2018 to January 2020. Within the retail sector, Mr. Wasserman’s focus has been on brand growth, effective marketing and efficient systems. As marketing director, Anthony has previously taken brands such as PetsMart and their marketing teams from a single outlet to 400+ franchised locations.~~

~~Item 2~~ **ITEM 3: LITIGATION**

No litigation is required to be disclosed in this Item.

~~Item 3~~ **ITEM 4: BANKRUPTCY**

No ~~bankruptcies are~~ bankruptcy is required to be disclosed in this Item.

~~ITEM 5~~ **ITEM 5: INITIAL FEES**

Initial Franchise Fee

~~You must pay us an initial franchise fee (referred to in this Disclosure Document as the “Franchise Fee.”) The Franchise Fee is fully refundable for a period of 30 calendar days from the date of payment. If you and we do not enter into a franchise agreement acceptable to both parties within such 30-day period. The Franchise Fee for the first franchise you purchase is \$40,000.00, payable in a lump sum. The Franchise Fee for the second franchise you purchase is \$35,000, and the Franchise Fee for the third and subsequent franchises purchased by the same franchisee is \$30,000 each. The Franchise Fee includes training at our headquarters, at an affiliate-owned store, and training at the Franchisee’s location. The Franchise Fee includes salary, transportation and food for our personnel. You will be responsible for the wages, benefits, taxes, travel and lodging expense for you and your trainees.~~

~~Currently we provide a~~ You pay us a nonrefundable \$40,000 initial franchise fee at the time you sign the Franchise Agreement. The initial franchise fee is uniformly imposed except for the discounts disclosed below:

~~10% discount off of the initial franchise fee for: veterans of the U.S. armed services; policemen, firemen and other first responders and Essential Workers (as defined in applicable state authority) that were working in those positions in 2020. Except as described above, the Franchise Fee is uniform for all franchisees at this time and, except as provided above, is nonrefundable in whole or in part under any circumstances after you sign the Franchise Agreement.~~

~~You have 60 days from signing the Franchise Agreement to secure a location for your Franchised Business that is acceptable to us. If we do not approve the location, we will notify you in writing and you will have 30 days to submit a new site for our approval. If a site has not been secured and approved within 75 days from signing the Franchise Agreement (or such longer period of time as we may agree in writing), we may terminate the Franchise Agreement and we may keep all franchise fees paid to us up to that date.~~

Initial Inventory

~~Before opening the Franchised Business, you must purchase your initial inventory of hemp-based products including CBD, hemp flower and hemp flower derived products, Kratom extract and Kratom infused products, and Kava extract and Kava infused products and accessories (collectively the “Products”) from our affiliate and other approved suppliers. We anticipate your cost of the initial inventory to be between \$60,000 and \$75,000. This fee is non-refundable.~~

Design Fee—\$2,500

~~We reserve the right to charge you a Design Fee of \$2,500 when you sign your lease to assist you with the layout and décor of the Store if the store dimensions are unusual. This fee is non-refundable.~~

Grand Opening Marketing—\$13,000—\$19,000

~~This amount is paid to us at the same time as the initial franchise fee. We will distribute this to third party vendors on behalf of you as we execute the grand opening marketing efforts. This fee is non-refundable.~~

Multi-Unit Development Fee

~~When you sign a Multi-Unit Development Agreement, you must pay us an amount equal to the initial franchise fees payable under the maximum number of Franchised Businesses a Multi-Unit Developer may open under the Multi-Unit Development Agreement. A multi-unit developer must open a minimum of 3 units with a development fee of \$105,000. This fee is non-refundable.~~

ITEM 6:

OTHER FEES

NAME OF FEE <u>Type of Discount*</u>	AMOUNT <u>Discount</u>	DUE DATE <u>Qualifications for Discount</u>	REMARKS	
Royalty Fee <u>Veterans Discount</u>	10% discount	The greater of 5% of Gross Revenues or \$200 per week up to \$500,000 in Gross Revenues; 4.5% of Gross Revenues up to \$700,000; and 4% of Gross Revenues up to \$1,000,000 and 3.5% of Gross Revenues over \$1,000,000 ¹ . <u>Person holding at least a 51% interest in the franchise is an honorably discharged veteran of any branch of the United States military and provides Form DD-214.</u>	Payable weekly by Wednesday of each week based upon Gross Revenues during the prior week ending on Sunday night	Payable by automatic funds transfer. Calculated every 6 months based on last 6 months average and updated for the next six months until we check again the last 6 month average.
Advertising and Marketing Contribution <u>Minority Discount</u>	2% of Gross Revenues ² 10% discount	Payable weekly by Wednesday of each week based upon Gross Revenues during the prior week ending on Sunday night. <u>Person holding at least a 51% interest in the franchise is a member of a recognized minority group as designated by the SBA.</u>	Payable to the Marketing Fund by automatic funds transfer.	
Local Advertising	You must spend a minimum of \$2,000 per month for the first 6 months, an then \$750 per month on local advertising	Must be spent monthly.	Payable to third party providers or us.	

NAME OF FEE <u>Type of Discount*</u>	AMOUNT <u>Discount</u>	DUE DATE <u>Qualifications for Discount</u>	REMARKS
Technology Fee	\$40.00 per week.	Payable weekly by Wednesday of each week	Payable to us to defer our cost to maintain our website, email addresses, search engine optimization, create mobile applications, develop software, create and maintain an intranet/extranet, and implement other technology initiatives. We reserve the right to increase this fee in accordance with provider fee increases.
POS Subscription Fee	\$190 per month	Payable to us monthly.	We will use this to pay the provider.
Additional Onsite Training or Assistance	\$300 per day plus travel and other out of pocket expenses	On-demand	At your request, and subject to availability, we may provide additional on-site training or special assistance.
Basic Management Training Fee	\$1,200 plus travel expenses (Food, lodging, and transportation) for each additional individual or replacement session.	Payment is due before the training starts	If you ask to send more than four individuals to the initial training program, or more than two individuals to a replacement training session, or if you request more than two replacement training sessions
Transfer Fee <u>First Responder Discount</u>	\$10,000 <u>% discount</u>	Before transfer is effective	Payable when you sell or transfer your franchise. No fee is charged if you transfer the franchise to a corporation or limited liability company the franchisee controls. <u>Person holding at least a 51% interest in the franchise is a current or former police officer, fireman, EMT or other first responder).</u>
Successor Franchise Fee	\$5,000	Upon signing successor franchise	Payable if you sign a successor franchise agreement.
Site Relocation Fee	Our cost to approve a relocation of your Franchised Business, not to exceed \$5,000	On-demand	If you must relocate your business you must reimburse us for our costs in approving the relocation, including travel expense.

NAME OF FEE <u>Type of Discount*</u>	AMOUNT <u>Discount</u>	DUE DATE <u>Qualifications for Discount</u>	REMARKS	
Premature Termination Fee ³ <u>Multi-Unit Discount</u>	<u>Store 1 – No discount</u> <u>Store 2 – \$5,000 discount</u> <u>Store 3 and up – \$10,000 discount</u>	Total average of Royalty Fees and Marketing Funds, and Technology Fees paid by you during the prior 12 months of operation multiplied by 24. If less than 12 months, the fee shall be equal to the weekly average from opening to termination multiplied by 104 and that will be the amount due. <u>You must (a) purchase 2 or more Stores from us at the same time, (b) sign a Franchise Agreement for all Stores at the same time, (c) pay full \$40,000 initial franchise fee for 1st Store and discounted initial franchise fee for each additional Store at same time.</u>	Upon termination of the Franchise Agreement due to a default by you	You must pay us this liquidated damage amount if the Franchise Agreement is terminated due to a default by you.
Late Reporting Fee	\$100.00 per incident, plus \$100 per week until the report is submitted	On demand	If you fail to submit reports or pay amounts due us or our affiliates in a timely manner.	
Attorney's Fees	Reasonable attorney's fees and costs	On demand	If you fail to pay any amounts due us or our affiliates, or if you are in default under the franchise agreement, you are responsible for our costs of collection and enforcement.	
Audit Costs	All costs and expenses associated with the audit, including reasonable legal	On demand	Payable only if we audit your records because you did not submit timely reports or if our audit finds you underreported sales or underpaid royalties by 2% or more.	

NAME OF FEE <u>Type of Discount*</u>	AMOUNT <u>Discount</u>	DUE DATE <u>Qualifications for Discount</u>	REMARKS
Indemnity	Actual Costs incurred by us in defending or paying any claim caused by you	As incurred	You must indemnify us, and reimburse us for our costs (including any settlement, judgment, as well as our attorneys' fees): (a) if we are sued or held liable in any case relating to your business operations; (b) for any claim arising from a securities offering you propose or that you carry out or (c) if we have to defend against a claim or pay damages because you made unauthorized or improper use of the Proprietary Marks.
Annual Convention Fee	Up to \$200 per year, per territory	At least 60 days before convention	We reserve the right to require your participation in an annual convention that will not last longer than 3 business days. You are responsible for the wages, taxes, benefits, travel, lodging and meal expenses you incur to attend the annual convention, in addition to payment of the Annual Convention Fee.
Supplier Approval	Up to \$2,000	On Demand	You must pay for the cost of inspection and testing of any supplier of products not previously approved
Secret Shopper Fee	Up to \$110.00 per month payable on the first day of each month, in advance plus up to 50	Monthly	We charge this fee to send a "secret shopper" to your store periodically. We may raise this fee yearly if the provider costs goes up.
Mentor Fee	\$1,000 per month for the first six months only.	Monthly	Paid to another franchisee or a representative of a company-owned unit that will assist you in the first six months of business operations.
Re-Inspection Fee	\$400.00 per day plus actual out of pocket expenses	On demand	If an inspection of your Franchised Business reveals a deficiency, you must reimburse us for our costs in making a re-inspection, including travel expense, to confirm that the deficiency has been corrected.

* The discounts listed in the table above may not be combined for a single Store. If multiple discounts apply to the same Store being purchased (including under an ADA), you receive the discount resulting in the lowest total initial franchise fee. The Veteran’s Discount, Minority Discount and First Responder Discount only apply to the first Store purchased, and do not apply to any Stores purchased under an ADA.

Development Fee

If you acquire area development rights, you pay us a nonrefundable development fee at the time you sign the ADA. The development fee is calculated as the sum of the total initial franchise fees you pay for all Stores you commit to develop under the ADA. The initial franchise fees you pay are the same as those disclosed above for the Multi-Unit Discount. We anticipate most area developers will purchase the right to develop between 3 and 5 Stores, which results in development fees ranging from \$105,000 to \$165,000. The development fee is deemed to satisfy the initial franchise fee associated with each Store you are required to develop under the ADA. Development fees are uniformly imposed.

Initial Training Fee

You pay us a nonrefundable \$5,000 initial training fee in consideration of the preopening initial training program we conduct. The initial training fee is due prior to commencement of initial training. The initial training fee includes: (a) our Natural Life Brand, Management and Operations training program (“Management Training”), which includes remotely conducted training and 2 days of classroom training held at a company-owned Store in Tallahassee, Florida; and (b) 2 days of onsite training and opening assistance that we provide at the time your Store opens (“Onsite Training”). The initial training fee is uniformly imposed.

Initial Inventory Purchase

Between 30 and 90 days prior to your anticipated opening date, you must purchase your initial supply of branded, and certain non-branded, inventory items from our affiliate. The total estimated cost of this purchase is estimated to range from \$20,000 to \$50,000. The purchase price is nonrefundable and, except as otherwise provided in the preceding sentence, uniformly imposed. You purchase your remaining inventory items directly from third-party suppliers. Our opening team will help you determine an appropriate assortment of inventory items based on local demographics, the size of your sales floor and other factors.

Item 4 ITEM 6 OTHER FEES

<u>TYPE OF FEE</u> ¹	<u>AMOUNT</u> ^{2,3}	<u>DUE DATE</u>	<u>REMARKS</u>
<u>Royalty Fee</u>	<u>Greater of (a) 5% of Gross Sales or (b) the minimum royalty fee</u>	<u>Day of each week that we specify (currently Wednesday) for Gross Sales generated during prior reporting period</u>	<u>The “minimum royalty fee” is \$200 per week. Our current reporting period runs from Monday through Sunday. We may change the reporting period and royalty fee due date upon 30 days’ prior notice. You must provide us with weekly Gross Sales reports.</u>

<u>TYPE OF FEE</u> ¹	<u>AMOUNT</u> ^{2,3}	<u>DUE DATE</u>	<u>REMARKS</u>
Insurance Reimbursement <u>Brand Fund Fee</u>	Our cost of such insurance to the Franchisee, plus an administrative fee of 10% of the premium, plus interest at the maximum rate permitted by law <u>2% of Gross Sales</u>	On demand <u>Same as royalty fee</u>	If you do not obtain the insured required under the franchise agreement, we have the right, but not the obligation, to pay the insurance premiums on your behalf. In that event, you must reimburse us for our costs plus an administrative fee and interest. <u>You must contribute this amount to the Brand Fund we administer. You have no voting rights pertaining to the administration of the Brand Fund, the creation or placement of advertising, or the amount of the Brand Fund Fee.</u>
<u>Local Marketing Commitment</u>	<u>2% of Gross Sales</u>	<u>Monthly, as incurred</u>	<u>This is the minimum amount you must spend on advertising and marketing in your local market to promote your Store (the “Local Marketing Commitment”). This expenditure is in addition to your Brand Fund Fee. We measure your compliance on a rolling 6-month basis.</u>
<u>Cooperative Advertising Fee</u>	<u>Up to 2% of Gross Sales</u>	<u>Same as royalty fee</u>	<u>See Note 4.</u>
<u>Training Fee</u>	<u>Up to \$300 per person per day (plus Travel Expenses for onsite training)</u>	<u>10 days after invoice</u>	<u>Payable for each person who attends: (a) initial training after you open; (b) repeat training (after failing a prior attempt); (c) remedial training; or (d) additional training you request. You must also reimburse us for Travel Expenses we incur for training onsite at your Store. We do not charge training fees for required system-wide refresher or supplemental training programs.</u>
Administrative Conference Registration Fee	Actual costs plus 10% of any costs we have to pay to providers (together with accrued interest permitted under this Agreement on overdue amounts.) <u>Up to \$750 per person per conference</u>	Immediately as incurred <u>10 days after invoice</u>	If the Franchisee defaults in performing any of its obligations under the Franchise Agreement, we have the right (but not the duty) to perform the Franchisee's obligations. We may hold conferences to discuss matters affecting franchisees. Attendance is mandatory unless: (a) we designate attendance as optional; or (b) we waive your obligation to attend based on showing of good cause. If you fail to attend a required conference without a waiver from us, you must pay us the conference registration fee despite your non-attendance (we will provide you with a copy of any written materials distributed at the conference).
<u>Technology Fee</u>	<u>\$190 per month for POS system plus \$40 per week for other technology R&D and support (subject to change)</u>	<u>Weekly fee due same as royalty fee</u> <u>Monthly fee due 10 days after invoicing or as otherwise specified</u>	<u>See Note 5.</u>

<u>TYPE OF FEE</u> ¹	<u>AMOUNT</u> ^{2,3}	<u>DUE DATE</u>	<u>REMARKS</u>
<u>System Program Fees</u>	<u>Varies (not currently charged)</u>	<u>10 days after invoice or as we otherwise specify</u>	<u>You must participate in any customer loyalty, membership and/or gift card program we establish and pay all associated program contributions and fees we require to implement and administer these programs. These amounts are paid to us or a third party we designate.</u>
<u>Product Purchases</u>	<u>Varies depending on item purchased</u>	<u>10 days after invoice</u>	<u>We or our affiliate may serve as a System supplier for certain goods or services you must purchase. If this occurs, we will provide you with a price list upon request. You currently order inventory from our affiliate through our franchise portal.</u>
<u>New Product or Supplier Testing</u>	<u>Cost of testing (up to \$2,000 per test)</u>	<u>10 days after invoice</u>	<u>This covers the costs of testing new products or inspecting new suppliers you propose.</u>
<u>Relocation Fee</u>	<u>\$5,000</u>	<u>At time we approve request to relocate</u>	<u>Imposed if we approve your request to relocate your Store.</u>
<u>Renewal Fee</u>	<u>\$5,000</u>	<u>At time you sign Renewal Agreement</u>	<u>Imposed if you renew your franchise rights by signing a renewal Franchise Agreement.</u>
<u>Transfer Fee</u>	<u>[Franchise Agreement]</u> <u>\$10,000</u>	<u>Before Transfer</u>	<u>We do not charge a transfer fee for Permitted Transfers. You pay the transfer fee for all other Transfers. If our broker finds the buyer, you must also reimburse us for all commissions we pay the broker.</u>
	<u>[ADA]</u> <u>\$10,000</u>		
<u>Reimbursement of Quality Assurance Program Costs</u>	<u>Actual cost paid to company we hire</u>	<u>10 days after invoice</u>	<u>If we hire a person or company to inspect your Store, you must reimburse us for all amounts we pay for the inspection, including reimbursement of costs for products purchased for inspection.</u>
<u>Reimbursement of Reinspection Costs</u>	<u>\$400 per day plus Travel Expenses and other costs we incur to travel to and inspect your Store</u>	<u>10 days after invoice</u>	<u>Imposed if we inspect your Store to determine if you remedied a (a) health or safety issue identified by a government agency or (b) breach of system standards we bring to your attention.</u>
<u>Audit Fee</u>	<u>Actual cost of audit (including Travel Expenses for audit team)</u>	<u>10 days after invoice</u>	<u>Imposed if an audit (a) is necessary because you fail to send us required information or reports in a timely manner or (b) reveals you understated Gross Sales by 2% or more.</u>
<u>Late Fee</u>	<u>\$100 plus default interest at lesser of (a) 18% per annum (prorated on daily basis) or (b) highest rate allowed by applicable law</u>	<u>10 days after invoice</u>	<u>If we debit your account but there are insufficient funds, or a check you issue is returned due to insufficient funds, then we may charge (in addition to the late fee) an NSF fee of \$50 per incident. In California, default interest is limited to 10% per annum.</u>

<u>TYPE OF FEE</u> ¹	<u>AMOUNT</u> ^{2,3}	<u>DUE DATE</u>	<u>REMARKS</u>
<u>Noncompliance fee</u>	<u>Up to \$500 per incident</u>	<u>Upon demand</u>	<u>Imposed if you fail to comply with a mandatory standard or operating procedure (including timely submission of required reports) and do not cure within the time period we require. We may impose an additional \$500 fee every 48 hours the noncompliance issue remains uncured after we impose the initial fee. We will deposit these fees into the brand fund (once established).</u>
<u>Default Reimbursements</u>	<u>All costs we incur to cure your default plus admin fee equal to 10% of the costs</u>	<u>10 days after invoice</u>	<u>If you fail to cure a breach of the Franchise Agreement or our brand standards in the time period we require, we may take steps to cure on your behalf and you must reimburse us for our costs (examples include failure to pay suppliers, maintain insurance, or meet quality or safety standards) and pay the admin fee.</u>
<u>Management Fee</u>	<u>Up to \$500 per day plus Travel Expenses</u>	<u>10 days after invoice</u>	<u>If you fail to timely cure a default under the Franchise Agreement or the Managing Owner dies, we can designate a person to manage your Store until the default is cured or you replace the Managing Owner.</u>
<u>Indemnification</u>	<u>Amount of our damages, losses or expenses</u>	<u>10 days after invoice</u>	<u>You must indemnify and reimburse us for all damages, losses or expenses we incur due to the operation of your Store or your breach of the Franchise Agreement.</u>
<u>Attorneys' Fees and Costs</u>	<u>Amount of attorneys' fees and costs we incur</u>	<u>Upon demand</u>	<u>You must reimburse us for all attorneys' fees and costs we incur relating to your breach of the Franchise Agreement or any related agreement.</u>
<u>Liquidated Damages</u>	<u>Varies (See Note 6)</u>	<u>30 days after invoice</u>	<u>Imposed if we terminate due to your default or you terminate in any manner not permitted by the Franchise Agreement.</u>

~~All fees referred to above are payable only to us. All fees referred to above are imposed and collected by us. All fees referred to above are uniform and non-refundable.~~

~~¹Gross Revenues means the entire amount of all revenues arising out of the ownership or operation of the Franchised Business or any business at or about the Premises and any revenues received from the lease or sublease of a portion of the Premises. Such revenues may be evidenced by cash, credit, checks, paid gift certificates, and premiums, services, property or other means of exchange. Gross Revenues includes proceeds from business interruption insurance. Such revenues exclude, however, the amount of any sales taxes that are collected and actually paid to the taxing authority, and promotional gift certificates and coupons approved by Franchisor. Gross Revenues are deemed received by the Franchisee at the time the goods, products, merchandise, or services from which they derive are delivered or rendered or at the time the relevant sale takes place, whichever occurs first. Gross Revenues consisting of property or services are valued at the prices applicable, at the time such Gross Revenues are received, to the products or services exchanged for such Gross Revenues. Royalty Fees are paid on the full retail price charged by you, regardless of any credit or discount you may provide to the customer, unless we pre-approve the discount or credit. You must submit your profit and loss statements each month by the 15th of the following month.~~

~~²In addition to the Marketing Fund contribution, you may be required to contribute up to 2% of your Gross Revenues to a local or regional Market Co-Op. Contributions to the Market Co-~~

~~Op, if any, will be due monthly. The activities carried on by each Market Co-op Fund shall be decided by a majority vote of its members. Any Franchised Business that Franchisor operates in the region shall have the same voting rights as Franchised Businesses owned by franchisees. Each Franchised Business owner shall be entitled to cast one (1) vote for each Franchised Business owned. See Item 11 for more information regarding the Market Co-Op. The Franchisor has no controlling voting power. Each member of the Co-Op has one vote.~~

~~^{3.} Some states restrict or prohibit the imposition of liquidated damages provisions.~~

ITEM 7: Notes:

1. Nature and Manner of Payment: All fees are imposed by and payable to us except: (a) you pay the cooperative advertising fee directly to your advertising cooperative (we may instead require you to pay this fee to us, in which case we will remit the fee to the cooperative on your behalf); and (b) you spend the Local Marketing Commitment directly with third-party suppliers. All fees are nonrefundable and uniformly imposed. You must sign an ACH Authorization Form (attached to the Franchise Agreement as **Error! Reference source not found.**) permitting us to electronically debit your designated bank account for all amounts owed to us and our affiliates (other than fees due within 15 days after signing the Franchise Agreement). You must deposit all Gross Sales into the bank account and ensure sufficient funds are available for withdrawal before each due date. You are responsible for all taxes imposed on you or us based on products, intangible property (including trademarks) or services we provide to you.

2. Definitions: As used in this Disclosure Document, the following capitalized terms have the meanings given to them below:

“Brand Fund” means the brand and system development fund we currently administer to promote public recognition of our brand and improve our System.

“Gross Sales” means all gross sums you bill or collect from all goods and services you sell, plus all other sums you collect from the operation of your Store including any: advertising revenues; sponsorship fees; and business interruption insurance proceeds. Gross Sales includes the full retail value of any free or discounted goods or services you provide to your owners, staff, friends, family members or customers, unless the same pricing is available to the general public as part of an approved promotional program. Gross Sales excludes: (a) revenue share paid to you by our affiliate based on online sales made in your territory; (b) sales or use taxes; (c) amounts refunded to customers; and (d) revenues from the sale of furniture, fixtures and equipment in the ordinary course of business. The Manual may include policies governing the manner in which promotional coupons and proceeds from the sale of gift cards are treated for purposes of calculating Gross Sales. The Manual may also provide details on the calculation of Gross Sales relating to qualifying purchases and redemptions by members under a customer loyalty or membership program.

“Managing Owner” means the owner you appoint and we approve with primary responsibility for the overall management and operation of your Store. See Item 15 for more information.

“Permitted Transfer” means: (a) a Transfer from one owner to another owner who was an approved owner prior to the Transfer (other than a Transfer that results in the Managing Owner owning less than 10% of the franchised business); and/or (b) a Transfer to a newly established business entity with respect to which the transferring owners collectively own and control 100% of the ownership interests.

“Technology Systems” means all information and communication technology systems that we designate, which may include computer systems, point-of-sale systems, webcam systems,

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telecommunications systems, security systems, music systems, and similar systems, together with the associated hardware, software (including cloud-based software) and related equipment, software applications, mobile apps and third-party services relating to the establishment, use, maintenance, monitoring, security or improvement of these systems.

“Transfer” means a transfer or assignment of: (a) the Franchise Agreement or ADA (or any interest in either such agreement); (b) the Store’s assets (other than the sale of fixtures or equipment in the ordinary course of business); (c) any ownership interest in the entity that is the “franchisee” or “area developer”; or (d) the franchised business you conduct under the Franchise Agreement or ADA.

“Travel Expenses” means all travel, meals, lodging, local transportation and other living expenses and costs incurred: (a) by us and our trainers, field support personnel, auditors and/or other representatives to visit your Store; or (b) by you or your personnel to attend training programs or conferences.

3. CPI Adjustments: All fees (and minimum fees) expressed as a fixed dollar amount are 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 CPI, but only if the increase to CPI is more than 5% higher than the corresponding CPI in effect on: (a) the effective date of the Franchise Agreement (for the initial fee adjustment); 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 may implement no more than 1 fee adjustment during any 5-year period.
4. Cooperative Advertising Fee: We may establish regional advertising cooperatives for purposes of pooling advertising funds to be used in discrete regions. We may either: (a) collect cooperative advertising fees and remit them to the applicable cooperative; or (b) require you to pay these fees directly to the cooperative. Cooperative advertising fees are uniformly imposed on all Stores in the cooperative, including company-owned Stores. We may set the minimum cooperative advertising fee, which may be increased by majority vote of all members of the cooperative (but will not exceed the maximum amount specified in the table above). Each member is entitled to 1 vote regarding of the number of Stores owned. We and our affiliates will be members of the cooperative (and have the same voting rights as franchisees) with respect to company-owned Stores located in the cooperative. However, if the majority of Stores in the cooperative are company-owned Stores, we will not increase the cooperative advertising fee unless a majority of all franchisee members vote in favor of the increase. All cooperative advertising fees you pay are credited towards your Local Marketing Commitment. There were no advertising cooperatives in effect as of December 31, 2023.
5. Technology Fee: You must acquire and utilize all Technology Systems we specify from time to time. The “technology fee” includes all amounts you pay us and/or our affiliates relating to these Technology Systems, including amounts paid for proprietary items and amounts we collect from you and remit to third-party suppliers based on your use of their systems, software, technology or services. The amount of the technology fee may change based on changes to the Technology Systems or the prices charged by third-party suppliers with whom we enter into master agreements. We may include within the technology fee a commercially reasonable administrative fee to compensate us for the time, money and resources we invest in administering the technology platform and associated components, negotiating and managing contracts with third-party licensors, and collecting and remitting technology fees owed to third-party licensors on behalf of franchisees under master license arrangements. The technology fee does not include any amounts you pay directly to third-party suppliers. As of the issuance date of this Disclosure Document, we charge a technology fee of \$190 per month (which covers the monthly licensing fee for your POS system) plus \$40 per week (which covers research and development of new technology, website updates and maintenance and partially reimburses us for the costs we incur to provide you with up to 5 email addresses/accounts).

6. Liquidated Damages: You must pay us liquidated damages if: (a) we terminate the Franchise Agreement due to your default; or (b) you terminate the Franchise Agreement prior to its expiration date (except in accordance with the provisions governing your right to terminate following our uncured breach). Liquidated damages is calculated as the sum of average monthly royalty fees, brand fund fees and technology fees imposed during the 12-month period preceding termination (or your entire period of operation if less than 12-months) multiplied by the lesser of: (a) 24 (representing 2 years); or (b) the total number of months remaining under the term.

Item 5 ~~ITEM 7~~ **ESTIMATED INITIAL INVESTMENT**

Table A: Estimated initial investment for the purchase of a single Store.

~~YOUR ESTIMATED INITIAL INVESTMENT~~
Franchise Agreement

<u>YOUR ESTIMATED INITIAL INVESTMENT EXPENDITURE</u> <u>(SINGLE STORE)</u>	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM MADE
Franchise Fee ¹ - <u>TYPE OF EXPENDITURE</u> ¹	\$40,000 <u>AMOUNT</u>	<u>METHOD OF PAYMENT</u> Lump sum	Signing of Franchise Agreement <u>WHEN DUE</u>	Franchisor <u>TO WHOM PAYMENT IS TO BE MADE</u>
Opening Inventory ² - <u>Initial Franchise Fee</u> ²	\$60,000 - \$75,000 <u>40,000</u>	<u>Lump sum</u> As arranged	As arranged <u>At time you sign Franchise Agreement</u>	Franchisor, Affiliates, and Approved Suppliers
Design Fee <u>Initial Training Fee</u> ³	\$2,500 <u>5,000</u>	Lump sum	Signing of <u>At time you sign Franchise Agreement</u>	Franchisor <u>Us</u>

<u>YOUR ESTIMATED INITIAL INVESTMENT EXPENDITURE (SINGLE STORE)</u>	<u>AMOUNT</u>	<u>METHOD OF PAYMENT</u>	<u>WHEN DUE</u>	<u>TO WHOM MADE</u>
Franchise Fee ¹ - <u>TYPE OF EXPENDITURE</u>	\$40,000 <u>AMOUNT</u>	<u>METHOD OF PAYMENT</u> Lump sum	<u>Signing of Franchise Agreement</u> <u>WHEN DUE</u>	<u>Franchisor</u> <u>or</u> <u>TO WHOM PAYMENT IS TO BE MADE</u>
Real Estate/Rent ² - <u>Initial Training Expenses</u> ⁴	See Footnote 3 <u>\$2,000 to \$4,000</u>	As incurred	<u>As arranged</u> <u>During training</u>	<u>Seller/Lessor</u> <u>Hotels, restaurants and airlines</u>
Lease and Real Estate Management Fee ⁵ <u>Utility Deposits and Fees</u> ⁴	\$10,000 - \$15,000	Lump sum	<u>Before possession</u> <u>At time you sign lease or purchase agreement</u>	<u>Lessor and/or utility companies</u> <u>Supplier</u>
Construction Costs/Leasehold Improvements ⁵ - <u>Project Management Fee</u> ⁶	\$27,500 - \$62,500 <u>\$15,000</u>	<u>Lump sum</u> <u>As incurred</u>	<u>As arranged</u> <u>At time you sign lease or purchase agreement</u>	<u>Lessor or contractor</u> <u>or Project Manager</u>
Furniture, Fixtures and Equipment ⁶ - <u>Lease Deposit & 3 Months' Rent</u> ⁷	\$15,000 - \$25,000 <u>\$20,000</u>	<u>Lump sum</u> <u>As incurred</u>	<u>Monthly</u> <u>Before (with security deposit paid before opening)</u>	<u>Approved suppliers</u> <u>Landlord</u>
Insurance ⁷ - <u>Construction</u> ⁸	\$1,500 - \$2,000 <u>\$15,000 to \$60,000</u>	<u>As incurred</u> <u>Monthly or lump sum</u>	Before opening	<u>Insurance carrier</u> <u>Contractor & suppliers</u>

<u>YOUR ESTIMATED INITIAL INVESTMENT EXPENDITURE (SINGLE STORE)</u>	<u>AMOUNT</u>	<u>METHOD OF PAYMENT</u>	<u>WHEN DUE</u>	<u>TO WHOM MADE</u>
Franchise Fee [†] - <u>TYPE OF EXPENDITURE</u> ¹	\$40,000 <u>AMOUNT</u>	<u>METHOD OF PAYMENT</u> Lump sum	Signing of Franchise Agreement <u>WHEN DUE</u>	Franchisor <u>TO WHOM PAYMENT IS TO BE MADE</u>
Grand Opening ⁸ - <u>Furniture, Fixtures & Décor</u> ⁹	\$13,500 - \$19,000 <u>\$15,000 to \$25,000</u>	As incurred	Before opening	Suppliers Third Parties or Franchisor
POS System ⁹ - <u>Signage</u> ¹⁰	\$1,500 to \$8,000 <u>\$1,500</u>	Lump sum As incurred	As arranged Before opening	Approved suppliers Suppliers
Professional Fees ¹⁰ - <u>Technology Systems</u> ¹¹	\$2,000 - \$5,000 <u>\$4,450 to \$8,600</u>	As incurred Lump sum	As arranged Before opening	Attorneys, accountants, etc. Suppliers
Signage ^{††} - <u>Office Supplies</u> ¹²	\$3,900 - \$8,300 <u>\$300 to \$1,000</u>	As incurred Lump sum	Before opening	Approved supplier Suppliers
Vinyl Window Graphics <u>Opening Inventory</u> ¹³	\$500 - \$1,200 <u>\$40,000 to \$60,000</u>	As incurred Lump sum	Before and Grand Opening opening	Approved supplier Affiliate & suppliers

<u>YOUR ESTIMATED INITIAL INVESTMENT EXPENDITURE (SINGLE STORE)</u>	<u>AMOUNT</u>	<u>METHOD OF PAYMENT</u>	<u>WHEN DUE</u>	<u>TO WHOM MADE</u>
Franchise Fee ¹ - <u>TYPE OF EXPENDITURE</u> ¹	<u>\$40,000</u> <u>AMOUNT</u>	<u>METHOD OF PAYMENT</u> Lump sum	Signing of Franchise Agreement <u>WHEN DUE</u>	Franchisor <u>TO WHOM PAYMENT IS TO BE MADE</u>
Training ¹² - <u>Grand Opening Advertising</u> ¹⁴	<u>\$20,000 - \$50,000</u>	As incurred Lump sum	<u>Before 30 days before through 30 days after opening</u>	Airlines, hotels, restaurants, etc. <u>Suppliers</u>
<u>Utility Deposits</u> <u>Office Equipment</u>	<u>\$500 to \$2,000 - \$4,000</u> <u>500</u>	As incurred	<u>As incurred Before opening</u>	Third Parties <u>Utility companies</u>
<u>Permits, and Licenses and Utilities</u>	<u>\$300 to \$1,000 - \$2,000</u> <u>500</u>	Lump sum	<u>Before construction or opening for business</u>	Government agencies
<u>License Fees (music, loyalty program and gift card program, and digital menu)</u> <u>Professional Fees</u> ¹⁵	<u>\$930 - \$1,500 to \$5,000</u>	<u>Monthly</u> <u>Lump sum</u>	<u>Monthly Before opening</u>	Third parties <u>Lawyers & accountant</u>
<u>Additional Funds - [initial period]</u> ¹³ <u>Insurance</u> ¹⁶	<u>\$3,000 - \$15,750 to \$2,000</u>	As incurred Lump sum	<u>As arranged Before opening</u>	Third Parties <u>Insurance companies</u>
Preopening <u>Wages</u> <u>Payroll</u> ¹⁷	<u>\$72,000 - \$250,000</u>	As incurred	<u>As arranged Before opening</u>	Employees <u>Third Parties</u>
<u>Estimated Additional Funds</u> ¹⁸ <u>(3 months) Total Range</u>	<u>\$192,830.00 - \$308,700.00</u> <u>\$25,000 to \$60,000</u>	<u>As incurred</u>	<u>As incurred</u>	<u>-Us, suppliers and employees</u>

<u>YOUR ESTIMATED INITIAL INVESTMENT EXPENDITURE (SINGLE STORE)</u>	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM MADE
Franchise Fee [†] - <u>TYPE OF EXPENDITURE</u> ¹	\$40,000 <u>AMOUNT</u>	<u>METHOD OF PAYMENT</u> Lump sum payment	Signing of Franchise Agreement <u>WHEN DUE</u>	Franchisee <u>TO WHOM PAYMENT IS TO BE MADE</u>
<u>-Total Estimated Initial Investment</u> ¹⁹	<u>\$205,300 to \$353,600</u>			

NOTES

Except as otherwise described in the notes in this Item 7, the chart above provides an estimate of your initial investment for a single, new **Natural Life CBD/Kratom/Kava** Store and the costs necessary to begin operation of your Store during the first 90 days of operation. All fees and payments described in this Item 7 are non-refundable, unless otherwise stated or permitted by the payee. We do not offer financing for any portion of your initial investment.

[†] Franchise Fee — The initial franchise fee is \$40,000 for the first franchise; \$35,000 for the second franchise purchased by the same franchisee; and \$30,000 for the third and subsequent franchises purchased by the same franchisee. See Item 5.

² Opening Inventory — You must purchase an opening inventory of Products from our affiliate and other suppliers approved by us. This estimate is for your inventory to open the Franchised Business. The amount to be paid for additional inventory will depend on your sales during the initial period.

³ Real Estate/Rent — If you do not own your Authorized Location, you will lease the Premises from a third party. A Franchised Business is customarily established in an “in-line” shopping center or city street location. The standard size of the premises is 800 to 1500 square feet. Rent will vary based on a number of factors including square footage, location, and condition of the space, lease arrangements, and the “average dollar per square foot” in your area. Another factor, which is discussed below under the Note “Construction Costs/Leasehold Improvements”, may have a significant effect on the rent. It is difficult, if not impossible, for us to estimate the amount you may spend to purchase land (improved or unimproved), or the amount you may spend on rent prior to or during the initial 3 months of operating the Franchised Business. The cost of land and rent costs vary considerably from one location to another. You should consult with a local real estate broker to determine average rents in your area.

⁴ Table B – Estimated initial investment for the purchase of area development rights.

- ~~¹ Lease and Utility Deposits and Fees — You may have to pay a landlord or utility companies security deposits or other fees before occupancy of the premises or before the beginning of utility services. This amount assumes that you will guaranty your lease. If you do not personally guaranty your lease, the security deposit requirements may be higher.~~
- ~~⁵ Construction Costs/Leasehold Improvements — Cost of construction and leasehold improvements will vary depending on many factors including size of space, condition, location of the space and price difference between various suppliers and contractors. All construction materials and fixtures must be in compliance with our specifications and the landlord's specifications, if applicable. The cost of the leasehold improvements may be your sole responsibility to be paid up front to the landlord or third parties prior to occupancy or it may be included in the monthly rental amount. This is an important factor for you to consider in choosing a location. The range of figures shown in this illustration is for a space in "ready to occupy" condition up to an "average" renovation of a unit. We cannot accurately estimate the cost to build a free-standing building from a vacant site.~~
- ~~⁶ Furniture, Fixtures and Equipment — The purchase of furniture, fixtures and equipment is from approved suppliers. This includes digital menus, television to run CBD infomercials, security system, internet and phone equipment and installation, answering machine, back office computer, printer, scanner, and packaging and shipping supplies.~~
- ~~⁷ Insurance — You must maintain minimum insurance coverage prior to occupying leased space (See Article 9 of Franchise Agreement). The cost of this insurance will vary based on many factors and may be paid in a lump sum annually, quarterly and sometimes monthly. We estimate the annual insurance premiums for standard units to be approximately \$3,000 to \$4,000 per store per year.~~
- ~~⁸ Grand Opening — You must spend a minimum of \$13,000 on Grand Opening public relations, promotions, advertising and marketing. This amount is paid to us then we will reimburse you for your Grand Opening expenses from your third party receipts. See Item 11.~~
- ~~⁹ POS System — The point of sale system (POS), including cash registers, printers and equivalent technology meeting our requirements must be purchased from approved suppliers. See Item 11.~~
- ~~¹⁰ Professional Fees — You may retain the services of attorneys, accountants and other financial advisors.~~
- ~~¹¹ Signage — The interior and exterior signs must meet our specifications. Signage costs will vary and may exceed the projected amounts based on size of sign, material used, shipping fees, local permits, and contractor fees. The amounts shown reflect signs that are currently in use through currently approved suppliers.~~
- ~~¹² Training — You and/or your General Manager must attend our training program at a location that will be determined before the opening of the Franchised Business. You are solely responsible for training expenses, which will vary based on the number of people required to be trained, distance traveled, mode of travel, time in training, choice of accommodations, food and entertainment and salaries paid by you to your employees. The initial training fee is included in the Franchise Fee. Trainees are not compensated by us during training. During the term of the Franchise Agreement, we will provide you with two replacement training sessions for up to two individuals at each session. If you~~

~~ask to send more than four individuals to the initial training program, or more than two individuals to a replacement training session, or if you request more than two replacement training sessions, then you agree to pay us a training fee in the amount of \$1,200 for each such individual or replacement session, with payment to be made in full before the training starts, plus all other expenses we incur in connection with that training (including the costs of transportation, lodging, and meals).~~

~~¹³ Additional Working Capital—This estimates additional start-up expenses and working capital requirements in the initial three months of operations during the ramp up period. This amount includes \$1,000 per month that you must pay to a Mentor, who is another franchisee or a representative of a company-owned unit that will assist you in the first six months of business operations. The above amounts do not include any owner salary or other owner compensation or debt service. We relied on the experience of our affiliates in opening company-owned units in estimating the additional working capital amount.~~

YOUR ESIMTATED INITIAL INVESTMENT
Multi-Unit Development Agreement

<u>YOUR ESTIMATED INITIAL INVESTMENT</u> <u>(AREA DEVELOPMENT - ASSUMES COMMITMENT OF 3 STORES OR 5 STORES)</u>					
<u>TYPE OF EXPENDITURE</u> ¹		<u>AMOUNT</u>	<u>METHOD OF PAYMENT</u>	<u>WHEN DUE</u>	<u>TO WHOM PAYMENT IS TO BE MADE</u>
Development Fee for the minimum of 3 outlets (Note 1) ²⁰		\$105,000 to <u>\$165,000</u>	Lump Sum	On signing Multi-Unit Development t Agreement at time you sign ADA	Us
Other Expenditures for first Business (Note 2)	\$154,430 to \$269,000	As Disclosed in <u>Initial Investment to Open First Store</u>	As Disclosed in First Table <u>\$165,300 to \$313,600</u>	As Disclosed in First Table <u>This is the total estimated initial investment in Table A above less initial franchise fee which is included in development fee</u>	
Total <u>Estimated Initial Investment</u>		<u>\$259,430</u> 270,300 to <u>\$374,000</u> 478,600			

~~1. **Development Fee.** This fee is discussed in Item 5. Our estimate assumes you will develop the minimum of three Businesses. If you choose to develop more than three Businesses, the development fee will increase by \$30,000 for each additional Business.~~

~~2. **Other Expenditures for first Business.** A multi-unit developer is expected to incur these same costs for each Natural Life outlet it develops, subject to inflation and other increases over time. This category does not include any additional territory fee. If you are a multi-unit developer, your professional fees (such as legal and financial) will probably be higher.~~

ITEM 8: Notes:

1. Financing and Refunds: We do not offer direct or indirect financing. No amounts paid to us are refundable. We are not aware of any amounts paid to third-party suppliers that are refundable, although your landlord may refund your security deposit at the end of the lease if you do not damage the property or default.
2. Initial Franchise Fee: Our standard initial franchise fee is \$40,000. We offer discounts under the circumstances described in Item 5. This estimate assumes no discounts apply.
3. Initial Training Fee: You pay us a \$5,000 initial training fee in consideration of the preopening initial training program we conduct. This fee includes remotely conducted training, a 2-day Management Training program held in Tallahassee, Florida and our 2-day Onsite Training program that takes place at your Store.
4. Initial Training Expenses: This estimates your expenses to send 2 to 4 people to Management Training in Tallahassee, Florida. Your actual training expenses may vary depending on: (a) the number of people you send to training; (b) the distance they must travel; and (c) the level and quality of accommodations, travel and dining selected.
5. Real Estate Management Fee: You must contract with the real estate company (the “Real Estate Company”) we designate to provide certain real estate management services (“Real Estate Management Services”), including assistance with:
 - selecting and supervising a local real estate broker
 - educating landlords on our concept
 - evaluating potential sites for your Store
 - procuring site surveys (rarely needed)
 - assessing site feasibility
 - negotiating a letter of intent for the lease or purchase of the premises
 - reviewing and negotiating the lease or purchase contract for the premises
 - providing real estate and territory analytics

Our designated Real Estate Company agreed to provide the Real Estate Management Service in exchange for a discounted flat fee of \$5,000 (subject to change).
6. Project Management Fee: You must hire the project management company we designate (the “Project Manager”) to provide project management services relating to the design, construction and development of your Store (“Project Management Services”), including assistance with:
 - developing a preliminary layout and design for your Store
 - if needed, coordinating with your architect and reviewing construction plans and permits
 - preparing bids and selecting your general contractor
 - monitoring construction progress
 - supporting the scheduling and installation of signage, furniture, fixtures and equipment

Most of the underlying services are provided by outside suppliers and you pay these suppliers directly for their services. The Project Manager’s role is to oversee and coordinate with the various members of your development team (architects, engineers, general contractor, etc.) in an effort to manage the overall Store development process and allow you to open as quickly as possible. Our designated Project Manager agreed to provide the Project Management Services in exchange for a flat fee of

\$15,000 (subject to change).

7. Real Estate: This estimate assumes you lease your premises. Rent varies depending on the size of the premises, its location, landlord contributions and the requirements of individual landlords. We anticipate most Store facilities will range in size from 800 to 1,500 square feet with rent ranging from \$2,500 to \$5,000 per month. Landlords typically require security deposits equal to 1- or 2-months' rent and may, in addition, require payment in advance of the first and/or last (or more) month's rent. The total estimated initial investment shown in the chart above includes 1 month's security plus 3 months' rent. Some franchisees may choose to purchase the real estate. The cost to purchase real estate varies so widely that we cannot reasonably estimate the cost.
8. Construction: The cost of construction and leasehold improvements varies widely based on a number of factors including:

 - the size and condition of the leased space
 - whether the leased space is a first or second generation retail location
 - the extent and nature of any existing leasehold improvements
 - whether the landlord will contribute to the costs of the leasehold improvements (referred to as "TI Allowances") and the amount of any TI Allowance you are able to negotiate
 - local demolition costs
 - local construction costs and prevailing wage rates in your local market

In some cases, landlords that provide a TI Allowance increase the monthly rent to recapture the TI Allowance and amortize it over the lease term (or part of the lease term). A significant factor in determining whether the landlord will provide a TI Allowance, and if so, the amount, is whether the building is first generation or second generation space. The estimates in the table above assume you do not receive any TI Allowance. It also assumes you select second generation space. We have not estimated the costs for new-build construction or for first generation (grey shell) space. If you acquire first generation space, you may also have to hire an architect to prepare construction plans. The estimated cost for construction fees could range from \$2,500 to \$10,000. Historically, there has never been a situation where an architect was needed to prepare construction plans for a franchised or company-owned Store.
9. Furniture, Fixtures & Décor: This includes the estimated cost for furniture, display cases (including display cases, countertop displays, shelving for cases and LED lights for display cases) and décor.
10. Signage: You must purchase and install the signage we specify. However, you may need to modify our standard signage to conform to local zoning laws, property use restrictions and/or lease terms. In some instances, exterior signage may be prohibited due to applicable zoning or use restrictions.
11. Technology Systems: This includes your initial cost to purchase and set up your Technology Systems, including your: (a) computer and point-of-sale system (\$3,000 to \$5,500); (b) 3 digital menu TVs (\$1,000 to \$2,000); (c) security system and surveillance system (\$400 to \$800); (d) phone system (\$0 to \$200); and (e) music system (\$50 to \$100 for 1 Bluetooth speaker). For the phone system, some phone companies provide and set up the phone without an upfront fee or charge.
12. Office Supplies: This includes whiteboard, trash cans and other basic office supplies.
13. Initial Inventory: Your Store must offer and sell all products that we specify. You must maintain a reasonable supply of these items at your Store at all times. The estimate in the chart above represents the cost for an initial supply of these items. You purchase some of these products from our affiliate

and others from third-party suppliers. You must comply with our merchandising and minimum stocking requirements in the Manual.

14. Grand Opening Advertising: During the period beginning 30 days before opening through 30 days after opening, you must spend a minimum of \$20,000 on grand opening marketing activities. The high estimate assumes you choose to spend more than the required minimum. We may require you to contract with a marketing company we designate to design and implement a grand opening marketing campaign to promote the opening of your Store.
15. Professional Fees: This estimates legal fees, accounting fees and other professional fees you may incur in order to: (a) assist you in reviewing this Disclosure Document and negotiating your Franchise Agreement; (b) advise you regarding local laws and regulations applicable to your Store; (c) set up your books, records and accounts; (d) develop a business plan; and (e) prepare budgets for the development and operation of your Store. These services are optional but highly recommended.
16. Insurance: This estimate includes 3 months of insurance premium. Item 8 includes a description of the insurance policies you must purchase and maintain.
17. Preopening Payroll: You must hire certain members of your staff prior to your opening date to allow time for training. This item estimates preopening payroll you may need to pay your staff, including 1 Store Manager (hired 2 to 3 weeks before opening) and 1 wellness coach (hired 1 to 2 weeks before opening).
18. Additional Funds: This estimates your expenses during the first 3 months of operation, including payroll costs (excluding any wage or salary paid to you), advertising and marketing, technology fees (@\$350 per month paid to us), utilities, inventory replenishment, and other miscellaneous expenses and required working capital. Your initial 3 months of rent and insurance premium are separately stated in the table above. These estimates are based on the most recent experience of: (a) our affiliates in opening company-owned Stores; and (b) our franchisees in opening franchised Stores.
19. Budget and Initial Investment Report: We strongly recommend you hire an accountant, business advisor or other professional to assist you in developing a budget for the construction, opening and operation of your Store. Within 60 days after your opening date, you must send us a report, in the form we designate, listing the expenses you incur to develop and open your Store. We may use this data for purposes of updating the initial investment estimate in future versions of our Franchise Disclosure Document.
20. Development Fee: Item 5 discusses how the development fee is calculated. This initial investment estimate assumes you commit to develop either 3 Stores (low estimate) or 5 Stores (high estimate). If you purchase the right to develop more than 5 Stores, your development fee will increase. This estimate does not include your costs to develop any Store other than the first Store you develop under the ADA.

~~Item 6~~ ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

~~The Franchised Business must be operated in accordance with our standards. Mandatory standards and operating procedures we prescribe for Franchised Businesses in the Brand Standards Manuals or otherwise communicated to you in writing will constitute provisions of the Franchise Agreement.~~

~~At all times during the term of the Franchise Agreement, you must:~~

~~offer for sale only those Products and services for which we have given our written~~ Source-Restricted Purchases and Leases - Generally

You must purchase or lease certain “source-restricted” goods and services for the development and operation of your Store. By “source-restricted”, we mean the good or service must meet our specifications and/or must be purchased from an approved or designated supplier (in some cases, an exclusive designated supplier, which may be us or an affiliate). The Manual includes our specifications and supplier list. We notify you of changes to our specifications and suppliers by email, updates to the Manual or other means of communication.

Supplier Criteria

Our criteria for evaluating a supplier include standards for quality, delivery, performance, design, appearance and price of the product or service as well as the dependability, reputation and financial viability of the supplier. Upon request, we will provide you with any objective specifications pertaining to our evaluation of a supplier or product, although certain important subjective criteria (e.g., product appearance, design, functionality, etc.) are important to our evaluation but cannot be described in writing.

- ~~•~~ If you wish to purchase or lease a source-restricted item from a non-approved supplier, you must send us a written request for approval;
- ~~•~~ sell or offer for sale all of the Products and services that and submit all additional information we request. We may require;
- ~~•~~ not deviate from our standards and specifications, including our requirements concerning marketing and merchandising, unless you have received our prior written consent; and
- ~~•~~ stop selling and offering for sale any Products or services that that you send us samples from the supplier for testing. We may also require that we later disapprove.

~~If you deviate (or propose to deviate) from~~ be allowed to inspect the supplier’s facility. We will notify you of our standards and specifications, whether or not decision within 60 days after ~~we have approved, the deviation will become our exclusive property.~~

~~You must buy all Proprietary Items, Products, ingredients, supplies, materials, and other products used or offered~~ receive your request ~~for sale at the Franchised Business only from suppliers (including manufacturers, distributors, and other sources) that we have approved in writing. When considering whether to approve any particular possible supplier, we will consider (among others) the following factors: whether the supplier can show, to our reasonable satisfaction, the ability to meet our then current standards and specifications; whether the supplier has adequate quality controls and capacity to supply the System’s needs promptly and reliably; and whether the supplier’s approval would enable the System, in our sole opinion, to take advantage of marketplace efficiencies. You may not buy from any supplier that we have not yet approved in writing, and you must stop buying from any supplier who we approve, but later disapprove. As explained above, we have the right to designate only one supplier (which may be us or one of our affiliates) for certain items in order to take advantage of marketplace efficiencies or for other reasons.~~

~~If you want to buy any Products or any other items (except for Proprietary Items, which are discussed below) from an unapproved supplier, you first must submit to us a written request asking for our approval to do so. As of the issuance date of this franchise disclosure document, we do not have any specific written criteria for approving or disapproving suppliers. After application, we will notify you within 60 days~~

~~whether or not such proposed supplier or product is approved. No specifications or standards are issued to you or approved suppliers. You may not purchase from any proposed new supplier until we have reviewed and, if we think it is appropriate, approved in writing the proposed new supplier. Among other things, we will have the right to require that our representatives be permitted to inspect the proposed new supplier's facilities, and that samples from that supplier be delivered either to us or to an independent laboratory that we designate for testing. Either you or the proposed new supplier must pay us a charge (which will not exceed the reasonable cost of the inspection and the actual cost of the tests, not to exceed \$2,000). We also may and all additional information and samples we require that the proposed new supplier comply with certain other requirements that we may deem appropriate, including for example payment of reasonable continuing inspection fees and administrative costs, or other payment to us by the supplier on account of their dealings with you or other franchisees, for use, without restriction (unless otherwise instructed by the supplier) and for services that we may render to our suppliers. We reserve the right, at our option, to. We may periodically re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier ~~does not continue~~fails to meet any of our then-current criteria. ~~Revocation of a previously approved supplier will be communicated~~You must reimburse us for all costs we incur to evaluate products and suppliers you in writing (including via email). ~~Written specifications for the Products described above, if any, are contained in the Brand Standards Manual.~~propose.~~

~~The Franchise Agreement also provides that you may not use any item bearing our trademarks without our prior written approval.~~

~~We do not have purchasing or distribution cooperatives. We may in the future establish distribution facilities, and we may designate these as approved (or required) manufacturers, suppliers, or distributors. We may, when appropriate, negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of the System.~~

~~We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products or services to some or all of the Franchised Businesses in our system. If we do establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all Products and Proprietary Items and other products and services, and we may refuse to approve proposals from franchisees to add new suppliers if we believe that action would be in the best interests of the System or the franchised network of Stores.~~

Current Source-Restricted Items

~~We estimate that your purchases from approved suppliers according to our specifications will represent approximately between 70-% and 80% of your the total purchases in establishing the Franchised Business, and approximately 70-80% in the continuing operation of the Franchised Business.~~

~~You must allow us or our agents, at any reasonable time, to remove samples of Products and Proprietary Items offered in and leases to establish and operate your Franchised Business, without payment, in amounts reasonably necessary for testing by us or an independent laboratory to determine whether those samples meet our then-current standards and specifications. We may require you to bear the cost of that testing if we did not previously approve in writing the supplier of the item or if the sample that we take from your Franchised Business fails to conform to our specifications.~~Store will consist of source-restricted goods or services, as further described below.

Site Selection Services

You must contract with and utilize the Real Estate Company we designate to assist you in finding a suitable site for your Store. However, it is ultimately your responsibility to find a suitable site meeting both your and our minimum standards and other requirements.

~~Lease You agree not to install or permit anyone else to install at the Franchised Business any vending machine, game or coin operated device, unless we give you our prior written consent to do so.~~

~~We reserve the right to collect and retain certain manufacturing allowances, marketing allowances, rebates, credits, monies, payments and benefits (collectively, “**Allowances**”) offered to us or to our affiliates by manufacturers, suppliers and distributors based upon your purchases of Products, Proprietary Items, and other goods and services. During our fiscal year ended December 31,~~

You must contract with and utilize the Real Estate Company we designate to assist you in reviewing and negotiating your lease or purchase agreement. If you lease the premises for your Store, you must use best efforts to ensure your landlord signs the Lease Addendum attached to the Franchise Agreement as **Error! Reference source not found.** We do not review the substantive terms of your lease.

Project Management Services

You must contract with and utilize the Project Manager we designate to provide Project Management Services.

Design and Construction Services

The Manual includes generic prototype plans for a Store as well as our standards and specifications for the design, layout, equipping and trade dress for a Store. We must approve all preliminary and final design and construction plans for your Store before constructions begins. Once approved, you must construct and equip the Store according to the approved plans and the specifications in the Manual. Your architect (if one is needed) and general contractor must be appropriately licensed and bonded to the extent required by applicable law.

Furniture, Fixtures and Décor

All furniture, fixtures and décor must meet our standards and specifications and be purchased from suppliers we designate or approve.

Technology Systems

Your Technology Systems (including hardware, software, equipment, software applications, mobile apps and similar items) must meet our standards and specifications. Certain components of your Technology Systems must be purchased from approved or designated suppliers while other components may be purchased from any supplier of your choosing. We may also require that certain services relating to the establishment, use, maintenance, monitoring, security or improvement of your Technology Systems be purchased from approved or designated suppliers.

Merchant Processor

You must use a merchant service provider we designate or approve to process credit card transactions.

Signage

All signage must meet our standards and specifications and be purchased from suppliers we designate or

approve.

Inventory

All inventory must meet our standards and specifications and be purchased only from suppliers we designate or approve. Our affiliate is currently the exclusive designated supplier for certain inventory items. Other inventory items must be purchased from third-party suppliers that we designate or approve. You must carry the full product line and comply with all merchandising policies, product mix, minimum stocking requirements and related policies described in the Manual.

Marketing Materials and Services

All marketing materials must comply with our brand standards and other requirements. We must approve your marketing materials prior to use. You must purchase branded marketing materials only from us or other suppliers we designate or approve. We may require that you contract with and utilize a company we designate to: (a) develop and/or implement your grand opening marketing campaign; and/or (b) manage your social media.

Music

You must license and utilize Rockbot Music to control the music played in your Store. We may control your playlist and the songs you are permitted to play in your Store.

Insurance Policies

You must obtain the insurance coverage we require (whether in the Franchise Agreement or in the Manual) from licensed insurance carriers rated A or better by Alfred M. Best & Company, Inc., including the following:

<u>Policy Type</u>	<u>Minimum Coverage</u>
<u>“All risk” Property Insurance</u>	<u>Replacement Value</u>
<u>Business Personal Property Insurance</u>	<u>\$100,000 per occurrence</u>
<u>Comprehensive General Liability Insurance</u>	<u>\$1,000,000 per occurrence and \$2,000,000 in the aggregate</u>
<u>Product Liability Insurance (may not contain “health hazard exclusion” or “vape exclusion”)</u>	<u>\$1,000,000 per occurrence</u>
<u>Product Withdrawal Expense Endorsement</u>	<u>\$250,000</u>
<u>Automobile Liability Insurance (only required if use a vehicle in the business or apply wraps to your vehicle bearing our Marks)</u>	<u>\$1,000,000 per occurrence</u>
<u>Commercial Umbrella Insurance</u>	<u>\$2,000,000 per occurrence</u>
<u>Business Income / Interruption Insurance</u>	<u>\$100,000 per occurrence</u>
<u>Employer’s Liability Insurance</u>	<u>\$1,000,000 per occurrence</u>
<u>Worker’s Compensation Insurance</u>	<u>As required by law</u>
<u>Landlord-Required Insurance</u>	<u>As required by lease</u>

The required coverage and policies are subject to change. All insurance policies must be endorsed to: (a) name us (and our members, officers, directors and employees) as additional insureds; (b) contain a waiver by the insurance carrier of all subrogation rights against us; and (c) provide us with at least 30 days’ prior written notice of the termination, expiration, cancellation or modification of the policy.

Purchase Agreements

We may attempt to negotiate purchase agreements with suppliers, including favorable pricing terms, for the benefit of our franchisees. If we succeed, you may purchase these goods or services at the discounted prices we negotiate (less any rebates or other consideration paid to us). As of the date of this Disclosure Document, we have negotiated purchase agreements (including pricing terms) with suppliers for various goods and services, including Project Management Services, Real Estate Management Services; point-of-sale system, inventory items etc.

We and NL Fulfillment may also purchase items in bulk and resell them to you at cost plus a reasonable markup ranging from 10% to 30%. Currently there are no purchasing cooperatives but we may establish them in the future. You do not receive any material benefits for using designated or approved suppliers other than having access to any discounted pricing we negotiate.

Franchisor Revenues from Source-Restricted Purchases

Our affiliate, NL Fulfillment, is currently the exclusive designated supplier for certain inventory items you must purchase. We are the exclusive supplier for any software, Intranet, Extranet, email accounts, website services, mobile Apps or other technology or services that we provide in exchange for the technology fee (we may license some of these items from third parties and sublicense them to you on a pass-through basis). We may designate ourselves and our affiliates as approved or designated suppliers for other items in the future. We and our affiliates may generate a profit from these purchases. No person affiliated with us is currently an approved (or the only approved) supplier other than NL Fulfillment. Our President and Founder, Gabriel Suarez, owns an interest in NL Fulfillment. There are no other approved or designated suppliers in which any of our officers own an interest.

We may receive rebates, payments or other material benefits from suppliers based on franchisee purchases and we have no obligation to pass them on to our franchisees or use them in any particular manner. As of the issuance date of this Disclosure Document, we do not currently have any relationships with suppliers that involve rebates, payments or other material benefits based upon franchisee purchase or leases but may do so in the future.

Our total revenue for the fiscal year ended December 31, 2023 was \$522,368. During that year, we generated \$41,394 in revenue as a result of franchisee purchases or leases of goods or services from designated or approved suppliers (including from us), which represents 7.9% of our total revenue for the year. The \$41,394 in revenue includes: (a) \$480 in technology fees; (b) \$35,314 in POS system licensing fees, which we collected from franchisees and remitted to an unaffiliated licensor; and (c) \$5,600 in marketing fees, which we collected from franchisees and remitted to an unaffiliated marketing company (which is no longer a System supplier).

~~2022, we did not receive any Allowances.~~

~~As noted in Item 1, our affiliate, NL Fulfillment, is a supplier of Products to our franchisees, and sells Products on line to franchisees and their customers. NL Fulfillment pays franchisees 15% of the net amount received by NL Fulfillment from customers of franchisee who purchase product online. The net amount is the gross amount received by NL Fulfillment less taxes and shipping costs.~~

~~During the fiscal year ended December 31, 2022, NL Fulfillment derived revenues generated \$1,339,717 in the amount revenue as a result of \$ 1,213,528 from our franchisee purchases or leases of goods and/or services.~~

~~We do not provide material benefits to you based upon your use of designated or approved sources.~~

~~Our criteria for evaluating and approving proposed suppliers will not be made available to you. Except as described in this Item 8, we do not provide any material benefits to you based on your use of by franchised and company-owned Stores from designated or approved suppliers.~~

~~Other than (including purchase from NL Fulfillment, there are no other approved or designated suppliers in which any). The source of our officers own an interest.~~

Proprietary Items

~~We do not currently offer Proprietary Items in Stores, but we may do so in the future. Proprietary Items are Products that bear our Proprietary Marks and contain proprietary formulas. When you are required to do so, you must buy all of your requirements for Proprietary Items only this information is financial data generated from us, our affiliate, or from our designee(s), as described above. We will have the right to periodically introduce additional Proprietary Items. Proprietary Items will be considered integral components of the Natural Life CBD/Kratom/Kava franchise and are inextricably interrelated with the Proprietary Marks and the System.~~

Computer System and Required Software

~~We have the right to require you to purchase the computer system and required QuickBooks, the financial accounting software that we specify for the “front of house” as well as the “back of house”. Please refer to Item 11 for detailed disclosure (which can be found under the subheading “Electronic Point Of Sale and Computer Systems”).~~

~~We have the right to earn a profit from the sale of our VEND by lightspeed (POS) to our franchisees. During the fiscal year ended December 31, used2022, we did not earn any revenue from the sale of VEND by lightspeed (POS.)our affiliate.~~

Insurance

~~Under the Franchise Agreement, you must obtain and maintain the following insurance:~~

- ~~• comprehensive general liability insurance, written on an occurrence basis, extended to include contractual liability, products and completed operations, and personal and advertising injury, with a combined bodily injury and property damage limit of not less than \$2,000,000 in the aggregate and \$1,000,000 per occurrence;~~
- ~~• statutory workers' compensation coverage in the amount of at least \$1,000,000, unemployment insurance and employer's liability insurance, as well as such other insurance as may be required by law;~~
- ~~• fire, lightning, vandalism, theft, malicious mischief, flood (if in a special flood-hazard area), sprinkler damage, and the perils described in extended coverage insurance with primary and excess limits of not less than the full replacement value of the supplies, furniture, fixtures, equipment, machinery, inventory, and plate glass having a deductible of not more than \$1,000 and naming us as loss payee;~~

- ~~automobile liability insurance including coverage of vehicles not owned by you, but used by employees in connection with the Franchised Business with a combination of primary and excess limits of not less than \$1,000,000;~~
- ~~product liability insurance with limits of not less than \$1,000,000 per occurrence and \$1,000,000 in the aggregate. The product liability insurance may not contain a “health hazard exclusion”, or a “vape exclusion”;~~
- ~~You must maintain minimum insurance coverage prior to occupying leased space (See Article 9 of Franchise Agreement). The cost of this insurance will vary based on many factors and may be paid in a lump sum annually, quarterly and sometimes monthly. We estimate the annual insurance premiums for standard units to be approximately \$3,000 to \$4,000 per store per year.~~
- ~~Product withdraw coverage of \$250,000;~~
- ~~Business Income /interruption insurance with coverage of \$100,000;~~
- ~~Business Personal Property \$100,000 all other insurance that we require in the Manual or that is required by law or by the lease or sublease for the Franchised Business.~~
- ~~Commercial excess liability or umbrella to include commercial general liability, workers compensation, employer liability, automobile liability, with limits of not less than \$2 million;~~

~~Each insurance policy required under the Franchise Agreement must be issued by an issuer we approve, who must have a rating of at least “A” in the most recent *Key Rating Guide* published by the A.M. Best Company (or another rating that we reasonably designate if A.M. Best Company no longer publishes the *Key Rating Guide*) and must be licensed to do business in the state in which the Franchised Business is located. All liability and property damage policies must name us as an additional insured and must provide that each policy cannot be cancelled unless we are given 30 days’ prior written notice. We may periodically increase required coverage limits or require additional or different coverage to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards and other relevant changes in circumstances. You must deliver to us (and in the future maintain on file with us) valid and current certificates of insurance showing that all required insurance is in full force and effect.~~

Item 7 ITEM 9 ITEM 9: FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the **franchise** [Franchise Agreement \(FA\)](#), [Area Development Agreement \(ADA\)](#) 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](#). [Disclosure Document](#).

OBLIGATION	SECTION OF FRANCHISE AGREEMENT	SECTION OF MULTI-UNIT DEVELOPMENT AGREEMENT	SECTION OF DISCLOSURE DOCUMENT	ITEM IN DISCLOSURE DOCUMENT
a. Site selection and acquisition/lease	1.2; 1.4; 2.2; 2.3; 3.1; 4.1 FA: Error! Reference source not found. & Error! Reference source not found. ADA: Error! Reference source not found.	No provision		5, 6 , Item 7 & Item 11
b. Pre-opening purchases/leases	4.1; 4.2; 4.8 FA: Error! Reference source not found. Error! Reference source not found. Error! Reference source not found. Error! Reference source not found. & Error! Reference source not found. ADA: Not Applicable	No provision		Item 5 , Item 7 , Item 8 & Item 11
c. Site development and other pre-opening requirements	2.3; 2.5; 2.9-2.10; 4.2 4.4; 4.8; 4.9; 4.15; 4.23 FA: Error! Reference source not found. & Error! Reference source not found. ADA: Error! Reference source not found.	No provision		5 , Item 6 , Item 7 , & Item 11
d. Initial and ongoing training	2.7; 2.10; 2.12 FA: Error! Reference source not found. ADA: Not Applicable	No provision		7 , Item 6 & Item 11

OBLIGATION <u>OBLIGATION</u>	SECTION OF FRANCHISE AGREEMENT <u>SECTIONS IN AGREEMENT</u>	SECTION OF MULTI-UNIT DEVELOPMENT AGREEMENT <u>DISCLOSURE DOCUMENT ITEM</u>	ITEM IN DISCLOSURE DOCUMENT
e. Opening	2.10; 4.4; 4.23 FA: Error! Reference source not found. ADA: Error! Reference source not found.	1 and Attachment 1	5, 6, 7, <u>Item 11</u>

OBLIGATION <u>OBLIGATION</u>	SECTION OF FRANCHISE AGREEMENT <u>SECTIONS IN AGREEMENT</u>	SECTION OF MULTI-UNIT DEVELOPMENT AGREEMENT <u>DISCLOSURE DOCUMENT ITEM</u>	ITEM IN DISCLOSURE DOCUMENT
m. Maintenance, appearance and remodeling requirements	4.6; 4.9; 4.20 <u>FA:</u> Error! Reference source not found. & Error! Reference source not found. <u>ADA: Not Applicable</u>	No provision	<u>Item 11</u>
n. Insurance	9.1-9.6 <u>FA:</u> Error! Reference source not found. <u>ADA: Not Applicable</u>	No provision	<u>Item 6, Item 7, & Item 8</u>
o. Advertising	3.1(e); 7.1-7.10 <u>FA:</u> Error! Reference source not found. <u>ADA: Not Applicable</u>	No provision	<u>5, Item 6, Item 7, & Item 11</u>
p. Indemnification	15.2 <u>FA:</u> Error! Reference source not found. <u>ADA: Not Applicable</u>	No provision	<u>Item 6</u>
q. Owner's participation/management/staffing	4.10 <u>FA:</u> Error! Reference source not found. <u>ADA: Not Applicable</u>	No provision	<u>Item 11, & Item 15</u>
r. Records/reports	4.19; 8.1-8.3 <u>FA:</u> Error! Reference source not found. & Error! Reference source not found. <u>ADA: Not Applicable</u>	No provision	<u>Item 6</u>
s. Inspections/audits	4.20 <u>FA:</u> Error! Reference source not found. <u>ADA: Not Applicable</u>	No provision	<u>Item 6, & Item 11</u>
t. Transfer	11.1-11.4 <u>FA:</u> Error! Reference source not found. <u>ADA:</u> Error! Reference source not found.	No provision	<u>Item 17</u>

OBLIGATION <u>OBLIGATION</u>	SECTION OF FRANCHISE AGREEMENT <u>SECTIONS IN AGREEMENT</u>	SECTION OF MULTI-UNIT DEVELOPMENT AGREEMENT <u>DISCLOSURE DOCUMENT ITEM</u>	ITEM IN DISCLOSURE DOCUMENT	
u. Successor Franchise Agreement , <u>Renewal</u>	18.2 FA: Error! Reference source not found. <u>ADA: Error! Reference source not found.</u>	No provision	<u>Item 17</u>	
v. Post-termination obligations	13.1-13.8; 14.1 FA: Error! Reference source not found. <u>ADA: Not Applicable</u>	No provision	<u>Item 17</u>	
w. Non-competition covenants	13.5; 14.1 FA: Error! Reference source not found. <u>ADA: Not Applicable</u>	No provision	<u>Item 17</u>	
x. Dispute Resolution	FA: Error! Reference source not found. <u>ADA: Error! Reference source not found.</u>	<u>Item 17.1; 17.2</u>	12, 13	17
Guaranty , <u>Franchise Owner Agreement (brand protection covenants, transfer restrictions and financial assurance for owners and spouses)</u>	4.28, Attachment 6 FA: Error! Reference source not found. & Error! Reference source not found. <u>ADA: Error! Reference source not found.</u>	No provision	<u>Item 15</u>	

~~Item 8~~ ITEM 10 ~~ITEM 10~~: FINANCING

We do not offer direct or indirect financing. We do not guarantee any of your note, lease notes, leases or ~~obligation to a third party. We do not receive any direct or indirect payments for placing financing obligations.~~

~~Item 9~~ ITEM 11 ~~ITEM 11~~: FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

FRANCHISOR'S OBLIGATIONS PRIOR TO OPENING

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

Before you open your ~~business~~Store, we will:

1. Provide access to our Manual which will help you establish and operate your Store, as discussed below under “Manual”. (§Error! Reference source not found.)
2. Review and approve or disapprove sites you propose for your Store, as discussed below under “Site Selection; ~~Lease Assistance~~”. (§Error! Reference source not found., §Error! Reference source not found., & Error! Reference source not found.)
3. Provide our written specifications for goods and services you must purchase to develop, equip and operate your Store and a list of suppliers. (§Error! Reference source not found.)
4. Cause our affiliate to sell, and deliver to you, your initial supply of certain inventory items. Neither we nor our affiliate deliver or install any other items that you purchase. (§Error! Reference source not found.)
5. Provide access to approved advertising and marketing materials, as discussed below under “Advertising and Marketing”. (§Error! Reference source not found.)
6. Review and approve or disapprove the design and buildout of your Store, as discussed below under “Site Development”. (§Error! Reference source not found., & Error! Reference source not found.)
7. Provide an initial training program, as discussed below under “Training Program”. (§Error! Reference source not found.)

During the operation of your Store, we will:

1. Provide periodic training programs, as discussed below under “Training Program”. (§Error! Reference source not found.)
2. Provide our guidance and recommendations to improve the operation of your Store. (§Error! Reference source not found.)
3. Maintain a corporate website to promote our brand and a local webpage to promote your Store, as discussed below under “Advertising and Marketing”. (§Error! Reference source not found., & Error! Reference source not found.)
4. Provide access to approved advertising, marketing and promotional materials, as discussed below under “Advertising and Marketing”. (§Error! Reference source not found.)
5. Establish and implement the brand fund, as discussed below under “Advertising and Marketing”. (§Error! Reference source not found.)
6. Provide you with our suggested retail pricing, which may vary by market. You may deviate from our suggested retail pricing at your discretion. However, you must obtain our approval of any deviation more than 20% higher or lower than our suggested retail pricing, unless the pricing is part of a temporary advertising campaign we approved. To the extent permitted by applicable law, we may set maximum or minimum prices on the goods and services you sell. (§Error! Reference source not found.)

During the operation of your Store, we may, but need not:

1. Conduct periodic field visits to provide onsite consultation, assistance and guidance pertaining to

the operation and management of your Store. (§Error! Reference source not found.)

2. Develop new products or services for sale by Stores. (§Error! Reference source not found.)
3. Negotiate purchase agreements with suppliers to obtain favorable pricing. We may also purchase items in bulk and resell them to you at our cost plus shipping and a reasonable markup. (§Error! Reference source not found.)
4. Hold periodic conferences to discuss relevant business and operational issues such as industry changes or new services, products, technology or marketing strategies. (§Error! Reference source not found.)
5. Create a franchise advisory council, as discussed below under “Advisory Council”. (§Error! Reference source not found.)
6. Provide additional training or assistance you request, as discussed below under “Training Program”. (§Error! Reference source not found.)

We do not provide area developers with any support under their ADA.

Manual (§Error! Reference source not found., Error! Reference source not found. & Error! Reference source not found.)

You will have access to our Manual during the term of the Franchise Agreement. The Manual may include, among other things:

- architectural plans and specifications for the design, dimensions, layout, equipping and trade dress for a prototype Store
- a list of (a) goods and services (or specifications for goods and services) you must purchase to develop and operate your Store and (b) designated and approved suppliers
- a description of the authorized goods and services you may offer and sell
- specifications, techniques, methods, operating procedures and quality standards
- policies and procedures pertaining to: (a) marketing and advertising; (b) reporting; (c) insurance; (d) data ownership, protection, sharing and use; and (e) any gift card program, loyalty program or membership model we establish

The Manual is designed to establish and protect our brand standards and the uniformity and quality of the goods and services offered by our franchisees. All mandatory provisions in the Manual are binding on you. We can modify the Manual at any time, but the modifications will not alter your status or fundamental rights under the Franchise Agreement. Any modification to the Manual is effective at the time we notify you of the change. However, we may provide you with a reasonable period of time to implement certain changes (for example, implementing new software of technology). The Manual is confidential and remains our property. The Manual contains a total of 95 pages. A copy of the Table of Contents to the Manual is attached to this Disclosure Document as EXHIBIT "E".

Training Program (§Error! Reference source not found.)

Initial Training Program

We will provide an initial training program that includes the following 2 phases:

1. Management Training: Management Training includes approximately 2 days of training held at our company-owned Store in Tallahassee, Florida (or any other training facility we designate). Your

Managing Owner and Store Managers (described in Item 15) must successfully complete initial training to our satisfaction. You may send other owners to Management Training, but it is not required. Management Training must be completed at least 3 weeks prior to opening (it is typically conducted 4 to 6 weeks prior to opening). Prior to attending Management Training, the trainees must complete remotely-conducted training via Zoom or a comparable platform that we designate.

2. Onsite Training: Onsite Training includes approximately 2 days of onsite training and assistance conducted at your Store at the time it opens. Onsite Training is an informal training program where we monitor your operations and assist you with the opening of your Store. You must coordinate your opening date with us to ensure our trainer is available on your proposed opening date.

The format for training may include lectures, interactive role playing, conference calls and/or webinars. We reserve the right to conduct all (or any portion) of the training program remotely via webinar, conference call or similar means. The training materials consist of the Manual, operational forms and online training tools. We do not charge you for any of our training materials.

We can modify the training program at our discretion based on our subjective assessment of the skills, abilities and prior experience of your Managing Owner and management personnel. Currently, we intend to offer initial training on a monthly basis, assuming sufficient demand. Managing Training currently consists of the following:

TRAINING PROGRAM

<u>SUBJECT</u>	<u>HOURS OF CLASSROOM TRAINING</u>	<u>HOURS ON THE JOB TRAINING</u>	<u>LOCATION</u>
<u>Introduction to Natural Life</u>	<u>0.5</u>	<u>0</u>	<u>Company-Owned Store (Tallahassee, Florida)</u>
<u>The Natural Life Experience</u>	<u>0.5</u>	<u>0</u>	<u>Company-Owned Store (Tallahassee, Florida)</u>
<u>A Typical Work Day</u>	<u>0.5</u>	<u>0</u>	<u>Company-Owned Store (Tallahassee, Florida)</u>
<u>Exercise #1</u>	<u>0.5</u>	<u>0</u>	<u>Company-Owned Store (Tallahassee, Florida)</u>
<u>The Natural Life Team Member – Values</u>	<u>0.5</u>	<u>0</u>	<u>Company-Owned Store (Tallahassee, Florida)</u>
<u>NL Product Education</u>	<u>2.5</u>	<u>0</u>	<u>Company-Owned Store (Tallahassee, Florida)</u>
<u>Exercise #2</u>	<u>1.0</u>	<u>0</u>	<u>Company-Owned Store (Tallahassee, Florida)</u>
<u>Other Wellness Products</u>	<u>1.0</u>	<u>0</u>	<u>Company-Owned Store (Tallahassee, Florida)</u>
<u>Working the Floor</u>	<u>0.5</u>	<u>0</u>	<u>Company-Owned Store (Tallahassee, Florida)</u>
<u>Point-of-Sale System</u>	<u>0.5</u>	<u>0</u>	<u>Company-Owned Store (Tallahassee, Florida)</u>
<u>Exercise #3</u>	<u>0.5</u>	<u>0</u>	<u>Company-Owned Store (Tallahassee, Florida)</u>

<u>SUBJECT</u>	<u>HOURS OF CLASSROOM TRAINING</u>	<u>HOURS ON THE JOB TRAINING</u>	<u>LOCATION</u>
<u>Technologies and Systems</u>	<u>0.5</u>	<u>0</u>	<u>Company-Owned Store (Tallahassee, Florida)</u>
<u>Sales Floor Role Play</u>	<u>1.0</u>	<u>0</u>	<u>Company-Owned Store (Tallahassee, Florida)</u>
<u>Onboarding</u>	<u>1.0</u>	<u>0</u>	<u>Company-Owned Store (Tallahassee, Florida)</u>
<u>Store and Distribution Field Trip</u>	<u>0</u>	<u>3.0</u>	<u>Company-Owned Store (Tallahassee, Florida)</u>
<u>TOTAL</u>	<u>11.0</u>	<u>3.0</u>	

We reserve the right to modify our training program at any time.

Ongoing Training Programs

From time to time, we may require that your Managing Owner and Store Managers attend system-wide refresher or supplemental training courses. Any new Managing Owner or Store Manager you appoint must successfully complete our initial training program before assuming responsibility for the management of your Store. If we inspect your Store and determine you are not operating in compliance with the Franchise Agreement and/or the Manual, we may require that your Managing Owner and Store Managers attend remedial training that addresses your operational deficiencies. You may also request that we provide additional training (either remotely or at our corporate training facility or your Store). We are not required to provide additional training you request.

Instructors

Gabriel Suarez is in charge of our training program. Mr. Suarez is the founder of our System and currently serves as our President and Owner. Mr. We will use reasonable efforts to help you analyze and evaluate a proposed site for a Franchised Business (Section 2.1 of Franchise Agreement and 3.4 of MUDA). However, our selection or approval of a proposed site and information imparted to you regarding the proposed site will not constitute a warranty or representation of any kind, express or implied, as to the suitability of the proposed site for a proposed location for a Franchised Business or for any other purpose (Section 2.1 of Franchise Agreement). You as the franchisee are responsible for ensuring the location can be compliant with local laws, ordinances and building codes. We do not provide any assistance in this area. We will approve or disapprove a proposed site within 7 business days of submission of a proposed site by you (Section 4.1 of Franchise Agreement, and 3.5 and 3.6 of MUDA). If we do not consent to a proposed location, you have 30 days to submit a new site for our approval. You must complete lease arrangements within 75 days of signing the Franchise Agreement. If a proposed site has not been approved and identified on Attachment 1 to the Franchise Agreement within 75 days of signing of the Franchise Agreement, we have the right to terminate the Franchise Agreement and keep all payments you made to us (Section 4.1 of Franchise Agreement). We do not generally own the premises at which you will conduct your Franchised Business. Some of the factors we consider in approving a proposed location include demographics in the general area, traffic patterns, other stores in the shopping center or in the general area of the proposed location, physical appearance of the building, etc. The term of your lease (including options to renew) must be coterminous with the term of the franchise agreement. Multi-Unit Developers must obtain our prior written approval for the location of each unit (Section 4 of MUDA). The location of each unit under the Multi-Unit

~~Development Agreement must be approved by us. The protected territory under each franchise agreement signed by a multi-unit developer is determined in the same manner as in the case of individual franchise agreements.~~

Local Ordinances and Building Codes

~~You must conform the premises to local ordinances, laws and building codes. You must obtain all necessary licenses and permits. You must build out the premises in compliance with all applicable laws, rules and regulations. (Section 4.2 of Franchise Agreement)~~

Construction, Remodeling and Decorating

~~You must retain the services of a licensed architect for your Authorized Location. We will provide you with a list of approved suppliers of furniture, fixtures and equipment (Sections 2.3 and 2.5 of Franchise Agreement). See Also Item 8 of this Disclosure Document. We do not install any fixtures or equipment. We do not perform any construction services.~~

Hiring and Training Suarez opened the first Natural Life store in Florida in 2018. From January 2009 to the present, he has also served as President and Owner of The Corner Shop, which previously operated a store similar to a Natural Life store. He has more than 15 years' experience in the industry.

Training Fees and Costs

We provide our preopening initial training program in exchange for the \$5,000 initial training fee. We do not charge a training fee for system-wide refresher or supplemental training we conduct at our headquarters or at a company-owned Store. We may charge you a training fee of up to \$300 per person per day for each person who attends: (a) Management Training after your Store opens; (b) repeat training after failing a prior attempt; (c) remedial training; or (d) additional training requested by you. You must also reimburse us for all Travel Expenses we incur to provide onsite training (this reimbursement obligation does not apply to Onsite Training we conduct at the time your Store opens). You are responsible for all wages and Travel Expenses that you and your trainees incur for training.

Third-Party Training Programs

We may require that your Managing Owner and staff members complete training conducted by representatives of System suppliers. You are responsible for all associated training fees and costs.

Site Selection (§~~Error! Reference source not found.~~ & ~~Error! Reference source not found.~~)

A typical Store ranges in size from 800 to 1,500 square feet. We do not select the site for your Store and we do not purchase the premises and lease it to you. You must contract with our designated Real Estate Company to assist you in finding suitable sites. However, you retain ultimately responsibility for finding the approved site for your Store. You must identify and obtain our approval of the site for your Store within 60 days after signing the Franchise Agreement. We may terminate your Franchise Agreement if you fail to meet this deadline.

Your Store must be located within the Site Selection Area identified in Part C of ~~Error! Reference source not found.~~ to the Franchise Agreement (the "Site Selection Area") and conform to our minimum site selection criteria. You must send us a complete site report that includes all information we require about your proposed site. We try to approve or disapprove sites you propose within 7 business days after we receive all of the requisite materials. Your site is deemed disapproved if we fail to issue our written approval within the 7 business-day period. We consider the following factors when reviewing proposed sites:

- parking

- visibility, size, condition and characteristics of the building
- traffic counts
- general location
- existence and location of competitive businesses
- general character of the neighborhood
- local demographic information
- term and renewal term(s) under lease
- various economic indicators

If we approve your site before signing the Franchise Agreement, we will list the address in Part D of **Error! Reference source not found.** to the Franchise Agreement. If we do not approve your site before signing, we will send you a Site Approval Notice (in the form attached to the Franchise Agreement as **Error! Reference source not found.**) within 15 days after approving your site, which will list the address of your approved site and identify your territory.

If you sign an ADA, we must approve the site for each Store you develop applying our then-current site selection criteria.

The Real Estate Company will assist you in reviewing and negotiating the terms of your lease (or your purchase agreement if you purchase the property). We do not review the substantive terms of your lease. If you lease the premises for your Store, you must use best efforts to cause your landlord to sign the Lease Addendum attached to the Franchise Agreement as **Error! Reference source not found.** The Lease Addendum is designed to protect our interests. For example, the landlord must notify us of your defaults, offer us the opportunity to cure your defaults, allow us to take an assignment of your lease in certain situations, permit us to enter the premises to remove items bearing our Marks if you refuse to do so and give us a right of first refusal to lease the premises upon the expiration or termination of your lease. If your landlord refuses to sign the Lease Addendum in substantially the form attached to the Franchise Agreement, we may either (a) waive the Lease Addendum requirement (or the provisions disapproved by the landlord) or (b) require you to find a new site for your Store.

Site Development (§**Error! Reference source not found.** & **Error! Reference source not found.**)

The Manual includes generic prototype plans for a Store as well as our standards and specifications for the design, layout, equipping and trade dress for a Store. If necessary, you must hire a licensed and bonded architect to prepare initial design plans for the construction of your Store and leasehold improvements. We must approve the initial design plans to ensure they are consistent with our system standards. Once approved, your architect must prepare detailed construction plans that: (a) are consistent with the approved design plans; (b) satisfy all required standards and specifications in the Manual; and (c) comply with all federal, state and local ordinances, building codes, permit and lease requirements and restrictions applicable to the premises. You must submit the final construction plans to us for approval. Once approved, you must construct and equip your Store according to the approved construction plans and the requirements of the Manual. You must purchase (or lease) and install the Technology Systems, equipment, fixtures, signs and other items we require.

You must remodel and make all improvements and alterations to your Store that we reasonably require from time to time to reflect our then-current standards and specifications. There are no limitations on the cost or frequency of these remodeling obligations. You may not remodel or significantly alter your premises without our prior approval.

We will designate the company that will serve as your Project Manager. You pay the Project Manager a \$15,000 project management fee. In exchange for this fee, the Project Manager provides the following Project Management Services relating to the development of your Store:

- developing a preliminary layout and design for your Store
- if required, coordinating with your architect and reviewing construction plans and permits
- preparing bids and selecting your general contractor
- monitoring construction progress
- supporting the scheduling and installation of signage, furniture, fixtures and equipment

Most of the underlying services are provided by outside suppliers and you pay these suppliers directly for their services. The Project Manager's role is to oversee and coordinate with the various members of your development team (architects, engineers, general contractor, etc.) in an effort to manage the overall Store development process and allow you to open as quickly as possible.

Opening Requirements (§Error! Reference source not found.)

We expect most franchisees will open between 6 and 10 months after signing the Franchise Agreement. Factors that may affect this time include:

- the amount of time needed to find an approved site
- protracted lease negotiations with your landlord
- the amount of time needed to secure financing, insurance, licenses and permits
- the condition of your building and extent of required upgrades, remodeling and renovations
- construction delays due to labor or materials shortages, inclement weather or other reasons
- delayed delivery or installation of equipment and fixtures
- the amount of time needed to comply with zoning requirements and other laws and regulations
- the amount of time needed to complete training
- the amount of time needed to hire and train your staff

You may not open your Store prior to receipt of our written authorization to open. Unless we agree to the contrary, you must open your Store within 300 days after signing the Franchise Agreement. We may terminate the Franchise Agreement if you fail to open by this deadline.

Advertising and Marketing (§Error! Reference source not found.)

We provide the advertising and marketing support discussed below. You must participate at your own expense in all advertising, promotional and marketing programs we require. There is currently no franchisee advertising council that advises us on marketing and advertising matters.

Grand Opening Marketing

You must spend at least \$20,000 on your grand opening marketing activities during the 60-day period that begins 30 days prior to your opening date. We may require you to contract with a marketing company we designate to design and implement a customized grand opening marketing plan.

Ongoing Local Marketing By You

Commencing with the expiration of your grand opening period (i.e., 30 days after opening), you must spend at least 2% of your monthly Gross Sales on approved local marketing. We measure your compliance on a rolling 6-month basis, meaning as long as your average monthly expenditure on local

advertising over the 6-month period equals or exceeds 2% of Gross Sales, you are deemed in compliance even if your expenditure in any given month is less than 2% of Gross Sales.

You may develop your own advertising and marketing materials and programs, provided we approve them in advance. We must also approve the media you intend to use. You may not use any advertising materials, programs or media that we have not approved. We have 10 business days to review and approve or disapprove advertising and marketing materials and programs you submit for approval. Our failure to approve them within the 10 business-day period constitutes our disapproval.

Local Marketing Assistance From Us

We provide reasonable marketing consulting, guidance and support throughout the franchise term on an “as-needed” basis. We currently administer all social media accounts to promote Stores. We may create and make available to you advertising and marketing materials for your purchase. We may use the brand fund to pay for the creation and distribution of these materials, in which case there will be no additional charge. We may provide online access to these materials, in which case you must print the materials at your expense. We may also contract with third-party suppliers to create advertising or marketing materials that you may purchase.

Websites, Social Media and Digital Advertising

We will maintain a corporate website to promote our brand. We will also create and host a local webpage to promote your Store, which will be linked to our corporate website. We can modify or discontinue this website (and your local webpage) at any time.

Under current policy, you may not: (a) develop, host, or otherwise maintain a website or other digital presence relating to your Store (including any website bearing our Marks); (b) utilize the Internet to conduct digital or online advertising; or (c) engage in ecommerce.

We currently own all social media accounts associated with franchised and company-owned Stores. We use these accounts to promote Stores through social media posts. From time to time we may, in our sole discretion, allow you to access the social media accounts associated with your Store and post content provided that:

- you only utilize social media platforms we allow you to access
- you strictly comply with our social media policy, as revised from time to time
- you immediately remove any post we disapprove, even if it complies with our social media policy
- you contract with and exclusively utilize any social media company we designate
- we retain ownership of all social media accounts relating to your Store

Gift Card and Loyalty Programs

We may require that you participate in a gift card or other customer loyalty program in accordance with our policies and procedures. In order to participate, you may be required to purchase additional equipment, software and/or Apps and pay fees relating to the use of that equipment, software and/or Apps. We have the right to determine how proceeds from gift card sales are divided or otherwise accounted for and we may retain proceeds from unredeemed gift cards. You must follow all policies we establish for gift card and/or loyalty programs.

Advertising Cooperatives

We may, but need not, form advertising cooperatives for the benefit of all Stores located in a particular region. We will determine the boundaries of the cooperative. In most instances, the boundaries will coincide with zip codes, designated marketing areas or municipal boundaries. We will specify the manner in which the cooperative is organized and governed. We may choose between: (a) administering the cooperative ourselves; or (b) establishing an advertising council, comprised by the cooperative's members, to administer the cooperative. We may require that the cooperative be administered in accordance with written bylaws, organizational documents or other governing documents that we approve.

If your Store is located within a region subject to an advertising cooperative you must: (a) participate in the cooperative according to its rules and procedures and abide by its decisions; and (b) pay a cooperative advertising fee. We may set the minimum cooperative advertising fee or we may allow the cooperative to set the fee based on majority vote of its members. In either case, the cooperative advertising fee will not exceed 2% of Gross Sales. All cooperative advertising fees you pay are credited against your Local Marketing Commitment. Any company-owned Store located in the cooperative will contribute on the same basis as franchisees.

Employees

~~We require employees be 18 years or older. You are solely responsible for the hiring, disciplining, training, supervising, promoting and firing of your employees (Section 2.6 of Franchise Agreement).~~

Training

~~We will provide you with classroom and on the job training as described in Item 11 (Section 2.7 of Franchise Agreement).~~

Equipment, Signs, Fixtures, Opening Inventory, and Supplies

~~We will give you a list of approved suppliers of your equipment, signs, fixtures, opening inventory and supplies. For some items, we or our affiliates may be the sole approved supplier (See Item 5 and Item 8). We do not install any items of equipment, fixtures, or signs. Written specifications for furniture, fixtures, equipment, on-going inventory requirements, and signs are contained in the Manual.~~

Opening Assistance

~~To facilitate the opening of your Franchised Business, we will provide you with the services of one of our representatives for supervisory assistance and guidance for a minimum of 2 days during the opening of your Franchised Business (Section 2.10 of Franchise Agreement). You may request and we may provide additional initial assistance, but you must reimburse us for our related expenses and training time relating to this additional assistance (Section 2.12(h) of Franchise Agreement). We will also provide you with a list of forms and a schedule of equipment and other items that you must purchase from us, our affiliates, or a supplier designated by us (Section 2.5 of Franchise Agreement). To the extent permitted by applicable law, we may set maximum or minimum prices on the goods and services you sell.~~

Opening Schedule

~~You must open the Franchised Business within 180 days from signing the Franchise Agreement (Section 4.3 of Franchise Agreement). If you do not open for business within 180 days from signing the Franchise Agreement, you will be in default of the Franchise Agreement and we may terminate the Franchise Agreement (Section 12.4 of Franchise Agreement).~~

Agreement). We anticipate that the typical length of time between the earlier of signing of the franchise agreement or the first payment of consideration for the franchise and the opening of the Franchised Business will be between 6 months to 10 months. The factors that may affect this time period include: finding a suitable location; negotiating the terms of the lease; obtaining financing; designing and building out the premises; permitting delays; weather delays; equipment delivery delays; etc.

Under the Multi-Unit Development Agreement the franchisor will determine or approve the location of future units and any territories for those units, and the then-current standards for sites and territories will apply. (Section 1 and 4 of Multi-Unit Development Agreement.) Currently, the locations undergo extensive review pertaining to different forms of data analytics. Our application compares over 30 different factors regarding demographics and others statistics. We also pull out key word searches pertaining to our market in each area to prove whether or not the market has viable interest. If the location matches or exceeds our top performing store averages, then we go on to confirm geographical and visual factors consisting of, but not limited to Accessible Parking, Store Front Visibility, Tenant Compatibility, Destination Appeal, as well as all locations and distance to all competitors within a 4 miles radius. If the location passes through all our parameters, then we go on to pursue negotiations and lease discussion.

Outlets are developed according to the following schedule with the time frame starting from the signing of the Multi-Unit Development Agreement and First Franchise Agreement.

Development Period	Expiration Date
First	6 Months
Second	16 Months
Third	26 Months
Fourth	36 Months
Fifth	46 Months

FRANCHISOR'S OBLIGATIONS DURING THE OPERATION OF THE FRANCHISED BUSINESS

During the operation of the Franchised Business, we will:

Developing Products or Services the Franchisee will offer to its Customers

We will continue to develop new products and services that you may offer to your customers. (Section 2.12 of Franchise Agreement.)

Improving and Developing the Franchised Business

We will provide and, from time to time, add to, alter or delete, at our sole discretion, lists of specifications and suppliers, approved products, materials and supplies, training and other services that may benefit you in the operation of your Franchised Business (Section 2.12 of Franchise Agreement).

Hiring and Training Employees

You are solely responsible for the hiring, disciplining, training, supervising, promoting and firing of your employees (Section 2.6 of Franchise Agreement).

Establishing and Using Administrative, Bookkeeping, and Inventory Control Procedures

~~You must utilize cash register systems, and computer hardware and software programs designated by us to manage your bookkeeping and inventory control. (Section 4.8 of Franchise Agreement).~~

Resolving Operating Problems

~~We will advise you from time to time of operating problems of the Franchised Business, which are disclosed by reports submitted by you or inspections made by us. We may also furnish you with such guidance and assistance in connection with the operation of the Franchised Business as is from time to time deemed appropriate by us (Section 2.12 of Franchise Agreement). We may make periodic announced and unannounced visits to your Franchised Business for inspection, consultation, assistance, and guidance of you in all aspects of the operation and management of the Franchised Business as is deemed appropriate by us. We will outline in written reports any suggested changes or improvements for the operation or management of the Franchised Business or detail any defaults in operations which become evident as a result of any such visit. Additional guidance, at our sole discretion, will be furnished in the form of the Confidential Operations Manual, bulletins or other written materials, telephone consultations and/or consultations at our offices or at your Authorized Location in conjunction with an inspection of such a Franchised Business (Section 2.12 of Franchise Agreement).~~

Brand Standards Manual

~~We will loan you, or provide you access to one electronic copy of our Brand Standards Manual (the "Manual") during the term of the Franchise Agreement (Section 2.8 of Franchise Agreement). This Manual contains mandatory and suggested specifications, standards and operating procedures prescribed by us. This Manual is **confidential** and remains our property (Sections 6.1 through 6.4 of Franchise Agreement). The Manual may not be copied, in whole or in part and must be password protected (Section 6.2 of Franchise Agreement).~~

~~The Table of Contents of the Manual showing the total number of pages in the Manual and the number of pages devoted to each subject is attached hereto as Exhibit "H" to this Disclosure Document. The total number of pages in the Manual is 95.~~

Manual Updates

~~We have the right to add to and otherwise modify the Manual to reflect changes in products, services, specifications, standards and operating procedures, including sales and marketing techniques relating to the Franchised Business; however, no such addition or modification may alter your fundamental status and rights under the Franchise Agreement (Section 6.3 of Franchise Agreement). You must keep your copy of the Manual password protected.~~

Advertising

~~You must spend a minimum of \$13,000 on approved grand opening marketing, advertising and promotional expense. (Section 7.2 of Franchise Agreement). We will collect this amount from you and you must submit your grand opening budget to us to approve. We will reimburse all of your approved Grand Opening expenses from this amount. We reserve the right to implement grand opening campaign activities on your behalf. You may not have a grand opening on the same day as another franchisee. We must approve of the grand opening day.~~

Marketing Fund

~~We created a Marketing Fund for all franchisees and Company Owned Units that contribute to the Marketing Fund. We may use the Advertising Contributions to meet the~~

~~costs of conducting local, regional and/or national advertising and promotional activities (Section 7.4 of Franchise Agreement). We may charge the Marketing Fund fees at reasonable rates for advertising, marketing, and promotional services that we or our affiliates actually provide (Section 7.5 of Franchise Agreement). We may hire an advertising or public relations agency to prepare advertising and promotional materials and to implement a marketing or advertising campaign. We may conduct advertising in any media, including print, radio, television, internet, mobile marketing, social networks, etc. We are not required to spend any amount of money on advertising in the area in which you are located.~~

~~You must contribute 2% of your Gross Revenues to the Marketing Fund (Section 3.c of Franchise Agreement). All franchisees and Company Owned Units contribute the same percentage of Gross Revenues to the Marketing Fund. Presently, we have the sole control over the administration of the Marketing Fund. The Marketing Fund will be unaudited. Upon your request, we will provide you with a report or spreadsheet showing the receipts and expenditures of the Marketing Fund during the prior year. All sums paid by you to the Marketing Program will be maintained in an account separate from our other monies and will not be used to defray any of our expenses, except as otherwise described above. We are not obligated to make expenditures for you which are equivalent or proportionate to your contribution, or to ensure that any particular franchisee benefits directly from expenditures by the Marketing Fund. It is anticipated that all contributions to, and earnings of, the Marketing Fund will be expended for advertising and/or promotional purposes during the taxable year within which the contributions are made. If, however, excess amounts remain in the Marketing Fund at the end of the taxable year, the excess will be spent in the following year. You acknowledge that monies in the Marketing Fund are not a trust or asset of ours, and that we are not a trustee of the Marketing Fund or the monies in it or a fiduciary to you with respect to them. The Marketing Fund and its earnings shall not otherwise inure to our benefit except that any resulting technology and intellectual property shall be deemed our property.~~

~~In calendar year ending December 31, 2022 total contributions to the Marketing Fund were \$45,451 with 0% of the Marketing Program funds used for production, 100% was used on media and public relations placement, and 0% on administration and other expenses. No portion of the Marketing Fund is spent on soliciting new franchise sales. We will prepare an annual statement of the operations of the Fund that will be made available to you if you submit a written request for it. We are not required to have the Fund statements audited.~~

~~We will generally promote franchisees through advertising and public relations. We will provide you with advice and guidance on local advertising (Sections 2.12 and 7.1 of Franchise Agreement). You pay all advertising costs you incur (Section 7.1 of Franchise Agreement).~~

~~You are responsible for the cost of advertising to promote your Franchised Business. You must spend a minimum of \$750.00 per month on local advertising and marketing. Franchisor reserves the right to collect some or all of Franchisee's Local Advertising expenditure and implement Local Advertising on Franchisee's behalf.~~

~~Before placing any advertisements, samples of all local advertising and promotional materials not prepared or previously approved by us must be submitted to us for approval. If written approval is not received by you within 10 business days from the date of receipt by us of the materials, we shall be deemed to have refused our approval (Section 7.1 of Franchise Agreement).~~

~~Advertising may be conducted in any media, including print, radio and television, provided all such advertising is pre-approved by us. However, you are not permitted to advertise via the internet without our prior written approval in each instance (Section 7.8 of Franchise Agreement).~~

~~We do not have an advertising council at this time.~~

Market Co-Op

~~We will have the right, as we see fit, to establish a Market Co-op Fund for your region. The purpose of a Market Co-op Fund is to conduct marketing campaigns for the Stores located in that region.~~

~~If a Market Co-op Fund for your area was established before you began to operate your Franchised Business, then when you open your Franchised Business, you must immediately join that Market Co-op Fund. If a Market Co-op Fund for your area is established after you begin to operate your Franchised Business, then you will have 30 days to join the new Market Co-op Fund. You will not be required to contribute to more than one Market Co-op Fund. You will not be obligated to contribute more than 3% of your Gross Revenues to a Market Co-Op. The following provisions will apply to each Market Co-op Fund (if and when organized):~~

- ~~(a) _____ Market Co-op Funds will be established, organized, and governed in the form and manner that we have approved in advance.~~
- ~~(b) _____ Market Co-op Funds will be organized for the exclusive purpose of administering regional marketing programs and developing (subject to our approval) standardized promotional materials for use by the members in local marketing and promotion.~~
- ~~(c) _____ Market Co-op Funds may not use marketing, promotional plans, or materials without our prior written approval, as described below.~~
- ~~(d) _____ The Marketing Contribution will be contributed to the Market Co-op Fund each Month in the manner specified in Item 6 above. At the same time, you will have to submit the reports that we or the Market Coop Fund require.~~
- ~~(e) _____ Although each Market Co-op Fund is intended to be of perpetual duration, we maintain the right to terminate any Market Co-op Fund. A Market Co-op Fund will not be terminated, however, until all monies in that Market Co-op Fund have been expended for marketing or promotional purposes. If all Stores contributing to a Market Co-op Fund are closed, any balance remaining in that Market Co-op Fund will be transferred to the Marketing Fund.~~
- ~~(f) _____ We have the right to change or merge any Market Co-op Fund.~~
- ~~(g) _____ A majority of the franchisees in the Market Co-op will determine how the cooperative will be administered, including whether or not the cooperative will hire a third party to administer the cooperative. A majority of the franchisees in the cooperative will determine whether or not the cooperative will operate from written~~

~~governing documents. If a cooperative has written governing documents, all franchisees in the cooperative have the right to review the written governing documents. A majority of the franchisees in the~~

~~cooperative will determine whether or not the cooperative must~~ cooperatives are not required to prepare annual or periodic financial statements. ~~All franchisees in a cooperative have the right to review any annual or periodic~~ Any financial statements that are prepared for a cooperative will be made available to you upon request. We reserve the right to form, change, merge or terminate advertising cooperatives at any time.

~~(h) — The activities carried on by each Market Co-op Fund shall be decided by a majority vote of its members. Any Franchised Business that Franchisor operates in the region shall have the same voting rights as Franchised Businesses owned by franchisees. Each Franchised Business owner shall be entitled to cast one (1) vote for each Franchised Business owned.~~

~~We have the right, but not the obligation, to establish and maintain a Website (which may promote the Marks and/or the System, or serve as an intranet, extranet, or other means of electronic communication within the System). We will have the sole right to control all aspects of the Web Site, including its design, content, functionality, links to other websites, legal notices, and policies and terms of usage. We will also have the right to discontinue operation of the Web Site at any time without notice to you. Except as we otherwise approved in advance in writing, you must not establish or maintain a separate Web Site, or otherwise maintain a presence or advertise on the Internet or any other public~~ Brand and System Development Fund

We currently administer a brand and system development fund to promote public awareness of our brand and improve our System. We may use the fund to pay for any of the following in our discretion:

- developing maintaining, administering, directing, preparing, or reviewing advertising and marketing materials, promotions and programs
- conducting and administering promotions, contests or giveaways
- expanding public awareness of the Marks
- public and consumer relations and publicity
- brand development
- sponsorships
- charitable and nonprofit donations and events
- research and development of technology, products and services
- website development and search engine optimization
- development and maintenance of an ecommerce platform
- development and implementation of quality control programs, including the use of mystery shoppers or customer satisfaction surveys
- conducting market research
- changes and improvements to the System
- the fees and expenses of any advertising agency we engage to assist in producing or conducting advertising or marketing efforts
- collecting and accounting for contributions to the fund
- preparing and distributing financial accountings of the fund
- any other programs or activities we deem appropriate to promote or improve the System

- direct and indirect labor, administrative, overhead and other expenses incurred by us and/or our affiliates in relation to any of these activities (including salary, benefits and other compensation of any of our, and any of our affiliate’s, officers, directors, employees or independent contractors based upon time spent working on any brand fund matters described above)

We direct and have complete control and discretion over all advertising programs paid for by the fund, including the creative concepts, content, materials, endorsements, frequency, placement and media used for the programs. Currently, most advertising is intended to be local or regional in coverage but may expand to national coverage as our System grows. We may use any media we deem appropriate, including, digital, print, television, radio and billboard. The fund will not be used to pay for advertisements principally directed at selling additional franchises, although consumer advertising may include notations such as “franchises available” and one or more pages on our website may promote the franchise opportunity.

You must contribute to the fund the amount we specify from time to time (not to exceed 2% of Gross Sales). We deposit into the fund all brand fund fees and noncompliance fees we collect from you and other franchisees. Any company-owned Store will contribute to the fund on the same basis as our franchisees. However, if we modify the amount or timing of the contributions that must be made to the fund, any company-owned Store that is established or acquired after the modification may contribute to the fund utilizing the modified amount or timing. Except as stated in this paragraph, we have no obligation to expend our own funds or resources for any marketing activities in your area.

All monies deposited into the fund that are not used in the fiscal year in which they accrue will be utilized in the following fiscal year. Any surplus of monies in the fund may be invested and we may lend money to the fund if there is a deficit. An unaudited financial accounting of the operations of the fund will be prepared annually and made available to you upon request. During the fiscal year ended December 31, 2023 we spent the marketing funds in the following manner:

<u>Allocation of Marketing Expenditures (2023)</u>				
<u>Use of Funds</u>	<u>Production</u>	<u>Media Placement</u>	<u>Administrative Expenses</u>	<u>Other*</u>
<u>Percentage Allocation</u>	<u>50%</u>	<u>10%</u>	<u>10%</u>	<u>30%</u>

* Other includes strategy and consulting work associated with marketing programs.

We assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the fund. The fund is not a trust and we have no fiduciary obligations with respect to our administration of the fund. Once established, we may discontinue the fund upon 30 days’ prior notice.

Advisory Council (§Error! Reference source not found.)

We may, but need not, create a franchise advisory council to provide us with suggestions to improve the System, including matters such as marketing, operations and new product or service suggestions. We would consider all suggestions in good faith, but would not be bound by them. The council would be established and operated according to rules and regulations we periodically approve, including procedures governing the selection of council representatives to communicate with us on matters raised by the council. You would have the right to be a member of the council as long as you comply with your Franchise Agreement and do not act in a disruptive, abusive or counter-productive manner, as determined by us in our discretion. As a member, you would be entitled to all voting rights and privileges granted to other members of the council. Any company-owned Store would also be a member of the council. Each member would be granted 1 vote on all matters on which members are authorized to vote. We would have the power to form, change or dissolve the advisory council in our discretion.

Computer System (§Error! Reference source not found.,_Error! Reference source not found.,_

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You must purchase and use all Technology Systems we designate. One component of our Technology Systems is your “computer system” (which includes your computer network in connection with the Franchised Business. Each franchisee is distributed revenue generated by the online store based on physical territories. Each territory owner receives 15% of gross sales generated monthly in their territory(ies) in the form of inventory purchase credit . If Franchisor permits Franchisee to utilize a separate domain name, Franchisee must obtain Franchisor’s prior approval for the name, and Franchisor must at all times have full administrative rights for that domain name and this domain name must forward to the main site. The separate domain name must be assigned to Franchisor or its affiliate upon termination or expiration of the franchise agreement. Franchisees must utilize Franchisor’s designated web developer. For purposes of this Item 11, the term “net revenues” means the gross amount received by the territory owner less shipping charges and taxes collected and paid to a taxing authority. All custom URL’s, custom landing pages, sub-URL’s, etc. must be pre-approved in writing by Franchisor.

~~We have a social media policy, which may permit you to use social network sites such as Facebook, Linked In, Twitter, Instagram, Snapchat, YouTube, etc. You may be given your own Facebook page, but we will have administrative authority for this account. You must strictly follow our social media policies when using social media and mobile (i.e. text messaging) marketing. We may modify our social media policies at any time (Section 7.9 of Franchise Agreement).~~

Electronic Point of Sale and Computer Systems

~~You must lease an approved computer hardware and software point of sale (POS) system, currently we use and point-of-sale system). You must license and use QuickBooks Online. You must also purchase and use our designated point-of-sale system, VEND by lightspeed. The approved system must be maintained according to our hardware and software standards. The POS system includes the(which was acquired by, and is in the process of being rebranded as, Lightspeed), including the associated computers, computerized cash registers, cash drawers, point-of-sale terminals, touch screens, bar-code scanners, receipt printers, credit_card_swipe readers, and other computer hardware, software (including Web-based software), and peripherals and related services (including highspeed Internet service), which you must purchase and use in accordance with our specifications. The computer system will be required to use and Apps. Your computer system must use our approved interface (high_speed telecommunication connection) to communicate electronically with our own system. You must also purchase a security system we designate or approve and install cameras at the locations within your Store that we designate. We may change the components of the Technology Systems from time to time, including your computer system.~~

~~The costs associated with the purchases of software and computer systems may vary from vendor to vendor, especially regarding hardware items, software, and services which are widely available from a variety of vendors. We currently estimate the cost of purchasing the required computer systems and point of sale systems for a Store to be between \$3,000 and \$5,500 with an additional \$190 monthly for our current provider VEND by lightspeed. Some of the hardware and software that you will use is the proprietary property of third parties. We have not approved any hardware or software in place of these systems and programs, although we reserve the right to do so in the future. We have the right to specify the brands, types, makes, and models of your computer system. You will have to abide by our requirements concerning the computer system, including: (a) back office and point of sale systems; (b) systems to store data, including audio and video, as well as systems to retrieve~~

~~and transmit that data between your Franchised Business and us; (b) security systems (physical, electronic, and other); (c) printers and other peripheral devices; (d) archive (back-up) systems; and (e) internet access mode (for example, your telecommunications connection, such as broadband) and speed.~~

~~We reserve the right to have independent access to your computer system for the purpose of downloading sales and other data. There is no contractual limitation on our right to receive this information. We reserve the right to require you to bring any computer hardware and software, related peripheral equipment, communications systems, as well as~~ Email Addresses

We will provide you with up to 5 email addresses for use with your Store. You must exclusively use the email addresses we provide for all communications with us, customers, suppliers and other persons relating to your Store. You may not use them for any purpose unrelated to your Store. We will own the email addresses and accounts but allow you to use them during the term of your Franchise Agreement.

How Computer System Is Used

You will use your computer system for a variety of business purposes, including email communications, financial accounting, preparing business and financial reports, scheduling employees, tracking employees, employee payroll, processing sales transactions, tracking and managing inventory, tracking sales history, accessing forms and marketing materials, accessing online training modules, customer relationship management and implementation of our customer loyalty/rewards program.

Your security system will be used for theft prevention (or to identify any theft that takes place in your Store) and to record any security incidents. You must provide us with 24-7 independent “real time” access to the video streams from all of your security cameras (which must include both audio and video content).

Fees and Costs

We estimate the initial cost of your computer system (including any upfront license fees, setup fees, software training fees, data migration fees, etc.) will range from \$3,000 to \$5,500. We estimate the initial cost of your security and surveillance system will range from \$400 to \$800. Some franchisees purchase a single system that works as both the security and surveillance system, while others have purchased separate systems.

You must pay an ongoing licensing fee of \$190 per month (\$2,280 per year) for your POS system. We currently collect this fee as part of the technology fee and remit the full amount to the licensor. We also charge an additional technology fee of \$40 per week (\$2,080 per year) which covers research and development of new technology, website updates and maintenance, and partially reimburses us for the costs we incur to provide your email addresses/accounts. The technology fee may change based on changes to the software, technology and related services that we provide.

We estimate you will also pay \$30 to \$150 per month (\$360 to \$1,800 per year) for ongoing monitoring services for your security and surveillance system and \$60 to \$70 per month (\$720 to \$840 per year) for QuickBooks Online.

Maintenance, Support, Updates and Upgrades

~~We are not aware of any optional or required maintenance, updating, upgrading or support contracts relating to your computer system. In exchange for the monthly licensing fee described above, the POS system, into conformity with our then-current standards for new Stores. We have no obligation to assist you in obtaining hardware, software or related services and there are no contractual limits on the frequency or cost of your obligations to obtain these upgrades. (See Sections 2.2.2, and 12 of the Franchise Agreement.) We currently estimate the cost of~~ licensor of your POS system will

provide required maintenance, repairs and updates. We estimate the additional costs you will incur for maintaining, updating, and upgrading your computer and POS system, and obtaining support, to be approximately may range from \$200 to \$500 per year. Neither Except as otherwise disclosed above, neither we nor any ~~of our affiliates have another party has any~~ obligation to provide ongoing maintenance, repairs, upgrades or updates to your computer system ~~or POS system.~~

~~You must maintain an internet connection with download speeds of 50 mbps (mega bytes per second), and upload speeds of 10 mbps or greater.~~

~~You must use a merchant service provider designated or approved by us to process credit card receipts.~~

~~You must also maintain a back-office computer, printer, and scanner.~~ Collection and Ownership of Data

Your computer system will collect general business data (including data pertaining to your inventory, sales and expenses), financial accounting data, employee data (including names, contact information, employment information and hours worked) and customer data (including names, contact information, sales history and credit card information). Your security system will generate and record live video footage of the interior of your Store. We will have independent unlimited access to the data collected by your POS system and security system and there are no contractual limits imposed on our access. We will not have independent access to the data collected on your back-office computer system. However, we may inspect your back-office computer system and access the data during an inspection.

We own all data relating to your operations and customers. We grant you a license to use this data solely for purposes of operating your Store. You must protect all customer data with a level of control proportionate to the sensitivity of data. You must comply with all applicable data protection laws and our data processing and data privacy policies in the Manual. You must also comply with the standards established by PCI-DSS to protect the security of credit card information.

Computer System Maintenance and Changes

You must maintain the computer system in good condition at your cost. We may require that ~~meet our~~ you upgrade or update your computer system and other Technology Systems to conform to our then-current specifications ~~with software and applications that we specify from time to time.~~

~~There are no other computer or POS System requirements at this time.~~

~~In the future, we may require additional hardware and software, visual training stations, a visual digital merchandising monitor, tablets, and other hand held devices. There are no restrictions on our ability to modify the cash register and computer requirements (Section 4.8 of Franchise Agreement). There is no contractual limit~~ contractual limitations on the frequency or cost of ~~required~~ these updates or upgrades or updates to the computer or POS System.

Security System

~~The Franchisee must install and maintain a security/surveillance system designated or approved by Franchisor with cameras in such locations as the Franchisor designates. The Franchisor must at all times have access to the video stream of all security cameras in and about the Premises via internet connection or other form of electronic "real time" transmission. The cost of this system ranges from \$400-\$800.~~

Training

~~The initial training program will take place remotely as well as at our affiliate-owned location in Tallahassee, Florida, or at another location designated by us. The days are broken into two (2) training sessions, The Natural Life Brand and then Natural Life Operations. The first session, The Natural Life Brand, will take place within four (4) weeks of signing this agreement. Basic Management Training and Natural Life Operations will be provided approximately four to six (4-6) weeks before the Opening Date and no later than three (3) weeks before the opening of the Franchised Business. In addition, we will conduct on the job training at your location for a minimum of 2 days during the opening of the Franchised Business. The remote training is part of the general brand and wellness coach training every natural life employee received and the in-person training addresses the store manager and franchisee skills and knowledge. You (or, if you are an entity, your controlling principal who is also designated to serve as your general manager who we have previously approved to serve in that role (the “**Operating Partner**”)) must attend and successfully complete, to our satisfaction, the entire training program. Other individuals who must attend and successfully complete the initial training program include: one full-time manager of the Franchised Business (the “**Franchised Business Certified Manager**”). We will provide the initial training program for no additional cost for up to 4 individuals (two of whom must be you (or the Operating Partner) and the Franchised Business Certified Manager).~~

~~If we determine that any of the Certified Managers (defined below) has failed to satisfactorily complete the initial training program, we may (but are not required to), at your expense, retrain the Certified Manager, or allow you to hire another trainee. You will not be permitted to open the Franchised Business to the public until the Franchised Business Certified Manager has successfully completed the initial training program to our satisfaction. The term “Certified Manager” means: (a) you (or the Operating Partner); and (b) your Franchised Business Certified Manager has successfully completed the training to our satisfaction. (Franchise Agreement, Section 2.7, 2.10, 2.12)~~

~~For the purpose of the training program, and except as noted below with regard to a Franchised Business Certified Manager, the “Operating Partner” must be a person who has an ownership interest in Franchisee, and who has signed as an individual to the Franchise Agreement. The Franchised Business Certified Manager need not own any equity interest in the Franchisee entity.~~

~~The Franchised Business must be under the active full-time management of either an Operating Partner or Franchised Business Certified Manager who successfully completed (to our satisfaction) our initial training program~~

~~If any of the Certified Managers cease active management or employment at the Franchised Business, or if we disapprove of any of the Certified Managers, then you must enroll a replacement in our initial training program within 30 days after the Certified Manager ended his/her full-time employment and/or management responsibilities. During the term of the Franchise Agreement, we will provide you with two replacement training sessions for up to two individuals at each session. If you ask to send more than four individuals to the initial training program, or more than two individuals to a replacement training session, or if you request more than two replacement training sessions, then you agree to pay us a training fee in the amount of \$1,200 for each such individual or replacement session, with payment to be made in full before the training starts, plus all other expenses we incur in connection with that training (including the costs of transportation, lodging, and meals).~~

~~Your Certified Managers may also be required to attend certain refresher courses, seminars, and other ongoing training programs that we may periodically specify. We have not previously conducted, and so we cannot estimate, the location, duration, content or frequency of these refresher courses, seminars or ongoing training programs, but the factors~~

that will affect these programs include the implementation of new governmental regulations and/or safety standards, changes to the System, and the number and location of Stores operating under the System at the time of the program.

We will bear the cost of all training (instruction and required materials for the initial training program and, as noted above, for the first two replacement training sessions, and for ongoing training programs), and you will bear all other expenses you and your employees incur (if any) in connection with any training (including the initial training program and refresher and ongoing training programs), such as the costs of any required transportation, lodging, meals, wages, and worker's compensation insurance for you and your employees to attend training. (See Item 6 of this disclosure document).

If you ask that we provide on-site training in addition to that which we may provide to you in connection with the initial training program or the opening of the Franchised Business, and if we agree to do so, then you will pay us our then current per diem charges and out-of-pocket expenses. Our per diem charges will be specified in our Manual, and the current amount is described in Item 6 of this disclosure document.

The subjects covered in the initial training program are described below.

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION WHERE TRAINING HELD
Introduction to Natural Life	30 minutes	0 hours	An affiliate-owned Store in Tallahassee, Florida
The Natural Life Experience	30 minutes	0 hours	“
A typical Work Day	45 minutes	0 hours	“
Exercise #1	1 hour	0 hours	“
The Natural Life Team Member-values	1 hour	0 hours	“
Hemp Education	1.5 hours	0 hours	“
Exercise #2	45 minutes	0 hours	“
Kratom Education	1.5 hours	0 hours	“
Exercise #3	30 minutes	0 hours	“
Kava Education	1.5 hours	0 hours	“

Exercise #4	1 hour	0 hours	“
Other Wellness Products	1 hour	0 hours	“
Working the Floor	30 minutes	0 hours	“
Shopkeeping	1 hour	0 hours	“
Exercise #5	45 minutes	0 hours	“
Technologies and Systems	1 hour	0 hours	“
Exercise #6	1 hour	0 hours	“
Sales Floor Role Play	1 hour and 15 minutes	0 hours	“
Onboarding	1 hour	0 hours	“
Store and Distribution Field Trip	0 hours	3 hours	Affiliate owned store
Total	14 hours	3 hours	

Instructional materials consist of the Manuals, all the operational forms of the System, and online training tools. The initial training program will be conducted or supervised by Chris Pilato or instructors under his supervision. Mr. Pilato has been managing retail stores offering CBD, Kratom, and Kava since 2018 and is soon to be a franchisee. In addition, we may have some of our vendors and consultants conduct a portion of the training. Since this is a relatively new industry, the instructors are required to have a minimum training or experience of 2 years and all trainers must be thoroughly familiar with our systems and our Manual.

The initial training program will be conducted at the location of one of our affiliate owned Stores in Tallahassee, Florida, or such other locations as we may designate. Training is conducted as frequently as we determine it necessary to hold a training class for a new franchisee.

In addition to initial training, you must retain the services and pay a Mentor designated by us \$1,000 per month for the first six months of business operations. The Mentor will provide a minimum of one hour per week in telephone or other support. The Mentors will have the minimum qualifications designated by the Franchisor.

You agree to become a future Mentor after you have a minimum of 9 months experience, successfully operated an outlet for 9 months, for a minimum of one time every three years.

~~You may be required to pay an Annual Convention Fee in an amount up to \$200 per year to attend mandatory annual conventions. We reserve the right to require your participation in an annual convention that will not last longer than 3 business days. You are responsible for the wages, taxes, benefits, travel, lodging and meal expense you incur to attend the annual convention, in addition to payment of the Annual Convention Fee.~~

~~Item 10~~ ITEM 12 ~~ITEM 12~~: **TERRITORY**

Multi-Unit Development Agreement

~~Under the Multi-Unit Development Agreement, you are granted the right to develop, open and operate an agreed upon number of Stores within an agreed upon territory. The size of the territory is a minimum of a three (3) mile minimum or more depending on population density. You will not receive an exclusive territory under the Multi-Unit Development Agreement. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control. The location of each unit under the Multi-Unit Development Agreement must be approved by us. The protected territory under each franchise agreement signed by a multi-unit developer is determined in the same manner as in the case of individual franchise agreements.~~

~~Under the Multi-Unit Development Agreement the franchisor will determine or approve the location of future units and any territories for those units, and the then current standards for sites and territories will apply. (Section 1 and 4 of Multi-Unit Development Agreement.) Currently, the locations undergo extensive review pertaining to different forms of data analytics. Our application compares over 30 different factors regarding demographics and others statistics. We also pull out key word searches pertaining to our market in each area to prove whether or not the market has viable interest. If the location matches or exceeds our top performing store averages, then we go on to confirm geographical and visual factors consisting of, but not limited to Accessible Parking, Store Front Visibility, Tenant Compatibility, Destination Appeal, as well as all locations and distance to all competitors within a 4 miles radius. If the location passes through all our parameters, then we go on to pursue negotiations and lease discussion.~~

~~Outlets are developed according to the following schedule with the time frame starting from signing of the Multi-Unit Development Agreement and First Franchise Agreement.~~

Development Period	Expiration Date
First	6 Months
Second	16 Months
Third	26 Months
Fourth	36 Months
Fifth	46 Months

Franchise Agreement

~~Under the Franchise Agreement, you are granted the right to operate a Franchised Business at the location and premises approved by us in accordance with the Franchise Agreement as long as the Franchise Agreement is in effect and you are not in default. During the term of the Franchise Agreement, and provided you are not in default of the Franchise Agreement, subject to Sections 1.3 and 5.6 of the Franchise Agreement, we will not open or franchise another **Natural Life CBD/Kratom/Kava** Store within the Protected Territory, as defined in Article 19 and Attachment 1 of the Franchise Agreement. Protected Territories are~~

~~determined on a case-by-case basis and described on Exhibit 1 to the Franchise Agreement. We do not intend to open or operate a Company Owned Store using our Trademark, in your Protected Territory, but we are not prohibited from doing so outside of your Protected Territory. If you do not yet have a location at the signing of the Franchise Agreement, you will receive a non-exclusive site search area list as Attachment 1.~~

~~Our affiliates may open additional Company Owned Stores outside of your Protected Territory, and we or our affiliates may sell competing Products through other channels of distribution under the Marks or under different trademarks or trade names within your Protected Territory, such as in drug stores, grocery stores, or via the internet. If NL Fulfillment sells Products to your customers, you will be credited with the net price (after shipping fees and taxes) from the sale, subject to payment of Royalty Fees and Advertising Contributions. We or our affiliates may also establish Company Owned Stores or sell competing products through other channels of distributions under a different trademark; however, we have no present intention to do so. There are no restriction on us from soliciting or accepting orders from consumers inside your Protected Territory. Except as indicated above, you are not compensated for orders shipped by us or our affiliates to customers residing or working in your Protected Territory.~~

~~Furthermore, Institutional Facilities and Captive Market Locations shall **not** be deemed part of the Protected Territory even if physically located within the Protected Territory, and whether constructed prior to or after the execution of the Franchise Agreement. The term “**Captive Market Location**” includes, among other things, hotels, resorts, and cruise ships. The term “**Institutional Facility**” includes, among other things: airports and other travel facilities; federal, state, or local government facilities (including You will not receive an exclusive territory or development territory, military bases); theme and amusement parks; recreational facilities; colleges and other academic facilities; and seasonal facilities.~~

~~You must achieve or exceed the Minimum Performance Levels described in Section 4.26 of your franchise agreement. The Minimum Performance Levels are as follows: commencing on the Opening Date to the first anniversary — \$250,000 in Gross Revenues; from the first anniversary to the second anniversary — \$300,000 in Gross Revenues; and from the third anniversary and thereafter — \$350,000 in Gross Revenues. In the event that you do not meet the Minimum Performance Levels in any year, we may, at our option, have the right to any or all of the following remedies: (1) to suspend our performance obligations under this Franchise Agreement; (2) to terminate the territorial protection granted under Section 1.3 of the franchise agreement, in which event we will have the right to establish and operate, and license or franchise others to establish and operate, a Natural Life Businesses within the Territory; (3) to reduce the size of the Territory for which you are granted territorial protection under Section 1.3 of the franchise agreement; (4) demand payment of 5% of the difference between the Minimum Performance Level and the actual Gross Revenues achieved by you in the applicable year, payable on demand; or (5) to terminate the Franchise Agreement upon thirty (30) days written notice. You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises in your area. However, we may grant franchisees in good standing the right to open or operate additional Franchised Businesses.~~

~~You will not receive an exclusive territory.~~ You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Location of Your Business

Each Franchise Agreement grants you the right to operate one Store from a site we approve. You must identify a site for your Store within the Site Selection Area described in Part C of **Error! Reference source not found.** to your Franchise Agreement.

You may relocate your Store with our prior written approval, which we will not unreasonably withhold. If we allow you to relocate, you must: (a) engage the Real Estate Company to provide Real Estate Management Services and pay the associated fee; (b) obtain our approval of the new site for your Store within the Site Selection Area (but outside any territory granted or reserved to us, our affiliate or any other franchisee); (c) comply with our then-current site selection and development requirements; (d) remove trade dress and alter the premises of the closed (i.e., former) Store to eliminate any resemblance to a Natural Life Store; (e) pay us a \$5,000 relocation fee at the time we approve your request to relocate; (f) pay the Project Manager a \$15,000 project management fee; and (g) open your Store at the new site and resume operations within 30 days* after closing your Store at the former site.

* If your Store is destroyed, condemned or otherwise rendered unusable due to the physical condition of the premises, you will instead have 300 days to relocate and resume operations at the new site.

Description of Territory (Franchise Agreement)

We will identify the boundaries of your territory. If we approve your site before you sign the Franchise Agreement, then your territory will be identified in Part E of **Error! Reference source not found.** to your Franchise Agreement. If we do not approve your site before you sign the Franchise Agreement, then your territory will be identified in the Site Approval Notice we send you after site approval. Your territory will include a minimum population of 50,000. We may identify your territory in any manner we deem appropriate, including by protected radius, zip codes, markings on a map, etc. Upon renewal, we reserve the right to modify the boundaries of your territory in accordance with our then-current territory guidelines and criteria.

Description of Development Territory (ADA)

If you acquire area development rights, we will identify the boundaries of your development territory in Part D of **Error! Reference source not found.** to your ADA. A development territory typically consists of a geographic area that coincides with the boundaries of a municipality, such as a city, county or state. There is no specific minimum or maximum size for a development territory. In determining the size of your development territory, we primarily consider the number of Stores you commit to develop. The development territory would need to be large enough to support the prescribed number of Stores and include the territory for each Store (Store territories are determined in the manner described in the Section immediately above).

You must sign a separate Franchise Agreement for each Store you develop. All Stores you develop must be located within your development territory. We must approve the site for each Store you develop under our then-current site selection criteria. We send you a complete execution copy of the ADA that includes your development territory, development fee and development schedule at least 7 days before you sign it.

Territorial Protections and Limitations

During the term of your Franchise Agreement we will not develop or operate, or license a third party to develop or operate, a Store using our Marks that is physically located within your territory except as otherwise permitted below with respect to Captive Venues and Acquisitions (each defined below).

During the term of the ADA (if applicable) we will not develop or operate, or license a third party to develop or operate, a Store using our Marks that is physically located within your development territory other than: (a) any Store that is located within your development territory as of the date you sign the ADA (either open, under construction or for which a Franchise Agreement has been signed); and (b) as otherwise permitted below with respect to Captive Venues and Acquisitions.

We reserve the right to develop and operate, and license third parties to develop and operate, Stores that

are located in Captive Venues, including Captive Venues located within your territory and development territory, if applicable. A “Captive Venue” means a non-traditional outlet for a Store that is located within, or is a part of, another establishment or facility that consumers may visit for a purpose unrelated to the Store. Examples of Captive Venues include Stores that are located within:

- [hotels or casinos](#)
- [college campuses or universities](#)
- [airports, train stations, bus stations or cruise terminals](#)
- [stadiums or sporting arenas](#)
- [shopping malls](#)
- [military bases](#)
- [concert venues](#)
- [amusement parks](#) ~~may not directly solicit~~

We also reserve the right to acquire, or be acquired by, another business from, or direct advertising to, or chain that may sell competitive or identical goods or services, and those businesses may be converted into Stores operating under the Marks regardless of their location (an “Acquisition”). Any such acquired or converted businesses may be located within your territory and development territory, if applicable.

Alternative Channels of Distribution

We reserve the right to sell, and license others to sell, competitive or identical goods and services (either under the Marks or different trademarks) through Alternative Channels of Distribution, including within your territory and development territory, if applicable. An “Alternative Channel of Distribution” means any channel of distribution other than retail sales made to customers residing or working outside of your Protected Territory. All Products must be sold while present at a Store. Examples of Alternative Channels of Distribution include:

- [sales through direct marketing, such as over the Internet or through catalogs or telemarketing](#)
- [sales through retail stores that do not operate under the Marks, such as grocery stores, drug stores or convenience stores](#)
- [sales made at wholesale](#)
- [sales through kiosks or mobile trailers](#)

Our affiliate, NL Fulfillment, currently sells products through Alternative Channels of Distribution. If NL Fulfillment completes an online sale of products to a customer who provides a shipping address located in your territory, it will pay you a revenue share calculated as 15% of the net proceeds derived from your authorized location. You may not sell Products the sale (“net proceeds” means the gross amount received by our affiliate less taxes and shipping costs). The revenue share begins on the date you sign your lease or purchase agreement (you do not receive a revenue share for any sales taking place prior to the date you sign the lease or purchase agreement). The revenue share is typically paid in the form of a credit against fees and other amounts owed. The revenue share credit is issued on a monthly basis by the 20th day of each month. You are not entitled to any other compensation for sales that take place through Alternative Channels of Distribution.

Restrictions on Your Sales and Marketing Activities

You can market and advertise outside of your Protected Territory through other channels of distribution, such as via territory and development territory, if applicable, as long as: (a) you comply with all policies and procedures in the Manual governing extra-territorial marketing; and (b) you do not engage in targeted marketing directed into any territory or development territory assigned to us, our affiliate or another

franchisee (unless the marketing is conducted as part of an advertising cooperative that includes the affected territory). Marketing that is distributed, circulated or received both within your territory and within another territory is not considered “targeted marketing” if: (a) you use reasonable efforts to limit the circulation or distribution of the advertising to areas within your territory; and (b) the majority of the recipients of the advertising are located within your territory and there is only incidental circulation or distribution within a territory assigned to us, our affiliate or another franchisee. The meaning of “targeted marketing” that is “directed into a territory” may be further defined in the Manual, but examples include direct mail sent to addresses within a given territory, digital advertising sent to devices with IP addresses registered within a given territory and conducting promotional events within a given territory.

You may not market or sell using Alternative Channels of Distribution (such as the Internet, catalog sales, telemarketing, or other direct marketing methods. ~~You may not ship~~) either within or ~~deliver~~ Products outside of your ~~Protected Territory~~ territory or development territory, if applicable. Your marketing activities are also subject to the additional restrictions described in Item 11 under the Section entitled “Websites, Social Media and Digital Advertising”. You must comply with any minimum advertised pricing policy that we establish from time to time. There are no other restrictions on your right to solicit customers, whether from inside or outside of your territory or development territory, if applicable.

~~Your right to relocate your Franchised Business is restricted. You may operate your Franchised Business only at the location(s) approved by us. Any relocation must be approved by us at our sole discretion, and any such relocation will be at your sole expense.~~

~~Your location is~~ [Minimum Performance Requirements](#)

You must generate Gross Sales equal to or greater than the minimum Gross Sales figures in the table below:

<u>12-Month Measuring Period</u> (commencing with opening date)	<u>Minimum Gross Sales*</u>
<u>Months 0 – 12</u>	<u>\$250,000</u>
<u>Months 13 – 24</u>	<u>\$300,000</u>
<u>Months 25 – 36</u> (and each subsequent 12-month period)	<u>\$350,000</u>

* Minimum Gross Sales figures are subject to adjustment for CPI changes in the manner described in ~~Attachment 1 to~~ Footnote 3 to the “Other Fees” table in Item 6 of this Disclosure Document.

If you fail to achieve the minimum required Gross Sales figure for a given 12-month measuring period, we may, at our option, elect between any of the following: (a) we may terminate the Franchise Agreement ~~and will not be altered without your written consent~~; (b) we may reduce the size of your territory in any manner we deem appropriate; or (c) we may allow you to keep your territory but charge you royalty fees and brand fund fees (and any other fees calculated as a percentage of Gross Sales) based on imputed Gross Sales equal to the difference between the minimum required Gross Sales and your actual Gross Sales generated during the relevant measuring period. Your territorial protections under the Franchise Agreement do not depend on achieving any other sales volume, market penetration or other contingency.

~~We retain~~ If you sign an ADA and fail to satisfy your development schedule by opening and operating the right, on behalf ~~prescribed number of ourselves and our affiliates, in our sole discretion and without granting~~ Stores within the required period of time, we may terminate your ADA and you will lose the territorial protections associated with your development territory.

Additional Franchises and Territories

You are not granted any options, rights to its Franchisees, of first refusal or similar rights to acquire additional territories or franchises, other than your right and obligation to develop the prescribed number of Stores within your development territory if you sign an ADA.

Competing Businesses Under Different Marks

Currently, neither we nor any affiliate of ours intends to operate itself or to grant to other persons the right to operate Company-owned or affiliate-owned Stores at such locations and on such terms and conditions as we may deem appropriate, provided it is not located within the Protected Territory described above. We do not intend to or franchise or operate any another business under a different trademark that sells products or services similar to the products or services offered by a Store. However, we reserve the right to do so in the future.

~~We reserve the right to merge with, acquire, or be acquired by, an existing competitive or non-competitive franchise network, chain, or other business; however, we will not convert any acquired business in your Territory to a franchise using our primary trademarks during the Term of your Franchise Agreement.~~

~~Item 11~~**ITEM 13: TRADEMARKS**

~~We are the owner of the marks. The Franchise Agreement grants~~We grant you the right to ~~use~~operate a Store under the trademark ~~“name~~ NATURAL LIFE ~~CBD/Kratom/Kava”, and such other~~WELLNESS BEGINS HERE and the associated logo. By trademark, we mean trade names, trademarks, service marks and trade names as logos used to identify your Store or the products or services you sell. We may be authorized in writing by us (collectively referred to aschange the “Marks”) only on the terms and conditions set forth in the Franchise Agreement and all applicable specifications, standards and operating procedures prescribed by us trademarks you may use from time to time during, including by discontinuing use of the Marks listed in Item 13. If this happens, you must change to the new trademark at your expense. We have no liability to you for any expenses you incur as a result of any change to the Marks.

~~We registered the term following trademarks on the Principal Register of the franchise. We filed a trademark application with the United States Patent and Trademark Office ("USPTO") on the Principal Register as follows:~~

<u>MARK</u>	<u>Registration Date</u>	<u>Registration No.</u>	<u>Register</u>
Natural Life CBD. Kratom. Kava (word mark)	11/17/20	6198540	Principal
Natural Life CBD.Kratom.Kava (design mark)	3/16/21	6291880	Principal
Better Begins Here	5/18/21	6357873	Principal
Natural Life Better Begins Here (design mark)	5/30/23	7070079	Principal
Natural Life Better Begins Here (word mark)	5/30/23	7069849	Principal

<u>REGISTERED MARKS</u>		
<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date (Renewal Date)</u>
	<u>7070079</u>	<u>May 30, 2023</u>
<u>NATURAL LIFE BETTER BEGINS HERE</u>	<u>7069849</u>	<u>May 30, 2023</u>
<u>BETTER BEGINS HERE</u>	<u>6357873</u>	<u>May 18, 2021</u>

We also applied to register the following trademark on the Principal Register of the United States Patent and Trademark Office based on actual use:

<u>UNREGISTERED MARKS</u>		
<u>Mark</u>	<u>Serial Number</u>	<u>Application Date</u>
<u>WELLNESS BEGINS HERE</u>	<u>98171427</u>	<u>September 8, 2023</u>

We do not have a federal registration for the Mark immediately above. Therefore, this Mark does not have many legal benefits and rights as a federally registered trademark. If our right to use this Mark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

All required affidavits ~~and~~ have been filed and we intend to file all renewals by the required renewal applications for the marks referred to above have been filed or are expected to be filed. date.

~~We may permit you to use, from time to time, other trademarks, service marks, trade names, logotypes and commercial symbols as may be designated in writing by us.~~

You must follow our rules when using the Marks. You ~~are prohibited from using any~~ cannot use the Marks as part of a corporate name or with modifying words, designs, or symbols unless you receive our prior written consent. You cannot use the Marks relating to the sale of any product or service we have not authorized.

You must notify us immediately if you discover an infringing use (or challenge to your use) of the Marks. We will take the action we think appropriate. We are not required to take any ~~corporate or trade name or with~~ action if we do not feel it is warranted. We may require your assistance, but you may not control any ~~prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form. You are also prohibited from using Marks in connection with the sale of any unauthorized product or service.~~

~~Based on information we possess, there is presently no effective determination of the United States Patent and Trademark Office or the trademark administrator of any state or any court, of any pending interference, opposition or cancellation proceeding or any pending material litigation involving the Marks or other commercial symbols which is relevant to the use thereof in any proceeding or litigation relating to our Marks. State. There are no agreements that exist which significantly limit in any manner material to you, our rights to use or license the use of the Marks.~~

~~You are obligated to immediately notify us in writing of any apparent infringement of, unauthorized use of, or challenge to your use of the Marks, or claim by any person or any rights in any Mark or any similar trade name, trademark or service mark of which you~~

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~~become aware. We will determine in our sole discretion whether we will defend the claim and/or reimburse you for any liability. We do not have any liability to you for any liability arising out of a claim of trademark infringement by a third party. We have sole discretion to take such action as we deem appropriate, if any, and we have the right to complete control of any litigation, United States Patent and Trademark Office proceeding or other administrative proceeding arising out of any such infringement, unauthorized use, challenge or claim relating to the Marks. If we defend a claim, we will have no obligation to reimburse you for any of your attorneys' fees relating to such claim.~~

~~You must modify or discontinue the use of Marks if we modify or discontinue it. If this happens, you must bear all cost of compliance (for example, changing signs). You must not directly or indirectly contest our rights to ~~our~~the Marks.~~

~~The Franchise Agreement does not require that we: (a) protect your right to use the Marks, trade secrets or business techniques that are part of our business.~~

~~There are no agreements currently in effect which significantly limit our rights to use or license the: (b) protect you against claims of infringement or unfair competition arising out of your use of the Marks in a manner material to the franchise. We do not know of any superior rights or; or (c) participate in your defense or indemnify you for expenses or damages you incur if you are a party to an administrative or judicial proceeding involving our Marks or if the proceeding is resolved in a manner unfavorable to you.~~

~~There are currently no: (a) effective material determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court; (b) pending infringements, oppositions or cancellations; (c) pending material litigation matters involving any of the Marks; (d) infringing uses we are aware of that could materially affect your use of ~~our~~the Marks; or (e) agreements that limit our right to use or sublicense use of the Marks.~~

~~Item 12~~ITEM 14 ~~ITEM 14~~: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

~~We do not currently own any rights in or to any patents that are material to the franchise. However, we do claim common law copyrights on our Manuals and other proprietary materials created by us in connection with the System, including forms and other printed materials. The Manuals and other printed materials have not been registered with any copyright office. The Franchise Agreement grants you the license to use the Manuals and other proprietary materials solely in connection with the operation of your Franchised Business.~~

~~You must at all times treat the Manuals and the information in it as confidential in accordance with the requirements of the Franchise Agreement.~~

~~The Franchise Agreement requires you to maintain in confidence all of No patents or pending patent applications are material to the franchise.~~

~~Although we have not filed an application for copyright registration for the Manual, our website or our trade secrets and proprietary material (collectively the "Proprietary Information"), both during and after marketing materials, we do claim a copyright to these items.~~

~~During the term of the Franchise Agreement, we allow you to use certain confidential and proprietary information (some of which constitute "trade secrets") relating to the development, marketing and operation of a Store. Examples include:~~

~~You may not at any time disclose, copy or use any Proprietary Information except as specifically authorized by us. Under the Franchise Agreement, you agree that all information, data, techniques and know-how developed or assembled by you or your employees or agents during the term of the Franchise Agreement and relating to the System~~

~~will be deemed a part of our Proprietary Information protected under the Franchise Agreement.~~

~~We do not have any rights, including the right to compensation, if we require you to modify or discontinue using the subject matter covered by a patent or copyright. However, we can enforce our intellectual property rights in any patents or copyrights by prohibiting the unlawful use of such patents or copyrights.~~

~~See Item 15 below concerning your obligation to obtain confidentiality agreements from persons involved in your business.~~

- ~~• ITEM 15: architectural plans, drawings and specifications for a prototype Store~~
- ~~• site selection criteria~~
- ~~• methods and techniques~~
- ~~• standards and specifications~~
- ~~• policies and procedures~~
- ~~• supplier lists and information~~
- ~~• marketing strategies~~
- ~~• merchandising strategies~~
- ~~• financial information~~
- ~~• information comprising the System~~

~~We will own all ideas, improvements, inventions, marketing materials and other concepts you develop relating to a Store. We will also own all operational and customer data relating to your Store. You must treat this data as confidential and proprietary. We license you the right to use this data during the term of your Franchise Agreement.~~

~~We provide access to our confidential information through the Manual, training programs and other periodic support and guidance. You may use this information solely for purposes of developing, marketing and operating your Store in compliance with the Franchise Agreement and Manual. You may not disclose our confidential information to anyone other than your employees, on a need-to-know basis, without our prior permission. We consider all information in the Manual to be confidential.~~

~~You must promptly notify us if you discover any unauthorized use of our proprietary information or copyrighted materials. We are not obligated to act, but will respond as we deem appropriate. You may not control any proceeding or litigation involving allegations of unauthorized use of our proprietary information or copyrighted materials. We have no obligation to indemnify you for any expenses or damages arising from any proceeding or litigation involving our proprietary information or copyrighted materials. There are no infringements known to us at this time.~~

~~Item 13~~ **ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

~~The Franchise Agreement requires that you or your Operating Partner devote a minimum of 25 hours per week to the management of the Franchised Business for the first three months the Store is open. Thereafter, the Franchise Agreement does not require you to participate personally in the direct operation of the Franchised Business, although we encourage and recommend your active participation. The Franchised Business must at all times be under the direct supervision of a Franchised Business Certified Manager who has satisfactorily completed our initial training program to our satisfaction and who devotes 25 hours per week~~

~~or more using his/her full business time, energy and effort to the management and operation of your Natural Life CBD/Kratom/Kava Business. The manager cannot have any interest or business relationship with any of our competitors. The manager is not required to have an ownership interest in your corporate or partnership franchise. We impose no limitations as to who you may hire as the manager, except that you must comply with all applicable laws and that you must not harm the goodwill associated with the System and the Marks (this requirement may affect who you hire as your manager). If you hire a manager for your Franchised Business, you must still make sure that the Franchised Business is operated according to our requirements and System standards, and compliance with the Manual and the terms of your Franchise Agreement.~~

~~Any replacements to the initial Operating Partner and Certified Franchised Business Manager must attend and successfully complete our training program to our satisfaction. If we determine that any of the Certified Managers (defined below) has failed to satisfactorily complete the initial training program, we may (but are not required to), at your expense, retrain the Certified Manager, or allow you to hire another trainee. You will not be permitted to open the Franchised Business to the public until the Franchised Business Certified Manager has successfully completed the initial training program to our satisfaction. The term "Certified Manager" means: (a) you (or the Operating Partner); and (b) your Franchised Business Certified Manager has successfully completed the training to our satisfaction.~~

~~We require your principals (including the Operating Partner), Franchised Business Certified Manager, supervisors, managers and Certified Managers to sign a Non-Disclosure and Non-Competition Agreement, the form of which is attached to the Franchise Agreement as Attachment 3. A Franchised Business Certified Manager is an employee of yours who has completed our initial training program to our satisfaction.~~

~~In addition, we require each of your present and future: (i) shareholders, if you are a corporation; (ii) members, if you are a limited liability company; and (iii) partners, if you are a partnership or limited liability partnership; to jointly and severally guarantee your performance of each and every provision of the Franchise Agreement by signing the Franchise Agreement as an individual. If your Franchised Business is owned by an entity, all owners of the entity must personally sign the Franchise Agreement as a Principal. If you are a married individual, your spouse must sign our Spouse Guaranty, which is attached to our Franchise Agreement as Attachment 6.~~

~~ITEM 16:~~ Store Manager

At all times during normal business hours, a fully-trained certified business manager (a "Store Manager") must be present at the Store to provide onsite management and supervision. Your Managing Owner must serve as a Store Manager during the initial 90-day period following your Store's opening date. Any other person you hire as a Store Manager must:

- [successfully complete all training programs we require](#)
- [dedicate full-time efforts \(at least 25 hours per week\) to the onsite management of your Store](#)
- [sign the Brand Protection Agreement attached to the Franchise Agreement as **Error! Reference source not found.**](#)

We strongly recommend, but do not require, that your Managing Owner continue to act as a Store Manager throughout the term of the Franchise Agreement. If you choose to hire other Store Managers, the Managing Owner must monitor and supervise them to ensure your Store is operated in accordance with the Franchise Agreement and Manual. We do not require that your Store Managers own any equity interest in the franchise (other than the Managing Owner).

Owner Participation

You must designate an owner with overall responsibility for the management and operation of your Store (the “Managing Owner”). The Managing Owner must:

- be approved by us
- successfully complete all training programs we require
- serve as a Store Manager and dedicate full-time efforts (at least 25 hours per week) to the onsite management of your Store (only required during the 90-day period following the Store’s opening date)
- at all times hold at least a 10% ownership interest in the franchise (or the entity that is the franchisee under the Franchise Agreement) unless we waive this requirement

Provided that a trained Store Manager is onsite during normal business hours, the Managing Owner need not provide onsite management after the expiration of the 90-day period following the Store’s opening date. Any new Managing Owner you appoint must successfully complete our then-current initial training program before assuming responsibility for the management or supervision of your Store.

With the exception of the Managing Owner, we do not require that the franchise owners participate personally in the direct operation of the Store. However, if the franchisee is a business entity each owner (i.e., each person holding a direct or indirect ownership interest in the entity) and the spouse of each owner must sign the Franchise Owner Agreement attached to the Franchise Agreement as **Error! Reference source not found.** By signing the Franchise Owner Agreement, the owner (or spouse of the owner) agrees to: (a) comply with all brand protection covenants, covenants that protect our intellectual property and transfer restrictions set forth in the Franchise Agreement; and (b) guarantee the franchisee’s financial obligations under the Franchise Agreement.

Other Employees

You are responsible for hiring and training any other employees necessary for the operation of your Store. All of your employees, agents and representatives who may have access to our confidential information (and who are not required to sign a Brand Protection Agreement) must sign the Confidentiality Agreement attached to the Franchise Agreement as **Error! Reference source not found.**

Item 14ITEM 16 **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

~~You must offer and sell only those Products, goods and services for which we have granted prior written approval. You must offer all goods and services that we designate from time to time. We may add additional goods and services that you must offer. There are no limits on our right to add or change authorized goods and services. You must discontinue offering any goods or services promptly on notice from us. Unless you receive written consent from us, you are required to use the Authorized Location of the Franchised Business solely for the purpose of conducting the operations of a Franchised Business, and no other business may be conducted or products or services offered at or from the Authorized Location of the Franchised Business. Unless you receive written consent from us, your business may be identified only by the name “Natural Life CBD/Kratom/Kava” or another of the Marks approved in writing by us.~~

~~We set maximum and minimum prices for services and products offered by you, which may vary depending on geographic and other market conditions able to be increased upon written approval. Currently our pricing is based on a three (3) tier system. Franchisee acknowledges that Franchisor has made no guarantee or warranty that offering services or products at any particular price will enhance Franchisee’s sales or profits.~~

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~~We do not impose any customer restrictions on you, except that you may not directly solicit business outside your Protected Territory, and you may not ship or deliver products outside your Protected Territory. All of your sales must be conducted at and from your Authorized Location.~~

~~You must operate your outlet for such minimum hours and days as the Franchisor may from time to time prescribe in the Manuals or otherwise in writing.~~

~~There are no other limits on our right to change the type of products and services you offer.~~

~~ITEM 17:~~ We must approve all goods and services you sell. You must offer all goods and services we require. You may not sell any goods or services we have disapproved, such as marijuana or cannabis products. At any time, we may change the goods and services you sell and you must comply with the change. You may only sell goods and services to customers while present at your Store. You may only sell to retail customers. You may not sell any goods or services at wholesale or for purposes of resale. We may require you to participate in a gift card or other customer loyalty program (including utilization of a “membership” model) in accordance with our policies and procedures.

~~Item 15~~ ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

This table lists certain important provisions of the franchise agreement (FA), Area Development Agreement (ADA) and related agreements. You should read these provisions in the agreements attached to this ~~disclosure document.~~ Disclosure Document.

THE FRANCHISE RELATIONSHIP		
<u>PROVISION</u> <u>PROVISION</u>	<u>ARTICLE OF FRANCHISE AGREEMENT</u> <u>SECTION</u> <u>S IN AGREEMENT</u>	<u>SUMMARY</u> <u>SUMMARY</u>
-a. <u>Length of franchise term</u>	Article 18.1 <u>FA: Error! Reference source not found. (Definition of “Term”) & Error! Reference source not found.</u>	<u>Term is equal to 10 years.</u>
	ADA: Error! Reference source not found. (definition of “Term”)	<u>Term expires on the opening date listed in the development schedule for the last Store you are required to develop.</u>
-b. <u>Renewal or extension of the term</u>	Article 18.2 <u>FA: Error! Reference source not found. & Error! Reference source not found.</u>	<u>If you are in good standing as defined below meet our conditions for renewal, you can sign a enter into 2 consecutive successor agreement for an additional franchise agreements. Each renewal term of 10 will be 5 years, unless we have determined, in our sole discretion, The parties may mutually agree to withdraw from the geographical area where your Franchise further renewals but neither party is located. obligated to do so (subject to state law).</u>
	ADA: Error! Reference source not found.	<u>No renewal rights.</u>

THE FRANCHISE RELATIONSHIP		
<u>PROVISION</u> <u>PROVISION</u>	<u>ARTICLE OF FRANCHISE AGREEMENT</u> <u>SECTION</u> <u>S IN AGREEMENT</u>	<u>SUMMARY</u> <u>SUMMARY</u>
-c. _____ Requirements for franchisee to renew or extend	Article 18.2 FA: Error! Reference source not found. & Error! Reference source not found.	Give written notice you wish to sign a successor agreement; be in compliance with the terms of your Franchise Agreement, be current in all payments required by the Franchise Agreement, remodel and/or refurbish your outlet if we require, sign a successor Franchise Agreement, sign general release; (subject to state law); pay the successor agreement renewal fee. When signing a successor agreement, remodel Store and upgrade furniture, fixtures and equipment to current standards; and extend lease for duration of renewal term. <u>You must: not be in default; give us timely notice; sign a successor then-current form of franchise agreement; be in compliance with the terms of your Franchise Agreement, be current in all payments required by the Franchise Agreement, remodel and/or refurbish your outlet if we require, sign a successor Franchise Agreement, sign general release; (subject to state law); pay the successor agreement renewal fee.</u> <u>When signing a successor agreement, remodel Store and upgrade furniture, fixtures and equipment to current standards; and extend lease for duration of renewal term.</u> <u>If you renew, you may be asked required to sign a contract with materially different terms and conditions than your the original contract.</u>
	ADA: Error! Reference source not found.	<u>You may not renew or extend the term of the ADA.</u>
<u>d. Termination by you</u>	FA: Error! Reference source not found.	<u>You can terminate if we default and fail to timely cure.</u>
d. Termination by franchisee	None ADA: Not Applicable	You may seek termination upon <u>can terminate under</u> any grounds <u>available</u> <u>permitted</u> by <u>state</u> law.
-e. _____ Termination by franchisor without cause	None FA: Error! Reference source not found.	You may seek termination upon any grounds available by state law. <u>We can terminate without cause if you and we mutually agree to terminate.</u>
	ADA: Not Applicable	<u>Not applicable</u>
-f. _____ Termination by franchisor with cause	Articles 12.2-12.4 FA: Error! Reference source not found.	We can terminate only if you default.
	ADA: Error! Reference source not found.	<u>We can terminate if you default.</u>
<u>g. "Cause" defined - curable defaults</u>	FA: Error! Reference source not found.	<u>You have 10 days to cure any monetary default.</u> <u>You have 30 days to cure any other default, other than defaults described below under "non-curable defaults".</u>
	ADA: Error! Reference source not found.	<u>You have 30 days to cure any default, other than defaults described below under "non-curable defaults".</u>

THE FRANCHISE RELATIONSHIP

<p>PROVISION <u>PROVISION</u></p>	<p>ARTICLE OF FRANCHISE AGREEMENT <u>SECTION</u> <u>S IN AGREEMENT</u></p>	<p>SUMMARY <u>SUMMARY</u></p>
<p>gh. — “Cause” defined — <u>non-curable defaults</u></p>	<p>Articles 12.3-12.4FA: Error! Reference source not found.</p>	<p>You have 15 days to cure: non-payment of fees to us, your landlord or trade creditors. You have 30 days to cure: failure to comply with any default not listed in Article 12.2 or 12.3. You have 30 days to cure any failure to comply with any mandatory specification, standard or operating procedure.The following defaults cannot be cured: <u>insolvency, bankruptcy or seizure of assets; failure to successfully complete training; failure to find approved site, secure lease or open in timely manner; abandonment; failure to maintain required license or permit; conviction of certain crimes or subject of certain administrative actions; failure to comply with material law; commission of act that may adversely affect reputation of System or Marks; health or safety hazards; material misrepresentations; 2nd underreporting of amounts due by at least 2%; unauthorized Transfers; unauthorized use of our intellectual property; violation of brand protection covenant; breach of Franchise Owner Agreement by owner or spouse; breach of legal compliance representations; failure to meet minimum performance requirements; termination of lease due to your default; 3 or more default notices in any 12-month period; or termination of any other agreement between you (or your affiliate) and us (or our affiliate) due to your default. However, termination of an ADA due to breach of the development schedule is not grounds for termination of any Franchise Agreement that is otherwise in good standing.</u></p>
	<p><u>ADA: Error! Reference source not found.</u></p>	<p><u>If we terminate a franchise agreement due to your default, we may terminate the ADA without opportunity to cure.</u></p>
<p><u>i. Your obligations on termination/non-renewal</u></p>	<p><u>FA: Error! Reference source not found.</u></p>	<p><u>Obligations include: remove trade dress and alter premises to eliminate any resemblance to a Store; cease use of intellectual property; return Manual and branded materials; assign telephone numbers, listings and domain names; assign customer information and accounts; cancel fictitious names; comply with data retention policies; and pay amounts due (also see “r”, below).</u></p>
	<p><u>ADA: Not Applicable</u></p>	<p><u>The ADA does not impose any post-term obligations on you.</u></p>
<p><u>j. Assignment of contract by us</u></p>	<p><u>FA: Error! Reference source not found.</u></p>	<p><u>No restriction on our right to assign.</u></p>
	<p><u>ADA: Error! Reference source not found.</u></p>	<p><u>No restriction on our right to assign.</u></p>

THE FRANCHISE RELATIONSHIP		
PROVISION <u>PROVISION</u>	ARTICLE OF FRANCHISE AGREEMENT <u>SECTION</u> <u>S IN AGREEMENT</u>	SUMMARY <u>SUMMARY</u>
k. "Transfer" by you – definition	<u>FA: Error! Reference source not found. (definition of "Transfer")</u> & <u>Error! Reference source not found.</u>	<u>Includes ownership change or transfer of contract or assets.</u>
	<u>ADA: Error! Reference source not found. (definition of "Transfer")</u> & <u>Error! Reference source not found.</u>	<u>Includes ownership change or transfer of contract or assets.</u>
l. Our approval of transfer by you	<u>FA: Error! Reference source not found. (definition of "Permitted Transfer"). Error! Reference source not found. & Error! Reference source not found.</u>	<u>You may engage in a Permitted Transfer (defined in Note 2 in Item 6) without approval. We must approve other Transfers but will not unreasonably withhold approval.</u>
	<u>ADA: Error! Reference source not found. (definition of "Permitted Transfer"). Error! Reference source not found. & Error! Reference source not found.</u>	<u>You may engage in a Permitted Transfer without approval. We must approve other Transfers but will not unreasonably withhold approval.</u>

THE FRANCHISE RELATIONSHIP		
<u>PROVISION</u> <u>PROVISION</u>	<u>ARTICLE OF</u> <u>FRANCHISE</u> <u>AGREEMENT</u> <u>SECTION</u> <u>S IN AGREEMENT</u>	<u>SUMMARY</u> <u>SUMMARY</u>
<u>m. Conditions for our approval of transfer</u>	<u>FA: Error! Reference source not found.</u>	<u>Transferee must: meet our qualifications; successfully complete training (or arrange to do so); obtain required licenses and permits; agree in writing to assume your obligations under agreements relating to the Business; sign then-current form of franchise agreement for remainder of term or, at our option, assume your Franchise Agreement; and remodel Store and upgrade furniture, fixtures and equipment to current standards within 12 months after transfer or such shorter period of time we specify.</u> <u>You must: be in compliance with Franchise Agreement; assign lease (if applicable); pay transfer fee; subordinate transferee’s ongoing payments owed to you (if any) to transferee’s financial obligations owed to us; and sign general release (subject to state law).</u> <u>We must notify you that we will not exercise our right of first refusal.</u>
	<u>ADA: Error! Reference source not found.</u>	<u>Transferee must: meet our qualifications; successfully complete training (or arrange to do so); and sign then-current form of area development agreement for remainder of term or, at our option, assume your ADA.</u> <u>You must: be in compliance with all Franchise Agreements and ADA; assign all Franchise Agreements to same purchaser unless we agree to contrary (or at our option, transferee must sign then-current form of franchise agreement); comply with transfer provisions under Franchise Agreements; pay transfer fee; and sign general release (subject to state law).</u> <u>We must notify you that we will not exercise our right of first refusal.</u>
<u>n. Our right of first refusal to acquire your business</u>	<u>FA: Error! Reference source not found.</u>	<u>We can match any offer for your business.</u>
	<u>ADA: Error! Reference source not found.</u>	<u>We can match any offer for your area development rights.</u>
<u>o. Our option to purchase your business</u>	<u>FA: Error! Reference source not found.</u>	<u>We have the option to purchase your Store at the expiration or termination of the Franchise Agreement.</u>
	<u>ADA: Not Applicable</u>	<u>The ADA does not include a purchase option.</u>
<u>p. Your death or disability</u>	<u>FA: Error! Reference source not found.</u>	<u>Within 180 days, interest must be assigned by estate to an assignee in compliance with conditions for other Transfers. We may designate manager to operate the Store prior to Transfer.</u>
	<u>ADA: Error! Reference source not found.</u>	<u>Within 180 days, interest must be assigned by estate to an assignee in compliance with conditions for other Transfers.</u>
<u>q. Non-competition covenants during the term of the franchise</u>	<u>FA: Error! Reference source not found.</u>	<u>No involvement in competing business.</u>
	<u>ADA: Not Applicable</u>	<u>The ADA does not impose any noncompetition covenants.</u>
<u>r. Non-competition covenants after the franchise is terminated or expires</u>	<u>FA: Error! Reference source not found. & Error! Reference source not found.</u>	<u>No involvement for 2 years in competing business from site of your Store or within 15 miles from your Store or any other Store that is open or under development at the time the franchise agreement is terminated or expires.</u>
	<u>ADA: Not Applicable</u>	<u>The ADA does not impose any noncompetition covenants.</u>

THE FRANCHISE RELATIONSHIP		
PROVISION <u>PROVISION</u>	ARTICLE OF FRANCHISE AGREEMENT <u>SECTION IN AGREEMENT</u>	SUMMARY <u>SUMMARY</u>
<u>s. Modification of the agreement</u>	<u>FA: Error! Reference source not found. & Error! Reference source not found.</u>	<u>Requires writing signed by both parties (except we may unilaterally change Manual or reduce scope of restrictive covenants). Other modifications to comply with state laws.</u>
	<u>ADA: Error! Reference source not found.</u>	<u>Requires writing signed by both parties. Other modifications to comply with state laws.</u>
<u>t. Integration/ merger clause</u>	<u>FA: Error! Reference source not found.</u>	<u>Only the terms of the Franchise Agreement and ADA (if applicable) and their attachments are binding (subject to state law). Any representations or promises made outside the Disclosure Document, Franchise Agreement and ADA may not be enforceable. Nothing in the Franchise Agreement, ADA or any related agreements is intended to disclaim any of the representations we made in this Disclosure Document. 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 (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) 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.</u>
	<u>ADA: Error! Reference source not found.</u>	
<u>u. Dispute resolution by arbitration or mediation</u>	<u>FA: Error! Reference source not found.</u>	<u>Subject to state law, all disputes must be mediated or arbitrated before litigation, except for certain disputes involving our intellectual property or compliance with restrictive covenants.</u>
	<u>ADA: Error! Reference source not found.</u>	<u>Subject to state law, all disputes must be mediated and then arbitrated before litigation.</u>
<u>v. Choice of forum</u>	<u>FA: Error! Reference source not found.</u>	<u>Subject to state law, mediation, arbitration and litigation must take place in county where we maintain our principal place of business at time dispute arises (currently, Leon County, Florida).</u>
	<u>ADA: Error! Reference source not found.</u>	<u>Subject to state law, mediation, arbitration and litigation must take place in county where we maintain our principal place of business at time dispute arises (currently, Leon County, Florida).</u>
<u>w. Choice of law</u>	<u>FA: Error! Reference source not found.</u>	<u>Subject to state law, Florida law governs.</u>
	<u>ADA: Error! Reference source not found.</u>	<u>Subject to state law, Florida law governs.</u>

PROVISION	ARTICLE OF FRANCHISE	SUMMARY
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~~h. "Cause" defined — non-curable defaults~~

~~Article 12.2~~

~~Insolvency; bankruptcy; appointment of receiver; final judgment in excess of \$5,000.00; execution levied against your property; abandonment of the business; conviction of a felony or crime of moral turpitude; refusal to permit us to inspect the Franchised Business or your records; conduct which reflects adversely on us or the System; a danger to public health or safety; transfer or attempted transfer of the franchise in violation of the Franchise Agreement; unauthorized use of the Marks; receipt of 2 or more notices of default within any 12-month period; or default under any other agreement with us or our affiliates; receipt of five or more customer complaints regarding service or operations at the Franchised Business in any 12-month period, including negative postings on internet sites such as Trip Advisor and Yelp; receipt of five or more complaints from employees regarding the Franchisee's employment practices; non-compliance with the Franchise Agreement, or non-compliance with applicable law; conviction of felony or crime of moral turpitude;~~

PROVISION	ARTICLE OF FRANCHISE	SUMMARY
i. Franchisee's obligations on termination/ non-renewal	Article 13	Obligations include: cease operations; pay all amounts due us and our affiliates and trade creditors; return the Manual and all other proprietary materials; at our request, assign lease of premises; if permitted to continue to operate the premises—complete de-identification; return materials; offer us right of first refusal to purchase assets; and pay liquidated damages (also see “r.” below).
j. Assignment of contract by	Article 11.1	No restriction on our right to assign.
k. “Transfer” by franchisee—definition	Article 11.2	Includes—transfer—of—contract—or ownership change.
l. Franchisor approval of transfer by franchisee	Article 11.2	We have the right to approve all transfers but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Article 11.2	Notice; new franchisee must qualify; transfer and other fees must be paid; purchase agreement approved; training arranged and related fees paid by new franchisee; release signed by you; current agreement signed by new franchisee; transferee must renovate as necessary (also see “p.” below).
n. Franchisor's right of first refusal to acquire franchisee's business	Article 11.4	We can match any offer for your business.
o. Franchisor's option to purchase franchisee's business	Article 13.7	We may purchase your business and the real estate on which the Franchised Business is located (at fair market value) upon termination or expiration.
p. Death or disability of franchisee	Article 11.3	Heir(s) can continue franchise if application is made to us within 6
q. Non-competition covenants during the term of the franchise	Article 14.1	No involvement in competing business.
r. Non-competition covenants after the franchise is terminated	Article 14.1	No competing business for two years within the United States.

PROVISION	ARTICLE OF FRANCHISE	SUMMARY
s. Modification of the agreement	Article 20.2	Unless by mutual consent no modifications generally; Operating Manual subject to
t. Integration/merger clause	Article 20.16	Only the terms of the Franchise Agreement are binding. Any other promises may not be enforceable. Nothing in the Franchise Agreement or any related agreement is meant to disclaim representations made by us in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	Article 17	Mediation required. If not resolved through mediation, most matters submitted to binding arbitration. Mediation and arbitration to take place in Leon County, Florida. We may sue you in Leon County, Florida for matters affecting its trademark and confidential information rights, and for preliminary injunctive relief. The requirement to arbitrate all disputes may not be enforceable under applicable state law.
v. Choice of forum	Articles 17.1 and 20.10	Mediation or litigation must take place in Leon County, Florida (subject to state law).
w. Choice of law	Article 20.10	Florida law governs interpretation of agreement

~~A provision in the franchise agreement that terminates the franchise upon the bankruptcy of the franchise may not be enforceable under Title 11, United States Code [Section 101].~~

THE FRANCHISE RELATIONSHIP		
PROVISION	SECTION IN MULTI-UNIT DEVELOPMENT AGREEMENT (“DA”)	SUMMARY
a. Length of the franchise term	Section 6 and	Varies
b. Renewal or extension of the term	No provision in DA	Not applicable
c. Requirements for franchisee to renew or extend	No provision in DA	Not applicable
d. Termination by franchisee	No provision in DA	Not applicable. You do not have the unilateral right to terminate the DA.
e. Termination by franchisor without cause	No provision in DA	Not applicable. We cannot terminate the DA without cause. Termination of the DA does not automatically terminate individual franchise agreements signed by the multi-unit developer.
f. Termination by franchisor with cause	Section 6 and Attachment 1	Franchisor can terminate “for cause”. Termination of the DA does not automatically terminate individual franchise agreements signed by the multi-unit developer.

THE FRANCHISE RELATIONSHIP		
PROVISION	SECTION IN MULTI-UNIT DEVELOPMENT AGREEMENT (“DA”)	SUMMARY
g. “Cause” defined curable defaults	No provision in DA	Not applicable. There are no defaults under the DA that are curable. Termination of the DA does not automatically terminate individual franchise agreements signed by the multi-unit developer.
h. “Cause” defined non-curable defaults	Section 6.B.	Insolvency; bankruptcy petition; failure to meet Development Schedule; breach of other franchise agreements with franchisor. A termination of the DA does not automatically terminate individual franchise agreements signed by the multi-unit developer.
i. Franchisee’s obligations on termination/non-renewal	No provision in DA	Not applicable
j. Assignment of contract by franchisor	Section 8	We have absolute right to assign
k. “Transfer” by franchisee—defined	Section 8	No right to transfer.
l. Franchisor approval of transfer by franchisee	No provision in DA	Not applicable.
m. Conditions for Franchisor approval of transfer	No provision in DA	Not applicable.
n. Franchisor’s right of first refusal to acquire franchisee’s business	No provision in DA	Not applicable
o. Franchisor’s option to purchase franchisee’s business	No provision in DA	Not applicable
p. Death or disability of franchisee	No provision in DA	Not applicable.

PROVISION	SECTION IN MULTI-UNIT DEVELOPMENT AGREEMENT (“DA”)	SUMMARY
q. Non-competition covenants during the term of the franchise	No provision in DA	Not applicable.
r. Non-competition covenants after the franchise is terminated or expires	No provision in DA	Not applicable.
s. Modification of the agreement	Section 25	Must be in writing.
t. Integration/ merger clause	Section 25	The Multi-Unit Development Agreement, attachments and documents referenced in the Multi-Unit Development Agreement constitutes our entire agreement and supersedes all prior agreements, whether written or oral. Nothing in the Multi-Unit Development Agreement or in any related agreement is intended to disclaim the representations franchisor made in the franchise disclosure document. Any promises made outside the Multi-Unit Development Agreement may not be enforceable
u. Dispute resolution by arbitration or mediation	Section 12	Mediation and arbitration required with some exceptions. The requirement to arbitrate all disputes may not be enforceable under applicable state law.
v. Choice of forum	Section 14	Mediation, arbitration or litigation must take place in Leon County, Florida.
w. Choice of law	Section 11	Florida law governs interpretation of agreement

~~Item 16~~ **ITEM 18: PUBLIC FIGURES**

We do not ~~currently~~ use any public figures to promote our franchise.

~~Item 17~~ **ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC’s Franchise Rule permits a franchisor to ~~disclose~~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~~Disclosure Document. Financial performance information that differs from that included in ~~Item 19~~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~~Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

~~Written substantiation~~ Defined Terms

~~For purposes of the data used in preparing~~ this financial performance representation, the following ~~information will be made available~~ terms have the meanings given to ~~prospective franchisees upon~~ reasonable request. ~~The representations made~~ them below.

“Company-Owned Store” means any Store that is owned by: (a) us; (b) any affiliate of ours; or (c) any person listed in Item 2 of this Disclosure Document if that person is also involved with the management of the Store.

“Converted Store” means any Store that either: (a) was a Company-Owned Store that was sold to a franchisee at any time during the Measuring Period; or (b) was a Franchised Store that we or our affiliate reacquired from the franchisee at any time during the Measuring Period.

“FPR” means the financial performance representation set forth in ~~this~~ Item 19 ~~are based upon~~ of this Disclosure Document.

“Franchised Store” means any Store that is owned by a franchisee.

“Gross Sales” means total gross sums billed or collected from all goods and services sold, plus all other sums collected from the operation of the Store including any: advertising revenues; sponsorship fees; and business interruption insurance proceeds. Gross Sales excludes: (a) any revenue share paid by our affiliate to the franchisee for online sales made in the franchisee’s territory; (b) sales or use taxes; (c) amounts refunded to customers; and (d) revenues from the sale of furniture, fixtures and equipment in the ordinary course of business.

“Measuring Period” means the period of time ~~indicated below~~, commencing January 1, 2023 and expiring December 31, 2023.

~~The following table presents the actual historical results for the 2 franchised outlets that opened in calendar year 2020, as well as the actual historical results for the 3 affiliate-owned stores in calendar year 2020. The information in the following table regarding the franchisee’s historical results is taken from reports submitted to us by our franchisee. This information is not audited, but we believe it to be accurate. The table below shows a total of 5 outlets, which is all of the outlets that were opened for any period of time in calendar year 2020. Two additional franchises were sold in 2020, but those stores did not open until~~ “Qualifying Store” means any Company-Owned Store or Franchised Store that satisfies all of the following criteria: (a) the outlet was open and operating throughout the entire Measuring Period; (b) the outlet provided us with all data we requested in order to prepare the financial performance representation; (c) the outlet is not a Converted Store.

System Statistics

For purposes of this FPR, each Store may be referred to as an “outlet.” As of December 31, 2023 (the last day of the Measuring Period), there were: (a) 13 Franchised Stores in operation, 5 of which are Qualifying Stores; and (b) 6 Company-Owned Stores in operation, 5 of which are Qualifying Stores. The table below summarizes the outlet statistics and the number of Qualifying Stores:

~~2021.~~

<u>2023 Outlet Statistics</u>						
<u>Store Type</u>	<u>Store Number</u> <u>Open Stores</u> <u>(Jan 1, 2023)</u>	<u>2020 Gross</u> <u>Revenues</u> <u>Open</u>	<u>Date</u> <u>Store</u> <u>Stores</u>	<u>Stores</u> <u>Closed</u> <u>During</u>	<u>Converted</u> <u>Stores</u> <u>During 2023</u>	<u>Qualifying</u> <u>Stores</u>

{WS099705v4}

		<u>Stores (Dec 31, 2023)</u>	<u>Opened During 2023</u>	<u>2023</u>		
Affiliate	1005	\$12,556.30	12/6/20			
Franchised	1008 5	\$73,261.80 13	8/22/20	<u>0</u>	<u>0</u>	<u>5</u>
Affiliate Company- Owned	10037	\$321,476.106	6/1/19	<u>2</u>	<u>0</u>	<u>5</u>
Affiliate	1001	\$497,039.69	3/1/18			
<u>Total Franchised</u>	1002	\$528,818.48	2/1/19	<u>2</u>	<u>0</u>	<u>10</u>

~~The following table presents the actual historical results for the 5 franchised outlet that were open in calendar year. This FPR includes data from both Franchised Stores and Company-Owned Stores. Of the 6 Company-Owned Stores that were open as of the end of the Measuring Period, 1 did not qualify as “Qualifying Store” because it opened in 2023 and was not open for the entire Measuring Period. Of the 13 Franchised Stores that were open as of the end of the Measuring Period, 8 did not qualify as “Qualifying Stores” because they opened in 2023 and were not open for the entire Measuring Period.~~

There are no material differences between the operations of the Qualifying Stores and the franchised business offered under this Disclosure Document.

Financial Performance Representation

The following table presents the historical financial results achieved by the Qualifying Stores during the Measuring Period.

~~2021, as well as the actual historical results for the 3 affiliate-owned stores in calendar year 2021. The information in the following table regarding the franchisee’s historical results is taken from reports submitted to us by our franchisee. This information is not audited, but we believe it to be accurate. The table below shows a total of 11 outlets, which is all of the outlets that were opened for any period of time in calendar year 2021. Three additional franchises were sold in 2021, but those stores did not open in 2021.~~

<u>FINANCIAL PERFORMANCE REPRESENTATION: 2023 GROSS SALES</u>					
<u>Subset (Number of Stores in Subset)</u>	<u>Highest</u>	<u>Lowest</u>	<u>Median</u>	<u>Average</u>	<u>Number & Percent that Achieved/Surpassed Average</u>
<u>Company-Owned Store Type (5 Stores)</u>	Store Number \$673,697	\$184,374²⁰²¹ Gross Revenues	Date Store Opened \$287,929	\$337,694	1 of 5 (20%)

Affiliate	1005	\$318,824.13	12/6/20
Franchised	1008	\$356,735.15	8/22/20
Affiliate	1003	\$430,788.84	6/1/19
Affiliate	1001	\$428,983.40	3/1/18
Franchised	1002	\$623,648.84	2/1/19
Franchised	1012	\$67,181.29	7/15/21
Franchised	1016	\$42,971.45	9/19/21
Franchised	1018	\$26,331.09	11/7/21
Franchised	1015	\$54,498.35	8/27/21

<u>Franchised-Stores (5 Stores)</u>	1014 \$302,400	\$5,440.26 <u>170,138</u>	12/18/21 <u>\$217,608</u>	<u>\$221,839</u>	<u>2 of 5 (40%)</u>
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Franchised	1006	\$337,506.19	2/1/21
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~~The following table presents the actual historical results for the 9 franchised outlet that were open in calendar year 2022.~~ Notes:

1. Source of Data: We prepared the FPR for all Qualifying Stores based on data we obtained from the point-of-sale system used by the Qualifying Stores. The data has not been audited.
2. Expenses: The FPR does not include any expense information. As a franchisee, you will incur expenses, such as payroll, rent, marketing, inventory replenishment, utilities as well as the initial and ongoing fees imposed under the Franchise Agreement.

You should consult with your advisors to develop your own estimates of revenues for your Store.

~~2022, as well as the actual historical results for the 3 affiliate-owned stores in calendar year 2022. The information in the following table regarding the franchisee's historical results is taken from reports submitted to us by our franchisee. This information is not audited, but we believe it to be accurate. The table below shows a total of 12 outlets, which is all of the outlets that were opened for any period of time in calendar year 2022. Nine additional franchises were sold in 2022, but those stores did not open in 2022. As of December 31, 2022, there were 17 open franchised outlets and 3 open company-owned outlets.~~

Store Type	Store Number	2022 Gross Revenues	Date Store Opened
Affiliate	1005	\$352,480.20	12/6/20
Franchise	1008	\$301,284.20	8/22/20
Affiliate	1003	\$364,405.60	6/1/19
Affiliate	1001	\$367,949.60	3/1/18
Franchised	1002	\$684,296.60	2/1/19

Franchised	1017	\$31,232.40	10/22/22
Franchised	1016	\$198,659.80	9/19/21
Franchised	1018	\$259,539.00	11/7/21
Franchised	1015	\$259,539.00	8/27/21
Franchised	1014	\$200,325.60	12/18/21
Franchised	1006	\$341,004.20	2/1/21
Franchised	1019	\$82,194.00	5/27/22

Some ~~outlets~~Stores have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.

~~Gross Revenues are as defined in Item 6 above: Gross Revenues means the entire amount of all revenues arising out of the operation of a unit. Gross Revenues exclude the amount of any sales taxes that are collected and actually paid to the taxing authority, and promotional gift certificates and coupons approved by us.~~

~~The average annual gross sales of the stores that were open~~Written substantiation for all of 2021 was \$431,796,072. The median annual gross sales of the stores that were open for all of 2021 was \$428,983.40.

~~The~~this financial performance ~~representations above do not reflect costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain~~representation will be made available to you upon your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Franchised Business. Franchisees or former franchisees, listed in this Disclosure Document, may be one source of this information. There are no material financial or operational characteristics of the Affiliate-owned units that are reasonably anticipated to differ materially from future operational franchise outlets~~reasonable written request~~.

Other than the preceding financial performance representations, we do not make any ~~representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets~~representations. We also do not authorize our employees or representatives to make any such 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 our President, Gabriel Suarez, at 1704 Capital Circle NE, Unit 103, Tallahassee, Florida 32308, or by phone (800) 851-6839, the Federal Trade Commission, and the appropriate state regulatory agencies.

~~Item 18~~ITEM 20 ~~ITEM 20~~: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For Years 2020–2022

TABLE 1 - SYSTEM-WIDE OUTLET SUMMARY FOR YEARS 2021 TO 2023

Outlet Type	Year	Outlets at <u>the</u> Start of <u>the</u> Year	Outlets at <u>the</u> End of <u>the</u> Year	Net Change
Franchised	<u>2021</u>	<u>-1</u>	<u>-5</u>	<u>+4</u>
	2020	1	2	+1
	2021	2	8	+6
	2022	<u>85</u>	<u>175</u>	<u>+9</u>
Company-Owned	<u>2023</u>	<u>5</u>	<u>13</u>	<u>+8</u>
	2021	-5	-6	+1
	2020	2	3	+1
	2021	3	3	0
Total Outlets	2022	<u>36</u>	<u>37</u>	<u>0+1</u>
	<u>2023</u>	<u>7</u>	<u>6</u>	<u>-1</u>
	<u>2021</u>	<u>-6</u>	<u>-11</u>	<u>+5</u>
	2020	3	5	+2
	2021	5	11	+6
	2022	11	<u>20</u> <u>12</u>	<u>+9</u> <u>1</u>
	<u>2023</u>	<u>12</u>	<u>19</u>	<u>+7</u>

Table No. 2
Transfers of Franchised Outlets
For Years 2020 – 2022

**TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR)
FOR YEARS 2021 TO 2023**

State	Year	Number of Transfers
Florida	2020	0
	<u>-Total</u>	0
	2022	0
Total	2020	0
	<u>2021</u>	<u>0</u>
	<u>2022</u>	<u>0</u>

Table No. 3
Status of Franchised Outlets
For Years 2020 – 2022

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2021 TO 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Florida								

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2021 TO 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
	2020	1	1	0	0	0	0	2
<u>Arizona</u>	2021	20	40	0	0	0	0	60
	2022	60	70	0	0	0	0	130
<u>Illinois</u>	2020	0	01	0	0	0	0	01
<u>Florida</u>	2021	01	12	0	0	0	0	13
	2022	13	0	10	0	01	0	02
<u>Missouri</u>	2023	2	1	0	0	0	0	3
<u>Georgia</u>	2020	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
<u>Illinois</u>	2021	0	1	0	0	0	0	1
	2022	1	10	01	0	0	0	20
<u>Nevada</u>	2023	0	0	0	0	0	0	0
<u>Massachusetts</u>	2020	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
<u>Missouri</u>	2021	0	01	0	0	0	0	01
	2022	01	10	0	0	0	0	1
<u>Ohio</u>	2023	1	0	0	0	0	0	1
	2020	0	0	0	0	0	0	0
<u>Nevada</u>	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Total								
	2020	1	10	0	0	0	0	21
<u>Ohio</u>	2021	20	60	0	0	0	0	80
	2022	80	101	10	0	0	0	171
	2023	1	0	0	0	0	0	1
<u>Tennessee</u>	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
<u>Texas</u>	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2021 TO 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Totals	2021	<u>1</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	2022	<u>5</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>5</u>
	2023	<u>5</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13</u>

**Table No. 4
Status of Company-Owned Outlets
For Years 2020 - 2022**

TABLE 4 - STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2021 TO 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
Florida	2020	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Florida	2021	<u>35</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>36</u>
	2022	<u>36</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>37</u>
Total	2020	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	2021	<u>35</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>36</u>
	2022	<u>36</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>37</u>
	2023	<u>7</u>	<u>1</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>6</u>

**Table No. 5
Projected Openings As of December 31, 2022**

State	Franchise Agreements signed But Outlet Not Opened	Projected New Franchised Outlets in the Current Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
Arizona	<u>1</u> Franchise Agreements Signed But Outlet Not Opened	<u>0</u> Projected New Franchised Outlets in the Next Fiscal Year	<u>0</u> Projected New Company-Owned Outlets in the Next Fiscal Year
Colorado	<u>0</u>	<u>0</u>	<u>0</u>
Florida	<u>2</u>	<u>1</u>	<u>0</u>
Georgia	<u>2</u>	<u>1</u>	<u>0</u>
Massachusetts	<u>2</u>	<u>1</u>	<u>0</u>

State	Franchise Agreements signed But Outlet Not Opened	TABLE 5 - PROJECTED New Franchised Outlets in the Current Fiscal Year OPENINGS AS OF DECEMBER 31, 2023		Projected New Company-Owned Outlets in the Current Fiscal Year
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	
Arizona	1	1	0	
Ohio	1	1	0	
Tennessee	1	1	0	
Texas	1	1	0	
Total	9	7	0	

Our fiscal year end is December 31.

We did not have any Multi-Unit Developers as of the Issuance Date of this FDD.

The name, business address, and business telephone number of each A list of all current franchisee on December 31, 2021 franchisees is attached to this Disclosure Document as ~~Exhibit F. The~~ EXHIBIT "F" (Part A), including their names and the addresses and telephone numbers of their outlets as of December 31, 2023. In addition, EXHIBIT "F" (Part B) lists the name, city and state, and the current business telephone number (or, if unknown, the last known home address and telephone number) of every franchisee or franchise manager who has had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the ~~Franchise Agreement~~ franchise agreement during the our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. disclosure document is attached as ~~Exhibit F.~~

In the last 3 fiscal years, some franchisees have signed confidentiality agreements with us. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. ~~In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. While we encourage you~~ You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. ~~Franchisors may also disclose the number and percentage of current and former franchisees who during each of the last three fiscal years signed agreements that include confidentiality clauses and may disclose the circumstances under which such clauses were signed. During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experience as a franchisee in our franchise system.~~

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

~~We~~ There are not aware of any no: (a) trademark-specific franchisee organizations that are associated with our Marks; the franchise system being offered that we have created, sponsored or endorsed; or (b) independent franchisee organizations that have asked to be included in this Disclosure Document.

~~Item 19~~ ITEM 21 ~~ITEM 21~~: FINANCIAL STATEMENTS

~~Attached to this Disclosure Document as Exhibit E are our audited~~Our fiscal year ends on December 31st.
Audited financial statements of Natural Life Franchise Corp. for the fiscal ~~periods ending~~years ended December 31, 2023, December 31, 2022,~~2021~~ and December 31, ~~2020~~. ~~In addition, an unaudited balance sheet as of September 30, 2023 and an unaudited statement of income and changes in retained earnings from January 1, 2023 through September 30, 2023-2021~~ are attached to this Disclosure Document as ~~Exhibit E~~.EXHIBIT "G".

~~Our fiscal year end is December 31.~~

~~Item 20~~ITEM 22 ~~ITEM 22:~~ CONTRACTS

~~Attached to this Disclosure Document are the following Exhibits for use in this State and elsewhere. You are encouraged to obtain such independent legal and financial advice, as you deem appropriate to obtain a full understanding of the (or the Franchise offered by Agreement attached to this Disclosure Document before making any commitment.)~~ are copies of the following franchise and other contracts or agreements proposed for use or in use in this state:

~~Exhibit B~~—~~Deposit Receipt~~

~~Exhibit C~~Exhibits to Disclosure Document

EXHIBIT "C" Franchise Agreement

~~Exhibit D—Multi Unit~~EXHIBIT "D" Area Development Agreement

EXHIBIT "H"-1 State Addenda

EXHIBIT "H"-2 General Release

Attachments to Franchise Agreement

~~Error! Reference source not found.~~ Form of Site Approval Notice

~~Error! Reference source not found.~~ Lease Addendum

~~Error! Reference source not found.~~ Franchise Owner Agreement

~~Error! Reference source not found.~~ ACH Authorization Form

~~Error! Reference source not found.~~ Brand Protection Agreement

~~Error! Reference source not found.~~ Confidentiality Agreement

ITEM 23 RECEIPT

ITEM 23: RECEIPTS

~~A receipt in duplicate is attached~~EXHIBIT "J" to this ~~disclosure document~~.Disclosure Document are detachable receipts. You ~~should~~are to sign both ~~copies of the receipt. Keep~~, keep one copy ~~for your own records~~ and return the other ~~signed copy to Gabriel Suarez us.~~

EXHIBIT "A"

TO DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

<p><u>CALIFORNIA</u> <u>Commissioner of Financial Protection & Innovation</u> <u>Department of Financial Protection & Innovation</u> <u>320 West 4th Street, #750</u> <u>Los Angeles, CA 90013</u> <u>(213) 576-7500</u> <u>1-866-275-2677</u></p> <p><u>HAWAII</u> <u>Commissioner of Securities of the State of Hawaii</u> <u>335 Merchant Street, Room 203</u> <u>Honolulu, Hawaii 96813</u> <u>(808) 586-2722</u></p> <p><u>Agents for Service of Process:</u> <u>Commissioner of Securities of the State of Hawaii</u> <u>Department of Commerce and Consumer Affairs</u> <u>Business Registration Division</u> <u>335 Merchant Street, Room 203</u> <u>Honolulu, Hawaii 96813</u> <u>(808) 586-2722</u></p> <p><u>ILLINOIS</u> <u>Illinois Attorney General</u> <u>Chief, Franchise Division</u> <u>500 South Second Street</u> <u>Springfield, IL 62706</u> <u>(217) 782-4465</u></p> <p><u>INDIANA</u> <u>Secretary of State</u> <u>Securities Division</u> <u>Room E-018</u> <u>302 West Washington Street</u> <u>Indianapolis, IN 46204</u> <u>(317) 232-6681</u></p>	<p><u>MARYLAND</u> <u>Office of the Attorney General</u> <u>Securities Division</u> <u>200 St. Paul Place</u> <u>Baltimore, Maryland 21202</u> <u>(410) 576-6360</u></p> <p><u>Agent for Service of Process:</u> <u>Maryland Securities Commissioner</u> <u>200 St. Paul Place</u> <u>Baltimore, Maryland 21202-2020</u></p> <p><u>MICHIGAN</u> <u>Franchise Section</u> <u>Consumer Protection Division</u> <u>525 W. Ottawa Street, G. Mennen</u> <u>Williams Building, 1st Floor</u> <u>Lansing, MI 48913</u> <u>(517) 335-7567</u></p> <p><u>MINNESOTA</u> <u>Commissioner of Commerce</u> <u>Director of Registration</u> <u>85 Seventh Place East, #280</u> <u>St. Paul, Minnesota 55101-3165</u> <u>(651) 539-1500</u></p> <p><u>NEW YORK</u> <u>NYS Department of Law</u> <u>Investor Protection Bureau</u> <u>28 Liberty Street, 21st Floor</u> <u>New York, NY 10005</u> <u>Phone: (212) 416-8222</u></p> <p><u>Agents for Service of Process:</u> <u>Secretary of State</u> <u>99 Washington Avenue</u> <u>Albany, NY 12231</u></p> <p><u>NORTH DAKOTA</u> <u>North Dakota Securities Department</u> <u>State Capitol, 5th Floor, Dept 414 600</u> <u>East Boulevard Avenue</u> <u>Bismarck, North Dakota 58505</u> <u>(701) 328-4712</u></p>	<p><u>RHODE ISLAND</u> <u>Department of Franchise Regulation</u> <u>1511 Pontiac Avenue, John O. Pastore</u> <u>Complex, Bldg 69-1</u> <u>Cranston, Rhode Island 02920</u> <u>(401) 462-9527</u></p> <p><u>SOUTH DAKOTA</u> <u>Department of Labor and Regulation</u> <u>Division of Insurance Securities</u> <u>Regulation</u> <u>124 S Euclid, 2nd Floor</u> <u>Pierre, South Dakota 57501</u> <u>(605) 773-3563</u></p> <p><u>VIRGINIA</u> <u>State Corporation Commission</u> <u>Division of Securities and Retail</u> <u>Franchising</u> <u>1300 East Main Street, 9th Floor</u> <u>Richmond, Virginia 23219</u> <u>(804) 371-9051</u></p> <p><u>Agents for Service of Process:</u> <u>Clerk of the State Corporation</u> <u>Commission</u> <u>1300 East Main Street, 1st Floor</u> <u>Richmond, Virginia 23219</u></p> <p><u>WASHINGTON</u> <u>Department of Financial Institutions</u> <u>Securities Division</u> <u>150 Israel Road SW</u> <u>Tumwater, WA 98501</u> <u>(360) 902-8760</u></p> <p><u>Mailing Address:</u> <u>Department of Financial Institutions</u> <u>Securities Division</u> <u>PO BOX 41200</u> <u>Olympia, WA 98504-1200</u></p> <p><u>WISCONSIN</u> <u>Department of Financial Institutions</u> <u>Division of Securities</u> <u>201 W Washington Avenue, Suite</u> <u>500, Madison, WI 53703</u> <u>(608) 261-9555</u></p>
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EXHIBIT "B"

TO DISCLOSURE DOCUMENT

FRANCHISOR'S AGENT FOR SERVICE OF PROCESS

Gabriel Suarez, ~~1704 Capital Circle NE, Unit 103,~~
1808 Medart Dr.
Tallahassee, Florida 32308-3

EXHIBIT A

AGENCIES/AGENTS FOR SERVICE OF PROCESS

—This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204

State	State Agency	Agent for Service of Process
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commeree
NEW YORK	Investor Protection Bureau 28 Liberty St., 21 st FL New York, NY 10005 (212) 416-8222	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5 th Floor Bismarek, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation

State	State Agency	Agent for Service of Process
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance- Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

Exhibit B

Deposit Receipt

~~Item 21~~**ITEM 1** ~~NATURAL~~ ~~LIFE~~ ~~FRANCHISE~~ ~~CORP.~~
DEPOSIT RECEIPT

This Deposit Receipt is given to Natural Life Franchise Corp. to acknowledge receipt of the sum of \$_____. This sum represents a refundable deposit paid to Natural Life Franchise Corp., in contemplation of the parties entering into a **Natural Life CBD/Kratom/Kava** individual franchise agreement (a "Franchise Agreement") for the following area:

_____. Natural Life Franchise Corp., will apply this deposit against the initial franchise fee charged upon the execution of a Franchise Agreement by both the parties. The parties may negotiate the terms of the Franchise Agreement. But, unless it is satisfactory in all respects to each of them, they have no obligation to enter into a Franchise Agreement. If the parties do not enter a written Franchise agreement within 30 days from the date of this Deposit Receipt, Natural Life Franchise Corp. will immediately refund the deposit to the address indicated below. This Deposit Receipt does not grant any license or other rights.

Dated: _____ Natural Life Franchise Corp.

By: _____

In states listed in EXHIBIT "A", the additional agent for Service of Process is listed in EXHIBIT "A".

EXHIBIT "C"
TO DISCLOSURE DOCUMENT

Print Name:

Its:

Address for return of deposit:

Exhibit C
FRANCHISE AGREEMENT

Natural Life
CBD/Kratom/Kava



FRANCHISE AGREEMENT

FRANCHISEE

TABLE OF CONTENTS

ARTICLE 1. APPOINTMENT 1

ARTICLE 2. FRANCHISOR’S DUTIES..... 4

ARTICLE 3. FEES AND PAYMENTS 10

ARTICLE 4. THE FRANCHISEE’S DUTIES 15

ARTICLE 5. PROPRIETARY PROPERTY 32

ARTICLE 6. MANUALS AND OTHER CONFIDENTIAL INFORMATION..... 35

ARTICLE 7. ADVERTISING..... 37

ARTICLE 8. ACCOUNTING AND RECORDS 41

ARTICLE 9. INSURANCE..... 43

ARTICLE 10. THE FRANCHISE ADVISORY COUNCIL 46

ARTICLE 11. TRANSFER OF INTEREST 46

ARTICLE 12. DEFAULT AND TERMINATION 53

ARTICLE 13. OBLIGATIONS OF THE FRANCHISEE UPON TERMINATION OR
EXPIRATION 58

ARTICLE 14. INDEPENDENT COVENANTS OF THE FRANCHISEE 62

ARTICLE 15. INDEPENDENT CONTRACTOR AND INDEMNIFICATION 64

ARTICLE 16. REPRESENTATIONS AND WARRANTIES..... 65

ARTICLE 17. MEDIATION AND ARBITRATION; EQUITABLE RELIEF 68

ARTICLE 18. TERM..... 71

ARTICLE 19. DEFINITIONS..... 73

ARTICLE 20. GENERAL PROVISIONS 78

DATE: _____

TABLE OF CONTENTS

1.	DEFINITIONS	1
2.	GRANT OF FRANCHISE	7
3.	TERRITORIAL RIGHTS AND LIMITATIONS	7
4.	TERM AND RENEWAL	8
5.	TRAINING AND CONFERENCES	9
6.	OTHER FRANCHISOR ASSISTANCE.....	9
7.	ESTABLISHING YOUR BUSINESS	11
8.	MANAGEMENT AND STAFFING.....	12
9.	FRANCHISEE AS ENTITY	13
10.	ADVERTISING & MARKETING.	13
11.	OPERATING STANDARDS.....	18
12.	MINIMUM PERFORMANCE REQUIREMENTS	22
13.	FRANCHISE ADVISORY COUNCIL.....	106
14.	FEES.....	107
15.	BRAND PROTECTION COVENANTS.....	108
16.	YOUR OTHER RESPONSIBILITIES.....	109
17.	INSPECTION AND AUDIT	111
18.	INTELLECTUAL PROPERTY	112
19.	INDEMNITY.....	113
20.	TRANSFERS.....	114
21.	TERMINATION	115
22.	POST-TERM OBLIGATIONS.....	117
23.	DISPUTE RESOLUTION.....	119
24.	REPRESENTATIONS.....	120
25.	GENERAL PROVISIONS.....	121

ATTACHMENTS:-

~~1.— Description of the Premises/Reserved Area~~

~~2.— Agreement with Landlord~~

0	<u>Deal Terms</u>
0	<u>Form of Site Approval Notice</u>
0	<u>Lease Addendum</u>
0	<u>Franchise Owner Agreement</u>
0	<u>ACH Authorization Form</u>
0	<u>Brand Protection Agreement</u>
0	<u>Confidentiality Agreement</u>

~~3.— General Release~~

~~4.— Internet Advertising, Social media, Software, and Telephone Account Agreement~~

~~Guaranty~~

NATURAL LIFE

~~5.— FRANCHISEE Acknowledgement Statement~~

FRANCHISE AGREEMENT

~~THIS FRANCHISE AGREEMENT~~ This Natural Life Franchise Agreement (this "Agreement") is entered into as of _____ by _____, 202_ (the "Effective Date") between Natural Life Franchise Corp., (the "Franchisor"), a Florida corporation ("we" or "us") and _____, a(n) _____ ("you").

1. ~~DEFINITIONS, with principal offices.~~ Capitalized terms used in this Agreement have the meanings given to them below:

"Account" means the checking account you designate from which we deduct fees and other amounts owed to us and our affiliates in accordance with §0.

"ACH Agreement" means the ACH Authorization Agreement attached as 0, which authorizes us to electronically debit your Account for amounts owed to us and our affiliates.

"Authorized Products" means and includes the lifestyle and wellness products that we authorize you to offer and sell from your Store. We may revise our list of Authorized Products from time to time in our sole discretion.

"Acquisition" means either: (a) a competitive or non-competitive company, franchise system, network or chain directly or indirectly acquiring us, whether in whole or in part, including by asset or stock purchase, change of control, merger, affiliation or otherwise; or (b) us directly or indirectly acquiring another competitive or non-competitive company, franchise system, network or chain, whether in whole or in part, including by asset or stock purchase, change of control, merger, affiliation or otherwise.

"Acquired Assets" means any assets associated with your Store that we elect to purchase upon termination or expiration of this Agreement, as further described in §0.

"Agreement" is defined in the Introductory Paragraph.

"Alternative Channels of Distribution" means any channel of distribution other than retail sales made to customers while present at a Store, including, but not limited to:

- (i) sales through direct marketing, such as over the Internet or through catalogs or telemarketing;
- (ii) sales through retail stores that do not operate under the Marks, such as grocery stores, drug stores or convenience stores;
- (iii) sales made at wholesale;
- (iv) sales through kiosks or mobile trailers.

"Anti-Terrorism Law" means Executive Order 13224 issued by the President of the United States of America (or any successor Order), the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) of 2001 (or any successor legislation) and all other present and future federal, state and local Laws, ordinances, regulations, policies, lists, orders and any other requirements of any Governmental Authority addressing or in any way relating to terrorist acts and acts of war.

"Appraised Value" means the fair market value of the Acquired Assets as determined by independent appraisers in accordance with §0.

"Brand Protection Agreement" means the Brand Protection Agreement that must be signed by certain of your personnel, the current form of which is attached as 0.

"Business" means the franchised business you operate pursuant to this Agreement.

“Business Data” means, collectively or individually, Customer Data and Operational Data.

“Captive Venue” means a non-traditional outlet for a Store that is located ~~at~~ within, or is a part of, another establishment or facility that consumers may visit for a purpose unrelated to the Store. Examples of Captive Venues include Stores that are located within hotels, casinos, college campuses, universities, airports, train stations, bus stations, cruise terminals, stadiums, sporting arenas, shopping malls, military bases, concert venues, amusement parks or similar types of establishments.

“Claim” means any action, allegation, assessment, claim, demand, litigation, proceeding or regulatory procedure, investigation or inquiry.

“Competing Business” means any business that meets at least one of the following criteria: (a) any business that derives, or is reasonably expected to derive, at least 20% of ~~1704 Capital Circle NE, Unit 103, Tallahassee, Florida 32308, and~~ _____, a(n) _____, with its principal place of business located at _____ and _____’s principals _____

; revenue from the sale of competitive products that are the same as or similar to the lifestyle and wellness products sold in our Stores; (b) any business that solicits, offers or sells franchises or licenses for a business that meets the criteria in clause (a) of this definition; and/or (c) any business that services, trains, supports, consults with, advises or otherwise assists any Person with respect to the development, management and/or operation of a business that meets the criteria in clause (a) of this definition. A Competing Business does not include any Natural Life Store operated pursuant to a valid franchise agreement or license agreement with us or our affiliate.

“Confidential Information” means and includes: (a) the Know-How; (b) the Business Data; (c) the terms of the Definitive Agreements and all attachments thereto and amendments thereof; (d) the components of the System; (e) all information within or comprising the Manual; and (f) all other concepts, ideas, trade secrets, financial information, marketing strategies, expansion strategies, studies, supplier information, customer information, franchisee information, investor information, flow charts, inventions, mask works, improvements, discoveries, standards, specifications, formulae, recipes, designs, sketches, drawings, policies, processes, procedures, methodologies and techniques, together with analyses, compilations, studies or other documents that: (i) are designated as confidential; (ii) are known by you to be considered confidential by us; and/or (iii) are by their nature inherently or reasonably to be considered confidential. Confidential Information does not include any information that: (a) is now, or subsequently becomes, generally available to the public (except as a result of a breach of confidentiality obligations by you or your Owners, employees or other constituents); (b) you can demonstrate was rightfully in your possession, without obligation of nondisclosure, before we disclosed the information to you; (c) is independently developed by you without any use of, or reference to, any Confidential Information; or (d) is rightfully obtained from a third party who has the right to transfer or disclose such information to you without breaching any obligation of confidentiality imposed on such third party.

“Confidentiality Agreement” means the Confidentiality Agreement that must be signed by certain of your employees pursuant to §0, the current form of which is attached as 0.

“Copyrighted Materials” means all copyrightable materials for which we or our affiliate secure common law or registered copyright protection and that we allow franchisees to use, sell or display in connection with the marketing and/or operation of a Store.

“Customer Data” means and includes any and all data that pertains to a Store customer, including name, address, contact information, date of birth, purchase history and any information collected in connection with any loyalty program or for any other purpose.

“Definitive Agreements” means, collectively: (a) this Agreement; (b) the Area Development Agreement pursuant to which this Agreement is executed (if applicable); (c) any other Franchise

Agreement between you (or your affiliate) and us (or our affiliate) for a Store or any other franchised concept; and (d) all ancillary agreements executed in connection with any of the foregoing, including Franchise Owner Agreements.

“Dispute” means any Claim, dispute or disagreement between the parties, including any matter pertaining to: (a) the interpretation or enforcement of this Agreement; (b) the offer or sale of the franchise; or (c) the relationship between the parties.

“Effective Date” is defined in the Introductory Paragraph.

“Entity” means a corporation, partnership, limited liability company or other form of association.

“Equity Interest” means a direct or indirect ownership or beneficial interest in the capital stock of, partnership or membership interest in, or other equity, ownership or beneficial interest in an individual residing at _____ and _____, an individual residing at _____ (“Principal(s)”). _____ and Principal(s) Entity (including voting rights).

“Excluded Claim” means any Claim that, according to §23, is not subject to mandatory mediation or arbitration.

“Force Majeure” means acts or circumstances that are beyond a party’s control, including fire, storm, flood, earthquake, explosion or accident, acts of war or terrorism, rebellion, insurrection, sabotage, epidemic, failures or delays of transportation and strikes, provided that: (a) the non-performing party promptly provides written notice to the other party of the Force Majeure event; (b) the non-performing party is without fault and the delay or failure could not have been prevented by reasonable precautions by the non-performing party; (c) nothing herein shall be collectively referred to in this Agreement as the excuse or permit any delay or failure to pay fees or other amounts owed on the applicable due date; (d) insolvency, lack of required funds or financing, currency fluctuations, currency devaluations, foreign exchange controls or inflation shall never be deemed Force Majeure; and (e) an epidemic or pandemic of a contagious illness or disease, or economic or financial changes caused by an epidemic or pandemic of a contagious illness or disease, shall never be deemed Force Majeure except to the extent a Governmental Authority mandates closure (or prevents the opening) of the Store as a result of such epidemic or pandemic.

“Franchisee” Entity” means the Entity, if applicable, that: (a) signs this Agreement as the franchisee (if this Agreement is signed by an Entity); or (b) assumes this Agreement subsequent to its execution by the original Owners.

“Franchise Owner Agreement” means the Franchise Owner Agreement that must be signed by the Owners and their spouses pursuant to §9, the current form of which is attached as 0.

“General Release” means our then-current form of Waiver and Release of Claims that you and your Owners must sign pursuant to §0 (in connection with a renewal of your franchise rights) or §0 (in connection with a Transfer).

“Government Official” means any: (a) officer or employee of a Governmental Authority; (b) commercial or similar entity owned or controlled by a Governmental Authority, including state-owned and state-operated companies or enterprises; (c) public international organization (e.g., United Nations, World Bank); (d) political party or official thereof; or (e) candidate for political office.

“Governmental Authority” means any national, provincial, state, county, local, municipal or other government, or any ministry, department, agency or subdivision thereof, whether administrative or regulatory, or any other body that exercises similar functions, and including any court or taxing authority.

“Gross Sales” means the total gross sums generated from all goods and services sold from or in

connection with your Store, together with all other revenues and monies derived in connection with your Store including and: (a) advertising revenues; (b) sponsorship fees; and (c) business interruption insurance proceeds. In calculating Gross Sales, you must include the full retail value of any free or discounted goods or services you or your staff provide to your Owners, staff, friends, family members or customers, unless the same pricing is available to the general public as part of an approved promotional program in effect at the time. Gross Sales excludes: (a) Revenue Share paid to you; (b) sales or use taxes you pay to a Governmental Authority; (c) revenues you collect from a customer and later refund to that customer in a bona fide refund transaction; and (d) revenues derived from the sale of furniture, fixtures or equipment in the ordinary course of business. The Manual may include policies governing the manner in which promotional coupons and proceeds from the sale of gift cards are treated for purposes of calculating Gross Sales. The Manual may also provide details on the calculation of Gross Sales relating to qualifying purchases and redemptions by members under a loyalty or membership program.

“Improvement” means any idea, addition, modification or improvement to the (a) goods or services offered or sold at a Store, (b) method of operation of a Store, (c) processes, systems or procedures utilized by a Store, (d) marketing, advertising or promotional materials, programs or strategies utilized by a Store or (e) trademarks, service marks, logos or other intellectual property utilized by a Store, whether developed by you, your Owners, your employees or any other Person.

“Indemnified Party” or “Indemnified Parties” means us and each of our past, present and future owners, members, officers, directors, employees and agents, as well as our parents, subsidiaries and affiliates, and each of their past, present and future owners, members, officers, directors, employees and agents.

“Intellectual Property” means, collectively or individually, the Business Data, Copyrighted Materials, Improvements, Know-how, Marks and System.

“Interim Manager” means the Person we designate to temporarily manage your Store under the circumstances described in §0.

“Interim Term” means a month-to-month extension of the Term under the circumstances described in §0.

“IP Dispute” means any: (a) apparent infringement of the Intellectual Property; (b) challenge to your use of the Intellectual Property; or (c) claim by any Person of any rights in or to the Intellectual Property.

“Know-how” means and includes our (and our affiliates’) trade secrets and other proprietary information relating to the design, construction, development, marketing or operation of a Store including, but not limited to: architectural plans, drawings and specifications for a prototype Store; site selection criteria; methods and techniques; standards and specifications; policies and procedures; supplier lists and information; marketing strategies; merchandising strategies; financial information; and information comprising the System or included in the Manual.

“Law” means and includes all laws, judgments, decrees, orders, rules, regulations, ordinances, advisory opinions or official legal interpretations of any Governmental Authority.

“Local Marketing Commitment” means the minimum amount of money you must spend each month on local advertising and marketing to promote your Store in accordance with §0.

“Losses and Expenses” means and includes any of the following: compensatory, exemplary and punitive damages; fines and penalties; attorneys’ fees; experts’ fees; court costs; costs associated with investigating and defending against Claims; settlement amounts; judgments; compensation for damages to reputation or goodwill; and all other costs, damages, liabilities and expenses associated with any of the foregoing losses and expenses or otherwise incurred by an Indemnified Party.

“Managing Owner” means the Owner you designate and we approve with primary responsibility for the overall management and supervision of your Store in accordance with §0.

“Manual” means our confidential Brand Standards Manual for the operation of a Store, as further described in §0. The Manual may consist of written text as well as videos, tutorials, training modules, recordings and/or other means of communication.

“Marks” means and includes all service marks, trademarks, trade names and logos that we designate from time to time and authorize Stores to use, including NATURAL LIFE WELLNESS BEGINS HERE and the associated logos. The Marks also include any distinctive trade dress used to identify a Store or the products it sells.

“Operational Data” means and includes all data and information pertaining to the operation of your Business including employee data, expense data, financial accounting data and Gross Sales data.

“Owner” means a Person who either: (a) directly signs this Agreement as the franchisee, either alone or in conjunction with one or more other Persons; or (b) directly or indirectly through one or more intermediaries owns any Equity Interest in the Franchisee Entity (if the franchisee under this Agreement is an Entity).

“PCI-DSS” means the payment card industry data security standard, which is a set of security requirements established by the following major credit card brands from time to time: American Express, Discover Financial Services, JCB International, MasterCard Worldwide, and Visa Inc., which standards are set forth at <https://www.pcisecuritystandards.org> as of the Effective Date.

“Permitted Transfer” means: (a) a Transfer from one Owner to another Owner who was an approved Owner prior to such Transfer, other than a Transfer that results in the Managing Owner owning less than 10% of the ownership interests in the Store or Franchisee Entity, as applicable; and/or (b) a Transfer by the Owners to a newly established Franchisee Entity for which such Owners collectively own and control 100% of the Equity Interests.

“Person” means an individual, Entity, unincorporated organization, joint venture, Governmental Authority, estate (or executor thereof) or trust (or trustee thereof).

“Post-Term Restricted Period” means, with respect to you: a period of two (2) years after the termination, expiration or Transfer of this Agreement; *provided, however,* that if a court of competent jurisdiction determines the two-year Post-Term Restricted Period is too long to be enforceable, then Post-Term Restricted Period means: a period of one (1) year after the termination, expiration or Transfer of this Agreement.

“Post-Term Restricted Period” means, with respect to an Owner: a period of two (2) years after the earlier to occur of: (a) the termination, expiration or Transfer of this Agreement; or (b) the Owner’s Transfer of his or her entire ownership interest in the Store or Franchisee Entity, as applicable; *provided, however,* that if a court of competent jurisdiction determines the two-year Post-Term Restricted Period is too long to be enforceable, then Post-Term Restricted Period means: a period of one (1) year after the earlier to occur of: (a) the termination, expiration or Transfer of this Agreement; or (b) the Owner’s Transfer of his or her entire ownership interest in the Store or Franchisee Entity, as applicable.

“Program Participation Rules” means the policies, procedures, fees and other requirements pertaining to any gift card, loyalty, membership or other system-wide program we implement pursuant to §0.

“Prohibited Activities” means and includes any of the following: (a) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in any Competing Business, other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competing

Business; (b) disparaging or otherwise making negative comments about us, our affiliate, the System and/or any Store; (c) diverting or attempting to divert any business from us, our affiliate or another franchisee; and/or (d) inducing any Person to transfer their business from a Store to a competitor.

“Project Management Services” means the services provided by the Project Manager relating to the design, construction and development of your Store, as further described in §0.

“Project Manager” means the Person we designate to serve as your Project Manager and provide the Project Management Services.

“Restricted Territory” means: the geographic area within: (a) a 15-mile radius from your Store (and including your Store’s premises itself); and (b) a 15-mile radius from all other Stores that are operating or under construction as of the Effective Date and remain in operation or under construction during all or any part of the Post-Term Restricted Period; *provided, however*, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then Restricted Territory means: the geographic area within a 10-mile radius from your Store (and including your Store’s premises itself).

“Revenue Share” means the compensation paid to you pursuant to §3 if we or our affiliate sell certain Approved Products in your Territory through Alternative Channels of Distribution.

“Site Approval Notice” means the Site Approval Notice attached as 0 that we may issue to you in accordance with §3 and §0 to identify the approved site for your Store and designate the boundaries of your Territory.

“Site Selection Area” means the geographic area described in Part C of 0 and within which you must find a site we approve for your Store.

“Store” means a retail store that: (a) operates using our Marks and System; and (b) offers and sells the lifestyle and wellness products that we designate or approve from time to time. A Store may refer to a Natural Life Store operated by us, our affiliate, you or another franchisee, as the context may require.

“Store Manager” means any Person you hire in accordance with §0 to provide onsite management and supervision of your Store.

“Successor Agreement” means our then-current form of Natural Life Franchise Agreement you must sign pursuant to §0 in order to renew your franchise rights.

“System” means our system developed for the operation of a Store, the distinctive characteristics of which include: distinctive interior and exterior design, décor, signage, color scheme and other trade dress elements; assortment of high-quality wellness products; training programs; advertising and marketing strategies; merchandising strategies; and operating system.

“Technology Systems” means and includes all information and communication technology systems we specify from time to time, including, without limitation, computer systems, point-of-sale systems, webcam systems, telecommunications systems, security systems, music systems and similar systems, together with the associated hardware, software (including cloud-based software) and related equipment, software applications, mobile apps, and third-party services relating to the establishment, use, maintenance, monitoring, security or improvement of these systems.

“Term” means the period of time beginning on the Effective Date and expiring on the earlier to occur of: (a) the 10th anniversary of the Effective Date; or (b) the date this Agreement is effectively terminated.

“Territory” means the protected territory for your Store, as further described in §3.

“Transfer” means any direct or indirect, voluntary or involuntary, assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of:

- (a) this Agreement (or any interest therein);
- (b) the franchise or intellectual property rights granted by this Agreement (or any interest therein);
- (c) the Business you conduct pursuant to this Agreement (or any interest therein);
- (d) the right to manage the Store or occupy its premises;
- (e) the Store's assets, other than the sale of fixtures or equipment in the ordinary course of business; or
- (f) an Equity Interest in the Franchisee Entity;

including by: merger or consolidation; judicial award, order or decree; issuance of additional Equity Interests in the Franchisee Entity; foreclosure of a security interest by a lender; or operation of Law, will or a trust upon the death of an Owner, including the Laws of intestate succession.

"Travel Expenses" means and includes all travel, meals, lodging, local transportation and other living expenses and costs incurred: (a) by us and our trainers, field support personnel, auditors and/or other representatives to visit your Store; or (b) by you and your personnel to attend training programs or conferences.

"We" or "us" is defined in the Introductory Paragraph.

"You" is defined in the Introductory Paragraph.

2. GRANT OF FRANCHISE. We hereby grant you the right, license and obligation to own and operate one (1) Store using our Intellectual Property from the site we approve. As a franchisee, you will establish and operate a retail store that offers and sells hemp-based products to the general public under the name NATURAL LIFE WELLNESS BEGINS HERE. We reserve all rights not expressly granted to you.

3. TERRITORIAL RIGHTS AND LIMITATIONS. We grant you a territory (your "Territory") that includes (or will include at the time we determine the boundaries of your Territory) a minimum population of 50,000 as of the date the Territory is determined. We have no obligation to change your Territory during the Term based on population changes. If we approve the site for your Store prior to execution of this Agreement, then Part E of 0 shall identify the geographic area that comprises your Territory. If we do not approve the site for your Store prior to execution of this Agreement, then within 15 days after we approve the site for your Store we will send you a Site Approval Notice that identifies the geographic area that comprises your Territory. During the Term we will not develop or operate, or license a third party to develop or operate, a Store that is physically located within the Territory except as otherwise provided in this Section with respect to Captive Venues and Acquisitions. At any time during the Term we reserve the right to: (a) develop and operate, and license third parties to develop and operate, Stores in Captive Venues that are located within your Territory; and (b) engage in Acquisitions, even if as a result of an Acquisition one or more competitive businesses of the acquired or acquiring company begin using our Intellectual Property (including our Marks) and are located within the Territory. We reserve the right to sell, and license third parties to sell, competitive or identical goods and services (including under the Marks) within the Territory through Alternative Channels of Distribution; *provided, however,* that if we or our affiliate, NL Fulfillment Corp., conduct online sales of Authorized Products through an ecommerce platform, we or our affiliate, as applicable, will pay you a revenue share (the "Revenue Share") calculated as 15% of the net proceeds derived from the sale of such Approved Products to customers who provide a shipping address located in your Territory. For purposes of calculating the Revenue Share, "net proceeds" means the gross amount received by us or our affiliate from the sale less taxes and shipping costs. The Revenue Share is typically issued in the form of a credit against fees and other amounts owed by you. Any Revenue Share credit owed to you from the sale of Approved

Products in a given month will be issued no later than the 20th day of the following month. You do not receive a Revenue Share from any sales taking place prior to the date you sign the lease or purchase agreement for your Store. You are not entitled to any other compensation for sales that take place through Alternative Channels of Distribution.

4. TERM AND RENEWAL.

Generally. This Agreement grants you the right to operate your Store only during the Term. Provided that you satisfy all conditions for renewal specified below, you may enter into a maximum of two (2) consecutive Successor Agreements following the expiration of the Term. The Successor Agreement shall be the current form of franchise agreement we use in granting franchises as of the expiration of the Term or renewal term, as applicable, the terms of which may vary materially and substantially from the terms of this Agreement. Upon renewal, we reserve the right to modify the boundaries of your Territory in accordance with our then-current territory guidelines and criteria. Each renewal term will be five (5) years. The parties may agree to further renewals after expiration of the second (2nd) renewal term, but neither party is obligated to do so. If this Agreement is a Successor Agreement, the renewal provisions in your original franchise agreement will dictate the length of the Term of this Agreement and your remaining renewal rights, if any.

Renewal Requirements. In order to enter into a Successor Agreement, you and the Owners (as applicable) must:

- (i) notify us in writing of your desire to enter into a Successor Agreement not less than 270 days nor more than one (1) year before the expiration of the Term or renewal term, as applicable;
- (ii) not be in default under any Definitive Agreement when you send the renewal notice or sign the Successor Agreement;
- (iii) sign the Successor Agreement and all ancillary documents we require franchisees to sign;
- (iv) sign a General Release;
- (v) pay us a \$5,000 renewal fee;
- (vi) remodel the Store and upgrade all furniture, fixtures and equipment to conform to our then-current standards and specifications; and
- (vii) extend the term of your lease for the duration of the renewal term.

If we elect not to renew or offer you the right to renew, we will send you a written notice of non-renewal at least 180 days prior to the expiration date, which shall set forth the basis for our decision not to renew or offer you the right to renew. Our failure to send you a notice of non-renewal at least 180 days prior to the expiration date shall constitute our offer to renew your franchise in accordance with, and subject to, the renewal terms and conditions set forth above. If you have any objections to our notice of non-renewal, including any dispute as to the basis for our decision not to renew, you must send us a written notice of objection that sets forth the basis for your objections. Your notice of objection must be sent to us no later than 30 days after you receive our notice of non-renewal. Your failure to send us a written notice of objection during such 30-day period shall constitute your agreement to the non-renewal of your franchise.

Interim Term. If you do not sign a Successor Agreement but continue to operate your Store after the expiration of the Term, we may either treat this Agreement as: (a) expired as of the Term expiration date with you operating in violation of our rights; or (b) continued on a month-to-month basis (the “Interim Term”)

until either party provides the other party with 30 days' prior written notice of the party's intention to terminate the Interim Term. In the latter case, all of your obligations will remain in full force and effect during the Interim Term as if this Agreement had not expired, and all obligations and restrictions imposed on you upon the expiration or termination of this Agreement will be deemed to take effect upon the termination of the Interim Term.

5. TRAINING AND CONFERENCES

Initial Training Program. The Managing Owner and any initial Store Manager you choose to hire must attend and successfully complete our initial Natural Life Brand, Management and Operations training program ("Management Training") a minimum of three (3) weeks prior to the your Store's opening date. If you hire a new Store Manager or appoint a new Managing Owner after we conduct our preopening Management Training program, the new Store Manager or Managing Owner, as applicable, must attend and successfully complete our then-current Management Training program before assuming responsibility for the management of your Store. As part of our initial training program, we will send a representative to your Store for approximately two (2) days to provide onsite training and assist you with the opening of your Store. We will not charge a fee for this assistance.

Ongoing Training Programs. We may offer periodic refresher or supplemental training courses for your Managing Owner and Store Managers. We may designate each course as mandatory or optional. If we determine your Store is not being operated in full compliance with this Agreement and/or the Manual, we may require that your Managing Owner and Store Managers attend remedial training relevant to your operational deficiencies. Upon your written request, we may, but need not, provide additional assistance or training to you at a mutually convenient time.

Training Locations. Our training programs may take place at any location we designate. We reserve the right to conduct training programs virtually.

Training Fees and Expenses. We provide our preopening initial training program in exchange for a \$5,000 initial training fee you must pay us prior to commencement of training. We do not charge a training fee for any system-wide refresher or supplemental training that we conduct at our headquarters or at a company-owned Store. You must pay us a training fee of up to \$300 per Person per day for any Person who: (a) attends Management Training after you open your Store; (b) retakes training after failing a prior attempt; (c) attends a remedial training program; or (d) attends additional training requested by you. If we agree to provide onsite training or assistance, you must also reimburse us for all Travel Expenses we incur (this reimbursement obligation does not apply to any onsite training we provide as part of our initial training program prior to your opening date). You are responsible for all wages and Travel Expenses you and your personnel incur to attend training programs.

Conferences. We may hold periodic conferences to discuss business and operational matters relevant to Stores. Attendance is mandatory unless: (a) we designate attendance as optional; or (b) we waive your obligation to attend based on showing of good cause. We may charge you a conference registration fee of \$750 per Person per conference. If you fail to attend a required conference without a waiver from us, then you must pay us the conference registration fee despite your non-attendance (we will provide you with a copy of any written materials distributed at the conference). You are responsible for all wages and Travel Expenses you and your personnel incur to attend conferences.

6. OTHER FRANCHISOR ASSISTANCE.

Manual. We provide you with access to our Manual during the Term. The Manual will help you develop and operate your Store. The information in the Manual is confidential and proprietary and may not be disclosed to third parties without our prior approval.

Project Management Services. We will designate the Person who will serve as your Project Manager. You must pay the Project Manager a nonrefundable \$15,000 project management fee at the time you sign the lease or purchase agreement for your Store’s premises. In exchange for this fee, the Project Manager will provide project management services relating to the design, construction and development of your Store (“Project Management Services”) including assistance with: (a) developing a preliminary layout and design for your Store; (b) coordinating with your architect and reviewing construction plans and permits (to the extent required); (c) preparing bids and selecting your general contractor; (c) monitoring construction progress; and (d) supporting the scheduling and installation of signage, furniture, fixtures and equipment. Most of the underlying services are provided by outside suppliers and you pay these suppliers directly for their services. The Project Manager’s role is to oversee and coordinate with the various members of your development team (architects, engineers, general contractor, etc.) in an effort to manage the overall Store development process and allow you to open the Store as quickly as possible.

Supply of Inventory. At least 30 days prior to your anticipated opening date, you must purchase your initial supply of certain inventory items from our affiliate as part of our centralized purchasing program. You must pay the associated purchase price within 10 days after invoicing. After opening, you must purchase your entire ongoing supply of these inventory items exclusively from our affiliate unless we designate or approve another supplier. Our affiliate will arrange for the purchased inventory items to be shipped to you. You understand that our affiliate is not a manufacturer of the inventory items. Instead, our affiliate purchases these inventory items from third-parties and resells them to you as a convenience. Neither we nor our affiliate make any representations or warranties regarding the inventory items purchased from our affiliate and you hereby waive any and all claims against us or against our affiliate relating to these inventory items, the use or consumption of these inventory items by you or your customers, and/or any defects in these inventory items. We reserve the right to require that you purchase some or all of these inventory items directly from third-party suppliers that we designate.

General Guidance. We will periodically review and evaluate your Store and reports you submit to us and provide our guidance and recommendations on ways to improve your operations. We will be available to render advice, discuss problems and offer general guidance to you during normal business hours by telephone, e-mail or similar methods of communication.

Field Visits. We have the right, but not the obligation, to conduct periodic field visits for purposes of providing onsite consultation, assistance and guidance pertaining to the operation and management of your Store. We will provide a report detailing any problems or concerns observed during the field visit together with our instructions to address or resolve such problems or concerns. You must implement all required corrective measures in the time and manner we specify.

Marketing Assistance. As further described in §0 and §0, we will administer the brand and system development fund and provide other marketing assistance during the Term.

Website. We currently maintain a corporate website for our brand. We will also develop and host a local webpage for your Store that will be linked to our corporate website. Your webpage will include information about your Store that we designate or approve. We must approve all content on your webpage but will consider information you suggest in good faith. We will own the website (including your webpage) and domain name at all times. We may change or discontinue the website and/or your local webpage at any time.

Email Addresses. We will provide you with up to five (5) Natural Life email addresses. Our current technology partially offsets the costs we incur to provide these email addresses to you. In the future, we may require you to reimburse us for all costs we incur to provide email addresses to you (this fee would be added to the technology fee described in §0). You must exclusively use these email addresses for all communications with us, customers, suppliers and other Persons relating to your Store. You may not use them for any purpose unrelated to your Store. We own the email addresses and accounts but allow you to use them during the Term.

Purchase Agreements. We may, but need not, negotiate purchase agreements with suppliers to obtain discounted prices for franchisees. We will arrange for you to be able to purchase the goods or services directly from the supplier at the discounted prices we negotiate (subject to any rebates the supplier pays to us). We may also purchase goods from suppliers in bulk and resell them to you at our cost plus shipping fees and a reasonable markup.

New Developments. We may, but need not, create new merchandise, retail items or other products or services for sale at your Store. You must comply with any minimum inventory stocking requirements in the Manual.

7. ESTABLISHING YOUR BUSINESS

Site Selection. You must contract with our designated real estate company to assist you in finding a site for your Store. However, it is your responsibility to find a site that meets both your and our minimum standards and criteria. You must locate and obtain our approval of the site for your Store within 60 days after the Effective Date. The premises must be located within the Site Selection Area and conform to our minimum site selection criteria. You must send us a complete site report that includes all documents, information, photos and video we require. We may accept or reject each site you propose in our commercially reasonable judgment. We will use best efforts to issue our approval or disapproval within seven (7) business days after we receive all of the requisite materials. Your site is deemed disapproved if we fail to issue our approval within the seven (7) business day period. If we approve the site for your Store prior to execution of this Agreement, then the address of the approved site will be listed in Part D of 0. If we do not approve the site for your Store prior to execution of this Agreement, then within 15 days after we approve your site we will send you a Site Approval Notice that identifies the address of your approved site. Within five (5) business days after we send you the Site Approval Notice, you must sign and date the franchisee acknowledgment section and send us a copy for our records. Our approval of the site (and designation of your Territory) shall be deemed immediately effective and binding on you at the time we issue the Site Approval Notice, regardless of whether you send us the signed acknowledgment. Our approval of a site does not constitute a representation or warranty of any kind, express or implied, of the suitability of the site for a Store. It indicates only that we believe the site meets our minimum criteria.

Lease. You must contract with our designated real estate company to assist you in identify sites and reviewing and negotiating your lease or purchase agreement. If you lease the premises for your Store, you must use best efforts to ensure your landlord signs the Lease Addendum attached to this Agreement as 0. If your landlord refuses to sign the Lease Addendum in substantially the form attached to this Agreement we may either: (a) waive the Lease Addendum requirement (or the provisions disapproved by the landlord); or (b) require you to find a new site for your Store. You must promptly send us a copy of your fully executed lease and Lease Addendum for our records.

Store Design. The Manual includes generic prototype plans for a Store as well as our standards and specifications for the design, layout, equipping and trade dress for a Store. If constructions plans are needed, you must hire a licensed and bonded architect to prepare the initial design plans for the construction of your Store and leasehold improvements. We must approve the initial design plans to ensure they are consistent with our system standards. Once approved, your architect must prepare detailed construction plans that: (a) are consistent with the approved design plans; (b) satisfy all required standards and specifications in the Manual; and (c) comply with all Laws (including the Americans with Disabilities Act), building codes, permits and lease requirements and restrictions applicable to the premises. You must submit the final construction plans to us for approval. The limited purpose of our review is to verify the construction plans are consistent with our system standards.

Construction. Following our approval of the final construction plans, you must, at your sole expense, construct and equip the premises according to the approved construction plans and the specifications in the Manual. You must also purchase (or lease) and install all equipment, fixtures, signs and other items we

require. At all times during the construction process, you must maintain the minimum general liability and property damage insurance required by the Manual.

Opening. You must open your Store to the public within 300 days after the Effective Date. You may not open your Store prior to receipt of our written authorization to open. We will not issue our authorization to open before:

- (i) the Managing Owner successfully completes our initial training program;
- (ii) you obtain all required licenses, permits and approvals from Governmental Authorities;
- (iii) you purchase all required insurance policies and provide evidence of coverage;
- (iv) we review and approve the construction, build-out and layout of your Store; and
- (v) you fulfill all of your other preopening obligations under this Agreement and the Manual.

You must send us a written notice identifying your proposed opening date at least 30 days before opening. We may conduct a preopening inspection of your Store. You must make all changes and modifications we require before you may open.

Relocation. You may relocate your Store with our prior approval, which we will not unreasonably withhold. If we allow you to relocate, you must: (a) engage our designated real estate company to provide site selection and related real estate services and pay the associated fee; (b) locate your new Store within the Site Selection Area (but outside any territory granted to us, our affiliate or any other franchisee); (c) comply with §0 through §0 with respect to your new Store (excluding the 300-day opening period); (d) comply with the de-identification obligations set forth §0(viii) with respect to your former Store; (e) pay us a \$5,000 relocation fee at the time we approve your request to relocate; (f) pay the Project Manager its then-applicable fee for the Project Management Services it provides with respect to the development of your Store at the new site; and (g) open your Store at the new site and resume operations within 30 days after closing your Store at the former site; *provided, however*, that if you relocate because your Store is destroyed, condemned or otherwise rendered unusable due to the physical condition of the premises, then you have 300 days after closing to reopen at the new site.

8. MANAGEMENT AND STAFFING.

Owner Participation. You must designate an Owner who will have overall responsibility for the management and operation of your Store (the “Managing Owner”). The Managing Owner must: (a) be approved by us; (b) successfully complete all training programs we require; and (c) at all times hold at least a 10% ownership interest in the Store or the Franchisee Entity, as applicable, unless we waive this requirement. During the initial 90-day period after your Store’s opening date, the Managing Owner must act as a Store Manager and provide onsite management and supervision of the Store on a full-time basis (at least 25 hours per week). We strongly recommend, but do not require, that the Managing Owner continue to act as a Store Manager throughout the remainder of the Term. Any new Managing Owner you appoint must successfully complete our then-current initial training program before assuming responsibility for the operation of the Store.

Store Managers. You may hire a Person to assist the Managing Owner with the onsite management and supervision of the Store (a “Store Manager”). Any Person you hire as a Store Manager must: (a) successfully complete all training programs we require; (b) dedicate full-time efforts (at least 25 hours per week) to the onsite management and supervision of the Store; and (c) sign a Brand Protection Agreement. At all times during normal business hours, either the Managing Owner or a Store Manager must be present at your Store to provide onsite management and supervision. The Managing Owner must monitor and supervise each Store Manager to ensure the Store is operated in accordance with this Agreement and the Manual.

Employees. You must determine appropriate staffing levels for the Store to ensure full compliance with this Agreement and our system standards. You may hire, train and supervise employees to assist you with the proper operation of the Store. You must pay all wages, commissions, fringe benefits, worker's compensation premiums and payroll taxes (and other withholdings required by Law) due for your employees. These employees will be employees of yours and not of ours. We do not control the day-to-day activities of your employees or the manner in which they perform their assigned tasks. You must inform your employees that you exclusively supervise their activities and dictate the manner in which they perform their assigned tasks. In this regard, you must use your legal business Entity name (not our Marks or a fictitious name) on all employee applications, paystubs, pay checks, employment agreements, time cards, and similar items. We also do not control the hiring or firing of your employees. You have sole responsibility and authority for all employment-related decisions, including employee selection and promotion, hours worked, rates of pay, benefits, work assignments, training and working conditions. We will not provide any advice or guidance on these matters. You must require that your employees review and sign the acknowledgment form we prescribe that explains the nature of the franchise relationship and notifies the employee that you are his or her sole employer. You must also post a conspicuous notice for employees in the back-of-house area explaining your franchise relationship with us and that you (and not we) are the employee's sole employer. We may prescribe the form and content of this notice.

Interim Manager. We have the right, but not the obligation, to designate a Person of our choosing (an "Interim Manager") to manage your Store if either: (a) you fail to appoint an approved replacement Managing Owner, who has successfully completed all training we require, within 30 days after your Managing Owner ceases to perform the responsibilities of a Managing Owner for any reason; or (b) you fail to cure a material breach before the expiration of the cure period. The Interim Manager will cease to manage your Store at such time that you appoint an approved replacement Managing Owner who has completed training or you cure the material breach, as applicable. If we appoint an Interim Manager, you agree to: (a) pay us a management fee equal to \$500 per day during the period of time that the Interim Manager manages your Store; and (b) reimburse us for all Travel Expenses incurred by the Interim Manager. The Interim Manager has no liability to you except for gross negligence or willful misconduct. We have no liability to you for the activities of an Interim Manager unless we are grossly negligent in appointing the Interim Manager.

9. FRANCHISEE AS ENTITY. You represent that Part A of 0 includes a complete and accurate list of your Owners. Upon request, you must send us a resolution of the Franchisee Entity authorizing the execution of this Agreement, a copy of the Franchisee Entity's organizational documents and a current Certificate of Good Standing (or the functional equivalent thereof). All Owners of the Franchisee Entity and their spouses must sign a Franchise Owner Agreement.

10. ADVERTISING & MARKETING.

Brand and System Development Fund. We have established and currently administer a brand and system development fund to promote public awareness of our brand and improve our System. On each royalty payment due date, you must pay us a brand fund fee equal to 2% of Gross Sales generated during the prior reporting period. We deposit into the fund all brand fund fees and noncompliance fees, if any, that we collect from you and other franchisees. We may use the fund to pay for any of the following in our sole discretion:

- (i) developing, maintaining, administering, directing, preparing, or reviewing advertising and marketing materials, promotions and programs;
- (ii) conducting and administering promotions, contests or giveaways;
- (iii) improving public awareness of the Marks;
- (iv) public and consumer relations and publicity;
- (v) brand development;

- (vi) sponsorships;
- (vii) charitable and non-profit donations and events;
- (viii) research and development of technology, products and services;
- (ix) website development and search engine optimization;
- (x) development and maintenance of an ecommerce platform;
- (xi) development and implementation of quality control programs, including the use of mystery shoppers or customer satisfaction surveys;
- (xii) conducting market research;
- (xiii) changes and improvements to the System;
- (xiv) the fees and expenses of any advertising agency we engage to assist in producing or conducting advertising or marketing efforts;
- (xv) collecting and accounting for contributions to the fund;
- (xvi) preparing and distributing financial accountings of the fund;
- (xvii) any other programs or activities we deem appropriate to promote or improve the System; and
- (xviii) direct or indirect labor, administrative, overhead and other expenses incurred by us and/or our affiliates relating to any of these activities, including salary, benefits and other compensation of any of our (and any of our affiliate's) officers, employees or independent contractors based on time spent working on any brand fund matters described above.

We have sole discretion in determining the content, concepts, materials, media, endorsements, frequency, placement, location and all other matters pertaining to marketing or advertising activities. Any surplus in the fund may be invested and we may lend money to the fund if there is a deficit. The fund is not a trust and we have no fiduciary obligations to you with respect to our administration of the fund. We will prepare, and make available to you upon request, an annual statement of fund operations, including deposits and disbursements. In terms of marketing activities paid for by the fund, we do not ensure that: (a) expenditures in (or affecting) a given geographic area are proportionate or equivalent to the brand fund fees paid by franchisees in that geographic area; or (b) franchisees benefit directly or in proportion to their brand fund fees. We may suspend or discontinue the fund at any time in our sole discretion upon 30 days' prior notice.

Marketing Assistance From Us. We may create and make available to you advertising and other marketing materials for your purchase. We may use the brand fund to pay for the creation and distribution of these materials, in which case there will be no additional charge. We may provide online access to these materials, in which case you must print the materials at your expense. We may also contract with third-party suppliers to create advertising or marketing materials that you may purchase. We will provide reasonable marketing consulting, guidance and support throughout the Term on an as-needed basis.

Your Marketing Activities.

Grand Opening. You must implement a grand opening marketing campaign that you develop and we approve. During the 60-day period that begins 30 days prior to your Store's opening date, you must spend at least \$20,000 on grand opening marketing and advertising in

accordance with your approved grand opening marketing plan. We reserve the right to require you to contract with and utilize a marketing company we designate to design and/or implement your grand opening marketing campaign.

Ongoing Minimum Expenditures. Commencing 30 days after your opening date, you must spend at least 2% of monthly Gross Sales (the “Local Advertising Commitment”) on approved local advertising and marketing to promote your Store in your local market. We measure your compliance on a rolling six-month basis, meaning as long as your average monthly expenditure on local advertising over the six-month period equals or exceeds the Local Marketing Commitment, you are deemed in compliance even if your expenditure in any given month is less than the Local Marketing Commitment. Brand fund contributions are in addition to, and not credited towards, your Local Marketing Commitment. You must participate at your own expense in all advertising, promotional and marketing programs we require, including any advertising cooperative we establish pursuant to §0.

Standards for Advertising. All advertisements and promotions you create or use must be completely factual, conform to the highest standards of ethical advertising and comply with all Laws. You must ensure your advertisements and promotional materials do not infringe upon the intellectual property rights of others. You must comply with any minimum advertised pricing policy we establish from time to time.

Extraterritorial Advertising. You may advertise and market outside your Territory as long as you: (i) comply with all policies and procedures in the Manual governing extra-territorial marketing; and (ii) do not engage in targeted marketing directed into any territory or development territory assigned to us, our affiliate or another franchisee (unless the marketing is conducted as part of an advertising cooperative that includes the affected territory). Marketing that is distributed, circulated or received both within your Territory and within another territory is not deemed to be “targeted marketing” if: (i) you use reasonable efforts to limit the circulation or distribution of the advertising to areas within your Territory; and (ii) the majority of the recipients of the advertising are located within your Territory and there is only incidental circulation or distribution within a territory assigned to us, our affiliate or another franchisee. The meaning of “targeted marketing” that is “directed into a territory” may be further defined in the Manual, but examples include direct mail sent to addresses within a given territory, digital advertising sent to devices with IP addresses registered within a given territory and conducting promotional events within a given territory.

Approval of Advertising. Prior to use, we must approve all advertising and marketing materials and programs you intend to use, including: (i) all advertising and marketing materials we did not prepare or previously approve; and (ii) any materials we prepare or approve and you modify. We must also approve the media you intend to use. You may not use any advertising materials, programs or media that: (i) we have not approved; or (ii) we approve and later disapprove. We have 10 business days to review and approve or disapprove advertising and marketing materials and programs you submit. Our failure to issue our approval within the 10 business-day period constitutes our disapproval. Any advertising you propose and we approve will be deemed an “Improvement” for purposes of §0.

Social Media

INTRODUCTION:

~~A. As the result of the expenditure of time, skill, effort, and money, the Franchisor has developed and owns a distinctive system for the operation of a retail store offering CBD, Kratom, Kava, and related~~

items approved by the franchisor, under the **Natural Life CBD/Kratom/Kava™** trademark and system of operating procedures.

- ~~B. The System's distinguishing characteristics include: proprietary products; uniform standards and procedures for business operations; appealing and efficient layout and decor; training in the operation, management, and promotion of the Franchised Business; advertising and promotional programs; customer development and service techniques; and other technical assistance, all of which may be changed, improved or further developed by the Franchisor.~~
- ~~C. The Franchisee recognizes the benefits to be derived from receiving a Franchise from the Franchisor and desires to enter into this Franchise Agreement subject to the conditions and controls prescribed therein and to receive the benefits provided by the Franchisor in connection with this Agreement.~~
- ~~D. The Franchisor has reviewed the Franchisee's application and has decided to award a Franchise to the Franchisee in accordance with the terms of this Agreement.~~

The parties, therefore, agree as follows:

AGREEMENT:

ARTICLE 1. APPOINTMENT

- ~~1.1. **Grant** Subject to the terms and conditions contained in this Agreement, the Franchisor grants to the Franchisee the right and the Franchisee undertakes the obligation to operate one Franchised Business in accordance with the System. The Franchised Business may be operated only at the location described in Section 1.2.~~
- ~~1.2. **Location of the Franchised Business.** The Franchisee shall operate the Franchised Business only at the location described in Exhibit "1" to this Agreement. If none is set forth, the Premises shall be designated and Attachment "1" completed after the Franchisee selects a site in accordance with Section 4.1. Without the Franchisor's prior written consent, and the Franchisee's compliance with the Franchisor's relocation procedures, the location of the Franchised Business may not be changed.~~
- ~~1.3. **Protected Territory.** Except as otherwise provided herein, during the Term, provided Franchisee is not in default, the Franchisor will not open or franchise another **Natural Life CBD/Kratom/Kava** Store within the Protected Territory. The Protected Territory is determined on a case-by-case basis, as mutually agreed between Franchisor and Franchisee and described on Attachment 1 to the Franchise Agreement. If you do not yet have a location at the signing of the Franchise Agreement, you will receive a non-exclusive site search area list as Attachment 1.~~

~~Notwithstanding the foregoing, the Franchisor reserves for itself the rights set forth in Section 5.6. Such rights are superior to the rights of the Franchisee under this Agreement. Furthermore, Institutional Facilities and Captive Market Locations shall not be deemed part of the Protected Territory even if physically located within the Protected Territory, and whether constructed prior to or subsequent to the execution of this Agreement. The term "Institutional Facility" is agreed to include, among other things: airports and other travel facilities; federal, state, or local government facilities (including military bases); theme and amusement parks; recreational facilities; colleges and other academic facilities; seasonal facilities; shopping malls; theaters; and sporting event arenas and centers. The term "Captive Market Location" is agreed to include, among other things, hotels, resorts, and cruise ships.~~

. We currently use social media to promote all franchised Stores. All social media accounts are owned by us. From time to time we may, in our sole discretion, allow you to access the social media accounts for your Store and post content provided that:

- (i) you only utilize social media platforms we allow you to access;
- (ii) you strictly comply with our social media policy, as revised from time to time;
- (iii) you immediately remove any post we disapprove, even if it complies with our social media policy;
- (iv) you contract with and exclusively utilize any social media company we designate; and
- (v) we retain ownership of all social media accounts relating to your Store.

Internet and Websites. Without our prior approval, which we may withhold in our sole discretion, you may not: (i) develop, host or otherwise maintain a website or other online or digital presence in connection with your Store, including any website bearing our Marks; (ii) conduct digital or online advertising or marketing; or (iii) engage in ecommerce.

Advertising Cooperative. We may, but need not, establish regional advertising cooperatives for purposes of creating and/or purchasing advertising programs for the benefit of all Stores located in a particular region. We may: (a) determine the boundaries of the cooperative; (b) specify the manner in which the cooperative is organized and governed; (c) require the cooperative to be administered in accordance with written bylaws, organizational documents or other governing documents that we approve; and (d) require you to participate in the cooperative according to its rules and procedures and abide by its decisions. You must pay the cooperative advertising fee, which will be due on each royalty payment due date or on such other date established by the cooperative. We may set the minimum cooperative advertising fee or we may allow the cooperative to set the cooperative advertising fee based on majority vote of its members. In either case, the cooperative advertising fee will not exceed 2% of Gross Sales. We may either: (a) collect cooperative advertising fees and remit them to the applicable cooperative; or (b) require you to pay these fees directly to the cooperative. All cooperative advertising fees you pay are credited towards your Local Marketing Commitment. We reserve the right to form, change, merge or dissolve advertising cooperatives in our discretion.

11. OPERATING STANDARDS.

Generally. You must operate your Store in full compliance with this Agreement, the Manual and our standards in order to maintain the goodwill associated with the Marks.

Brand Standards Manual. You must develop and operate your Store in strict compliance with the Manual. The Manual may contain, among other things:

- (i) architectural plans and specifications for the design, dimensions, layout, equipping and trade dress for a prototype Store;
- (ii) a list of (a) goods and services (or specifications for goods and services) you must purchase to develop and operate your Store and (b) designated and approved suppliers;
- (iii) a description of the Authorized Products and services (if any) you may sell;
- (iv) specifications, techniques, methods, operating procedures and quality standards; and
- (v) policies and procedures pertaining to: (a) reporting; (b) insurance; (c) marketing and advertising; (d) gift card, loyalty and/or membership programs; (e) data ownership, protection, sharing and use; and (f) any other matter we deem appropriate.

The Manual is designed to establish and protect our brand standards and the uniformity and quality of the goods and services offered by Stores. We can modify the Manual at any time. Modifications are binding at the time we notify you of the change, subject to any “grace period” we provide to implement the change. All mandatory provisions in the Manual (whether included now or in the future) are binding on you.

Authorized Goods and Services. You must offer and sell all Authorized Products we designate from time to time. You may not offer any other goods or services without our prior approval (any goods you request and we approve will be deemed “Authorized Products” for purposes of this Agreement). You may not sell any goods or services we have disapproved, such as marijuana or cannabis products. You must carry the full product line and comply with all merchandising policies, product mix, minimum stocking requirements and related policies described in the Manual. You may not use your Store, or permit your Store to be used, for any purpose other than offering the goods and services we authorize. We may change Authorized Products and services at any time and you must comply with our instructions regarding same. Any such change shall not constitute a termination of this Agreement.

Sales Restrictions. You may only sell to retail customers while they are present at the Store. Unless you receive our prior approval, you may not offer or sell Approved Products: (a) from any location other than your Store’s premises; (b) through any alternative channel of distribution, including via delivery or through an ecommerce site or shipment to customer homes; (c) at wholesale or for purposes of resale. You may not permit any vending equipment or gaming machinery to be placed within your Store without our prior approval.

Pricing. We will provide you with our suggested retail pricing. You may deviate from our suggested retail pricing at your discretion; *provided, however,* that: (a) you must obtain our approval of any deviation that is more than 20% higher or lower than our suggested retail pricing unless such pricing is part of a temporary advertising campaign we approved; and (b) we may set maximum or minimum prices on the goods and services you sell to the extent permitted by applicable Law.

Customer Payments. You must, at your expense, lease or purchase the necessary equipment and/or software and have arrangements in place with Visa, MasterCard, American Express and all other credit card issuers we designate, in order for you to be able to accept such methods of payment from customers. You must accept debit cards, credit cards, stored value cards, and other non-cash systems (including, for example, APPLE

PAY and/or GOOGLE WALLET) that we specify. You must acquire and install all necessary hardware and/or software used in connection with these non-cash systems.

Suppliers and Purchasing. You must purchase or lease all products, supplies, equipment, services and other items specified in the Manual. The Manual may require that you purchase certain goods and services only from suppliers we designate or approve. These suppliers may include (or be limited exclusively to) us or our affiliate. Our right to specify the suppliers you use is necessary so we can control the uniformity and quality of goods and services used, sold or distributed in connection with the development and operation of Stores, protect our trade secrets, negotiate bulk purchase discounts, and protect the reputation and goodwill associated with the System and the Marks. We have no liability to you for the acts, errors or omissions of, or any defective goods or services supplied by, any third-party supplier we designate or approve, provided that we exercise our discretion in good faith in designating or approving such supplier. If we receive rebates or other consideration from suppliers based on your purchases, we have no obligation to pass them through to you or use them for any particular purpose. If you wish for us to approve a supplier, you must send us a written request for approval specifying the supplier's name and qualifications and provide all additional information we request. We will approve or reject your request within 60 days after we receive your request and all information and samples we require. We are deemed to have rejected your request if we fail to issue our approval within the 60-day period. You must reimburse us for all costs and expenses we incur to review suppliers or products you propose.

Equipment Maintenance and Changes. You must maintain your equipment in good condition and promptly replace or repair any equipment that is damaged, worn-out or obsolete. We may require that you change your equipment. Our right to require significant equipment changes is critical to our ability to administer and change the System and you must comply with these changes within the time period we reasonably specify.

Technology Systems.

Generally. You must acquire and utilize all Technology Systems we require from time to time. Technology Systems may relate to matters such as purchasing, pricing, accounting, order entry, inventory control, security, information storage, retrieval and transmission, customer information, customer loyalty, marketing, communications, copying, printing and scanning, or any other business purpose we deem appropriate. We may require that you acquire new or substitute Technology Systems and/or replace, upgrade or update existing Technology Systems at your expense upon reasonable prior notice. You are solely responsible for: (i) the acquisition, operation, maintenance, updating and upgrading of your Technology Systems; (ii) the manner in which your Technology Systems integrate and interface with our computer system and those of third parties; and (iii) any consequences resulting from improper use or operation, or failure to properly maintain, update or upgrade, Technology Systems.

Use and Access. You must utilize your Technology Systems in accordance with the Manual. You may not load or permit any unauthorized programs or games on your Technology Systems. You must ensure your employees are adequately trained in the use of the Technology Systems. You agree to take all steps necessary to provide us with independent and unlimited access to data collected through your Technology Systems, including Gross Sales data for purposes of calculating fees owed. Upon request, including upon termination or expiration of this Agreement, you must provide us with the user IDs and passwords for your Technology Systems.

Disruptions. You are solely responsible for protecting against computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders. Upon request, you must obtain and maintain cyber insurance and business interruption insurance for technology disruptions.

Fees and Costs. You are responsible for all fees, costs and expenses associated with acquiring, licensing, utilizing, updating and upgrading the Technology Systems. Certain components of the Technology Systems must be purchased or licensed from third-party suppliers. We and/or our affiliate may develop proprietary software, technology or other components of the Technology Systems that will become part of our System. If this occurs, you agree to: (i) pay us (or our affiliate) commercially reasonable licensing, support and maintenance fees; and (ii) upon request, enter into a license agreement with us (or our affiliate) in a form we prescribe governing your use of the proprietary software, technology or other component of the Technology Systems. We may enter into master agreements with third-party suppliers relating to any components of the Technology Systems and charge you for all amounts we pay to these suppliers based on your use of their software, technology, equipment, or services. The “technology fee” includes all amounts you pay us and/or our affiliates relating to the Technology Systems, including amounts paid for proprietary items and amounts we collect from you and remit to third-party suppliers based on your use of their systems, software, technology or services. The amount of the technology fee may change based on changes to the Technology Systems or prices charged by third-party suppliers with whom we enter into master agreements. We may include within the technology fee a commercially reasonable administrative fee to compensate us for the time, money and resources we invest in administering the technology platform and associated components, negotiating and managing contracts with third-party licensors, and collecting and remitting technology fees owed to third-party licensors on behalf of franchisees under master license arrangements. The technology fee does not include any amounts you pay directly to third-party suppliers. The technology fee is due 10 days after invoicing or as we otherwise specify. We will list the current technology fee in the Manual.

Remodeling and Maintenance. You must remodel, renovate and make all improvements to your Store that we reasonably require from time to time to conform to our then-current standards and specifications. There is no limitation on the cost or frequency of these remodeling obligations. You may not remodel or significantly alter your premises without our prior approval. We need not approve any proposed remodeling or alteration that does not conform to our then-current standards and specifications. You must maintain your Store in good order and condition, reasonable wear and tear excepted, and make all necessary repairs, including replacements, renewals and alterations, at your sole expense, to conform to our standards and specifications. Without limiting the generality of the foregoing, you agree to take the following actions at your expense: (a) thorough cleaning, repainting, redecorating of the interior and exterior of the Store’s premises at the intervals we prescribe (or at such earlier times that such actions are required or advisable); and (b) interior and exterior repair of the Store’s premises as needed. You must comply with any maintenance, cleaning or facility upkeep schedule we prescribe.

System Programs.

Generally. We may periodically develop and implement membership programs, loyalty programs, gift card programs and other system-wide programs. You must fully participate in all programs we designate as mandatory. In order to participate you must: (i) comply with all policies and procedures we establish for participation in the program; (ii) purchase (or license) and utilize all equipment, software, mobile applications (Apps), technology and others items we designate as being necessary for participation in the program, and pay all associated fees and costs; and (iii) pay us, our affiliate, or a third party we designate, all program fees and other amounts we specify as being necessary for participation in the program (collectively, “Program Participation Rules”). Program Participation Rules may be set forth in the Manual. We may change Program Participation Rules at any time and you must comply with these changes. We may develop and implement new or successor programs and/or modify or terminate existing programs at any time in our discretion.

Membership Program. We may require that all Stores operate under a membership model, in which case your Store must honor memberships and the associated benefits and privileges regardless of whether the member purchased their membership from your Store. We have the right to: (i) determine how membership fees are divided or otherwise accounted for; (ii) require that all membership fees be paid to us or deposited into a trust account we control for subsequent disbursement to the Stores(s) visited by the member; (iii) adopt policies regarding cooperation between franchisees relating to members who utilize the services of, or enjoy membership privileges at, multiple Stores; and (iv) designate the use of new Technology Systems to monitor sales and allocate payments to the Store(s) visited by the member, either in whole or on a percentage basis. We may require that you utilize the form of membership agreement we specify. You must hire an attorney, licensed in your state, to review the membership agreement and advise you of any changes necessary to comply with any local Laws affecting the form of membership agreement you use. You must obtain our approval of any such changes prior to implementation.

Loyalty Programs. You must fully participate and implement all required customer loyalty, rewards and other affinity programs designed to increase customer loyalty, generate new customers or improve overall demand for our network of Stores.

Gift Card Programs. You must participate in any gift card program we establish and honor all gift cards, including gift cards purchased from us or another franchisee. You may not offer or sell any gift cards we have not approved. We have the right to: (i) determine how gift card proceeds are divided or otherwise accounted for; (ii) require that gift card proceeds be paid to us or deposited into a trust account we control for subsequent disbursement to the Store(s) where the gift card is redeemed; and (iii) retain proceeds from unredeemed gift cards.

Hours of Operation. Your Store must be open for business during the minimum days and hours of operation set forth in the Manual, subject to any conflicting requirements imposed by Law or under your lease. You must establish specific days and hours of operation and submit them to us for approval.

Customer Complaints. If you receive a customer complaint, you must follow the complaint resolution process we specify to protect the goodwill associated with the Marks.

Quality Assurance Programs. For quality control purposes we may: (a) periodically inspect your Store in accordance with §0 and §0; and/or (b) engage the services of a “mystery shopper” or quality assurance firm to inspect your Store. Inspections may address a variety of issues, including customer service, sanitation, inventory rotation, etc. You must fully cooperate with all inspections. If we engage a mystery shopper or quality assurance firm, we may require that you directly pay the mystery shopper or firm for the cost of the inspection. Alternatively, we may pay for the cost of the inspection, in which case you must reimburse us for the cost. We may implement a scoring system pursuant to which each Store receives a “grade” or “score” based on the inspection results. Your failure to achieve a passing grade or score constitutes a default under this Agreement. You must take all actions we specify within the period of time we prescribe in order to rectify any non-compliance issues revealed by an inspection.

Failure to Comply with Standards. You acknowledge the importance of every one of our standards and operating procedures to the reputation and integrity of the System and the goodwill associated with the Marks. If we notify you of a failure to comply with our standards or operating procedures (including failure to submit required reports in a timely manner) and you fail to correct the non-compliance within the period of time we prescribe, then, in addition to any other remedies available to us under this Agreement, we may impose a noncompliance fee of up to \$500 per occurrence. We may impose an additional \$500 fee every 48 hours the same non-compliance issue remains uncured after we impose the initial fee. Any noncompliance fees we collect are paid in consideration of us refraining from exercising our contractual right to terminate this Agreement. If we take steps to cure any default committed by you after the expiration of any applicable cure

period, including, without limitation, obtaining required insurance coverage on your behalf or paying amounts you owe to approved or designated suppliers, then you must: (a) reimburse us for all costs and expenses we incur, either directly or indirectly, in connection with our efforts to cure your default; and (b) pay us an administrative fee calculated as 10% of such costs and expenses. Our acceptance of noncompliance fees, default expense reimbursements and administrative fees shall not be construed as a waiver of any of our rights or remedies under this Agreement and we retain the right to terminate this Agreement in accordance with §21 should the default continue following our collection of these amounts.

12. MINIMUM PERFORMANCE REQUIREMENTS. You must generate Gross Sales equal to or greater than the minimum Gross Sales figures in the table below:

~~1.4. **Relocation of the Franchised Business:**~~

~~a. **Loss of Lease.** If the Premises are leased by the Franchisee from a third party and, before this Agreement expires or is sooner terminated, such lease or sublease expires or is terminated for any reason other than the Franchisee's default, the Franchisee, within 60 days from the date the lease or sublease expires or terminates, may secure a new location within the Protected Territory. Such location will be determined on a case-by-case basis as mutually agreed between Franchisor and Franchisee. This new location must be approved in writing by the Franchisor and we shall issue a revised Attachment 1, in accordance with Section 1.2 and 1.3, to reflect the new address of the Accepted Location. The Franchisor will not unreasonably withhold its consent to a new location. Unless Franchisor otherwise agrees in writing, the Franchisee has twelve months from the date the lease or sublease expires or terminates to open and commence full operation of the new Franchised Business in compliance with the terms of this Agreement. The Franchisee's failure to secure a new location and recommence operations within the times specified herein is a material breach of this Agreement.~~

~~b. **Casualty.** If the Premises are damaged or destroyed by fire or other casualty, or required to be repaired or constructed by any governmental authority, the Franchisee shall, at its expense, repair or reconstruct the Premises within a reasonable time under the circumstances. The minimum acceptable appearance for the restored Premises is that which existed just prior to the casualty. The Franchisee, however, must make every effort to have the restored Premises reflect the then current Trade Dress of the newest **Natural Life CBD/Kratom/Kava** Store within the Chain. If the Premises are substantially destroyed by fire or other casualty, the Franchisee may, with the Franchisor's prior written agreement, terminate this Agreement in lieu of the Franchisee reconstructing the Premises or relocate the Franchised Business under the same terms set forth in Section 1.4.a.~~

~~e. **Condemnation.** At the earliest possible time, the Franchisee shall give the Franchisor written notice of any proposed taking by eminent domain. If the Franchisor concludes that the Franchised Business or a substantial portion is to be taken, it shall promptly consider the Franchisee's request to relocate the Franchised Business to a nearby location within the Protected Territory. That location will be determined on a case-by-case basis as mutually agreed between Franchisor and Franchisee. The Franchisee shall submit such request, as well as the new location it has selected, to the Franchisor in writing as promptly as possible, but in no event less than 90 days before the taking. The Franchisor will not unreasonably withhold its consent to such relocation. If the Franchisor accepts the new location and if, within one year after the old Franchised Business closes, the Franchisee opens a new Store at that location, the new Store is considered the Franchised Business under this Agreement. If the old location is condemned and a new Store does not, for whatever reason, become the Franchised Business within one year from the taking in accordance with the provisions in this paragraph (or if it is reasonably evident that such will be the case), the Franchisee is considered to have materially defaulted under this Agreement.~~

~~d. **Site Relocation Fee.** If the Franchisee must relocate the Franchised Business, it will pay a site relocation fee to the Franchisor in an amount not to exceed \$5,000.00. Such fee is an amount sufficient to cover the Franchisor's direct costs relating to approving the relocation. Such costs may include costs relating to activities including, but not limited to, site location, lease negotiation assistance, legal and accounting fees, travel expenses and other out-of-pocket costs. The site relocation fee is due on demand.~~

ARTICLE 2. FRANCHISOR'S DUTIES

So long as such assistance and services are necessary to operate the Franchised Business and the Franchisee is not in default under this Agreement, the Franchisor shall provide the Franchisee with the following assistance and services:

~~2.1. **Site Selection Assistance.** If, upon executing this Agreement, the Franchisor has not approved the site for the Franchised Business's Premises, it shall supply its site selection criteria to the Franchisee. In response to Franchisee's requests for site selection assistance and approval, and upon delivery to the Franchisor of the site selection materials described in the Manuals, the Franchisor may also provide such on-site evaluation as Franchisor deems advisable. Before beginning any construction of improvements, the proposed site must be approved by the Franchisor in writing. The Franchisor's approval of a site is not a representation or warranty that~~

~~the Franchised Business will be profitable or that the Franchisee's sales will attain any predetermined levels. Such approval is intended only to indicate that the proposed site meets the Franchisor's minimum criteria for identifying sites. The Franchisor's approval or disapproval of a proposed site does not impose any liability or obligation on it.~~

~~2.2. **Lease Assistance.** If the Franchisee intends to lease the Premises from a third party, the Franchisor may assist the Franchisee in its lease negotiations. The Franchisee shall exercise its best efforts to ensure that its lease of the Premises includes the provisions described in the Manuals. Any lease must provide that it is subject to the prior written approval of the Franchisor. Franchisee will use its best efforts to enter into an agreement with the Landlord of the Premises substantially in accordance with the Agreement with Landlord attached hereto as Attachment "2".~~

~~2.3. **Plans and Specifications.**~~

~~a. The Franchisor shall loan to the Franchisee:~~

- ~~i. A sample set of standard building plans and specifications and/or standard recommended floor plans;~~
- ~~ii. Specifications of the Franchisor's requirements for design, decoration, layout, equipment, furniture, fixtures and signs for the Franchised Business (the "Design Specifications");~~
- ~~iii. Specifications for uniforms for the Franchisee's employees to be purchased by the Franchisee directly from the Franchisor or its approved suppliers; and~~
- ~~iv. Advertising copy and marketing materials for reproduction by Franchisee.~~

~~On or before the~~

~~b. **Opening** Date, the Franchisee must return to the Franchisor the plans and specifications described in Subsection 2.3.a. The plans and specifications in this Section 2.3 constitute trade secrets of Franchisor. Franchisee may not copy or disclose the contents of the plans and specifications to any third party other than Franchisee's architect, contractor, engineer, and other third parties that are necessary to complete design and construction of the Premises. All of such third parties must first sign Franchisor's standard form of Non-Disclosure Agreement before they have access to the plans and specifications.~~

~~2.4. **Inventory Control Systems.** The Franchisor will provide standardized inventory control systems through the POS system and Software.~~

~~2.5.— *Lists, Forms and Schedules.*~~

- ~~a.— The Franchisor shall supply to the Franchisee a list of required equipment, supplies, materials, inventory and other items necessary to operate the Franchised Business and a list of approved suppliers of all such items.~~
- ~~b.— The Franchisor shall provide the Franchisee with an initial set of forms, such as standardized periodic reporting forms for reporting accounting information, and purchase order forms.~~
- ~~c.— The Franchisor shall make available to the Franchisee a schedule of items that Franchisee must purchase from the Franchisor or its affiliates.~~

~~2.6.— *Employee Information and Assistance.*— The Franchisee is solely responsible for the hiring, disciplining, supervising, promoting and firing of its employees and the establishment of their salaries. Franchisee is solely responsible for complying with all applicable employment laws, rules and regulations. Franchisor will not control who the Franchisee hires, or how the employees perform their obligations to Franchisee.~~

~~2.7.— *Basic Management Training.*~~

~~*Basic Management Training.*— The Franchisor shall provide up to five (5) days of Basic Management Training for Franchisee's Trainees at the Franchisor's training facilities in Tallahassee, Florida, or at such other location closer to the Franchised Business as the Franchisor may specify in writing. The 5 days are broken into 2 training sessions, The Natural Life Brand and then Natural Life Operations. Unless otherwise agreed in writing, at least one Trainee must be the Franchise Owner or an authorized representative of Franchisee approved in writing by the Franchisor. The Franchisee may designate one or more other persons who will be active in the day to day activities of the Franchised Business to be the other Trainees. All Trainees must be acceptable to the Franchisor. Basic Management Training includes instruction in marketing, promotion and advertising; sales techniques; merchandising, health, cleanliness and safety guidelines; customer service; and personnel management. The first session, The Natural Life Brand, will take place within four (4) weeks of signing this agreement. Basic Management Training and Natural Life Operations will be provided approximately four to six (4-6) weeks before the Opening Date and no later than three (3) weeks before the opening of the Franchised Business~~

- ~~a.— ~~At~~ its expense, the Franchisor shall provide instructors, facilities, training materials, and technical training tools in connection with Basic Management Training. The Franchisee is responsible for all expenses of the Trainees in attending Basic Management Training, including all salaries, travel, lodging, and meal expenses. Franchisee may have up to 4 individuals attend both the NL Brand Training and the Basic Management Training at no additional cost. Additional Trainees will be charged the then current fee for Basic Management Training. All costs and expenses incurred to have additional employees or agents of the Franchisee attend Basic Management Training, shall be borne by the~~

Franchisee. A portion of the training is conducted at Franchisor's or its affiliates' location, and a portion is conducted at the Franchisee's location.

b. ~~*Failure to Complete Basic Management Training.*~~ If the Franchisor, in its sole judgment, determines that any Trainee has failed to satisfactorily complete NL Brand Training and Basic Management Training, it may, at the Franchisee's expense, retrain the Trainee or allow the Franchisee to hire another Trainee.

2.8. ~~*Loan of the Manuals.*~~ The Franchisor will loan to the Franchisee one electronic copy of each volume of the Manuals (with periodic revisions as required). The Franchisor's customary practice is to deliver the Manuals to the Franchisee at or shortly before Basic Management Training. The Franchisee must keep the Manuals confidential. Franchisee's copy of the Manuals must always be password protected, and all persons with access to the Manual must sign a confidentiality agreement substantially similar to the Confidentiality Agreement attached hereto as Attachment 3.

2.9. ~~*Pre-Opening Inspection.*~~ The Franchisor may provide on-site assistance and inspection of the installation of the equipment and Trade Dress. The Franchisor may also generally inspect the Premises and provide the Franchisee with any advice and comments that the Franchisor considers appropriate to insure that the Franchisee conforms to applicable standards prior to the Opening Date.

~~*Pre-Opening On-Site Training; Opening Supervisor.*~~ The Franchisor will provide to the Franchisee pre-opening on-site training for a minimum of 2 days during the opening of the Franchised Business. Such on-site training program will cover material aspects of the operation of the Franchised Business, including financial control, marketing techniques, maintenance of quality standards, inventory control, security standards, merchandising techniques, promotional and advertising techniques, operations, purchasing and sales. The Franchisor will also provide an opening supervisor to assist in the

2.10. ~~*Grand Opening*~~ of the Franchised Business, as well as the on-site training of the Franchisee's employees. The Franchisor's opening supervisor will begin assisting on a day that is satisfactory to both the Franchisor and Franchisee and will remain at the Franchised Business for such time (not to exceed 2 consecutive Business Days) as the Franchisor, in its sole discretion, considers necessary. The Franchisor will pay the expenses of its opening supervisor.

2.11. ~~*Grand Opening Assistance.*~~ In addition to the pre-Grand Opening on-site training set forth in Section 2.10, the Franchisor will give Franchisee advice in conducting grand opening advertising, marketing and promotional campaigns for the Franchised Business.

~~2.12. *Continued Assistance and Support.*~~

- ~~a. *Field Visits/Inspections.*—The Franchisor may assist and support the Franchisee in the operation of the Franchised Business by having a field representative make periodic visits and/or inspections, both announced and unannounced.~~
- ~~b. *Telephone Hotline.*—The Franchisor will maintain a telephone "hotline" for informational assistance.~~
- ~~c. *Advertising and Public Relations Campaigns.*—The Franchisor may generally promote its franchisees through advertising and public relation campaigns.~~
- ~~d. *Local Advertising.*—The Franchisor will provide advice on Local Advertising.~~
- ~~e. *Promotional Methods and Materials.*—The Franchisor will provide the Franchisee with promotional methods and materials it may periodically develop.~~
- ~~f. *Radio and Television Commercials.*—The Franchisor may, but shall not be required to, provide a pre-approved radio script and camera-ready television commercials (not including airtime) for Franchisee's use in its locality. All commercials must be pre-approved in writing by Franchisor.~~
- ~~g. *Periodic Assistance.*—The Franchisor, to the extent it considers advisable, may provide continuing advisory assistance in the operation and promotion of the Franchised Business. This assistance may include additional training; and communicating new Products, improvements in equipment and supplies, and new techniques in advertising, service, and management that are relevant to operating the Franchised Business.~~
- ~~h. *Refresher or Additional Training.*—The Franchisor may provide refresher training programs, seminars, or advanced management training at the Franchisor's principal training facility (or such other location designated by the Franchisor). Franchisor may require the Franchisee to attend such training, but such training will not be required more often than once per year. The Franchisee is solely responsible for all costs and expenses associated with such programs, including the salary, travel, meal, and lodging expenses Franchisee's attendees incur. If the Franchisee's Franchised Business Certified Manager leaves or is no longer managing the Franchised Business on a full-time basis, Franchisee must have a successor Franchised Business Certified Manager attend and complete the initial training program to the Franchisor's satisfaction. The Franchisor reserves the right to charge a re-training fee to successor Franchised Business Certified Managers at the Franchisor's then-~~

~~current rate (currently \$300.00 per day), plus travel and living expenses, if Franchisor conducts such re-training at the Franchisee's location.~~

- ~~i. ***Special Assistance.*** If the Franchisee requests, and to the extent that the Franchisor can reasonably accommodate such request, the Franchisor will furnish on-site management assistance to deal with the Franchisee's unusual or unique operating problems. The fee for such special assistance shall be at the Franchisor's then current rate (currently \$300.00 per day). In addition, Franchisee shall pay for the travel, meal and lodging expenses incurred by persons furnishing the assistance. Such fee and expense reimbursement shall be due upon demand by the Franchisor.~~
- ~~j. ***Research and Development.*** The Franchisor, in its sole judgment, will continue to research and develop new products, equipment, services, and techniques. The Franchisee may suggest new products, services and techniques, but the Franchisor is not bound to implement any such suggestions. All such suggestions made by the Franchisee during the term of this Agreement shall become the property of Franchisor without any compensation to Franchisee.~~
- ~~k. ***Conferences and Meetings.*** The Franchisor may require the Franchisee to attend an annual meeting or convention to discuss new products and services, sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs, merchandising procedures, and other matters.~~
- ~~l. ***Franchisor Decisions.*** In fulfilling Franchisor's obligations under this Agreement, and in conducting any activities or exercising Franchisor's rights pursuant to this Agreement, Franchisor (and its affiliates) will always have the right: (i) to take into account, as Franchisor sees fit, the effect on, and the interests of, other franchised businesses and systems in which Franchisor has an interest and on Franchisor's activities (and those of its affiliates'); (ii) to share market and product research, and other proprietary and non-proprietary business information, with other franchised businesses and systems in which Franchisor (or its affiliates) have an interest, and/or with Franchisor's affiliates; (iii) to introduce Proprietary Items and non-proprietary items or operational equipment used by the System into other franchised systems in which Franchisor or its affiliates have an interest; and/or (iv) to allocate resources and new developments between and among systems, and/or Franchisor's affiliates, as Franchisor sees fit.~~

2.13. ~~***Licenses.***~~

a. ~~*Proprietary Marks.*~~ The Franchisor licenses to the Franchisee the right to use the "**Natural Life CBD/Kratom/Kava**" trademark and other Proprietary Property.

b. ~~*Signage.*~~ The Franchisor grants a revocable license to use the Signage to the Franchisee. The Franchisee shall clean, maintain, and repair the Signage so that the Signage stays in good condition. No fee need be paid by the Franchisee to the Franchisor in exchange for the license to use the Signage. The Franchisee shall insure the Signage as part of its insurance obligations under Article 9 of the Franchise Agreement, naming the Franchisor as loss payee. Notwithstanding the fact that the Franchisee shall pay the cost of the signage, the Signage is, and at all times remains, the Franchisor's exclusive property. Except as expressly provided in this Agreement, the Franchisee has no, and must not claim that he or she has, any rights in the Signage. Without the Franchisor's prior written consent, the Franchisee must not alter or remove the Signage. If the Franchisor believes that an Event of Default has occurred, without notice to or consent of the Franchisee and without being guilty of trespass or a breach of the peace, it may enter the Premises where the Signage is located and dismantle and remove the Signage.

2.14. ~~*Duties Solely to the Franchisee.*~~ All of the Franchisor's obligations under this Agreement are solely to the Franchisee. No other party may rely on, enforce, or obtain relief for breach of such obligations either directly or by subrogation.

2.15. ~~*The Franchisor's Right to Delegate Duties.*~~ The Franchisor may delegate any or all of its duties under this Agreement to a Designee. To the extent the Franchisor periodically requests, the Franchisee must discharge its duties with respect to such Designee in the same manner that it is otherwise required to do so with the Franchisor.

ARTICLE 3. FEES AND PAYMENTS

3.1. *Types of Fees.*

In consideration of the Franchisor's executing this Agreement, in addition to any other fees that may be required under this Agreement, the Franchisee shall pay the following fees to the Franchisor:

~~*Initial Franchise Fee.*~~ Upon the execution of a Deposit Receipt, the Franchisee has paid to Franchisor an

a. ~~**Initial Franchise Fee**~~ in the amount of ~~\$40,000.00~~. The Initial Franchise Fee is refundable for a period of 30 days from the Franchisor's receipt of the Initial Franchise Fee. At the

~~expiration of such 30 days, or upon the earlier execution of this Agreement, the Initial Franchise Fee is considered fully earned by the Franchisor and is nonrefundable. The Initial Franchise Fee is reduced to \$35,000.00 for the second franchise purchased by Franchisee, and is reduced to \$30,000.00 for the third and subsequent Franchise Agreements that Franchisee enters with Franchisor.~~

~~b. **Royalty Fee.** The Franchisee shall pay a continuing weekly non-refundable Royalty Fee, commencing with the Opening Date, in an amount equal to the greater of Five Percent (5%) of Gross Revenues or Two Hundred Dollars (\$200) per week for the first year; the greater of Five Percent (5%) of Gross Revenues or Two Hundred and Fifty Dollars (\$250) per week for the second year; and the greater of Five Percent (5%) of Gross Revenues or Three Hundred and Fifty Dollars (\$350) per week thereafter. Franchisor reserves the right to require Franchisee to accept only cash less payments from its customers. Regardless of Franchisee's actual Gross Revenues, Franchisee must pay to Franchisor minimum weekly Royalty Fees as follows: (i) from the Opening Date to the first anniversary — \$200.00 per week; (ii) from the first anniversary to the second anniversary — \$250.00 per week; and (iii) from the third anniversary and thereafter — \$350.00 per week.~~

~~c. **Grand Opening.** *You must spend a minimum of \$13,000 on Grand Opening public relations, promotions, advertising and marketing. This amount is paid to us at the same time as the initial franchise fee. We will distribute this to third party vendors on behalf of you as we execute the grand opening marketing efforts. You may not have a grand opening on the same day as another franchisee. We must approve of the grand opening day.*~~

~~d. **Marketing Fund Contributions.** Franchisee is required to pay a continuing weekly Marketing Fund Contribution to the **Natural Life Marketing Fund** in an amount equal to two percent (2%) of the Gross Revenues of the Franchised Business. The Marketing fund is due weekly as provided in Section 3.2 below. The Franchisor has the exclusive right to enforce the obligations of the Franchisee and all other franchisees of the Franchisor who make Marketing funds. Neither the Franchisee nor any other franchisee of the Franchisor who is obligated to make Marketing funds is considered a third party beneficiary with respect to the funds or have any right to enforce any obligation to contribute the funds. The Franchisor reserves the right to increase the Marketing funds paid by the Franchisee so long as such increase is reasonably necessary to provide greater advertising and promotional assistance to the Chain, as the Franchisor determines; and so long as substantially all other~~

~~franchisees and Company Owned Units within the Chain are subject to the same relative percentage increase in their respective Marketing funds.~~

- ~~e. **Technology Fee.** Franchisee shall pay to Franchisor a weekly Technology Fee in amount up to \$40.00 per week, payable at the same time as Royalty Fees and Marketing funds. The Technology Fee will be used by Franchisor to maintain the Franchisee's web page on Franchisor's website, to maintain email addresses for franchisees, as well as to conduct other technology initiatives such as creating an intranet or mobile applications. The Franchisor reserves the right to increase the Technology Fee in accordance with provider fee increases. In addition to the requirements of Section 3.1, Franchisee shall pay all fees, whether to Franchisor or to third party vendor(s), and expenses for technology required by this Agreement for operation of the Franchised Business, including but not limited to, the costs of computer hardware and software and applications, installation costs and regularly recurring fees for software and digital menu displays, Internet access, license fees, help desk fees, and licensing or user based fees.~~
- ~~f. **Secret Shopper Fee.** Franchisee shall pay to Franchisor a Secret Shopper Fee in the amount of up to \$100.00 per month payable on the first day of each month, in advance. Franchisor reserves the right to increase this fee.~~
- ~~g. **Convention Fee.** Franchisee shall pay to Franchisor a Convention Fee of up to \$200.00 per year, per territory to offset Franchisor's cost in hosting an annual franchisee convention. The Convention Fee is due on demand.~~
- ~~h. **Design Fee.** Franchisor reserves the right to charge a Design Fee of \$2,500 to assist with the Store layout and décor if the Premises contain unusual dimensions. The Design Fee is due on demand.~~
- ~~i. **Re-Inspection Fee.** Franchisee shall pay to Franchisor a re-inspection fee of \$400.00 per day plus the out of pocket expenses incurred by Franchisor to confirm that Franchisee has remedied any deficiencies noted in any inspection conducted by Franchisor.~~
- ~~j. **Mentor Fee.** Franchisee must pay to a Mentor \$1,000 per month for the first six months after the Opening Date, payable in arrears. A Mentor is another franchisee or representative of a company owned unit that assists Franchisee in its first six months' of operation by providing a minimum of one hour per week in telephone or other assistance. Franchisor will determine the minimum qualifications for a Mentor. Once Franchisee has sufficient~~

experience in operating its Franchised Business, Franchisee agrees to be a Mentor for another franchisee at least one time every three years at the request of Franchisor.

~~3.2.— **Payment Schedule.**— The Franchisee shall pay the Franchisor the Royalty Fee, Marketing funds, and Technology Fees, together with any required reports, by Wednesday of each week based on Gross Revenues from the prior week ending on the close of business on Friday. All other amounts due to the Franchisor from the Franchisee shall be paid as specified in this Agreement or, if no time is specified, such amounts are due upon receipt of an invoice from the Franchisor. Any payment or report not actually received by the Franchisor on or before the due date is overdue.~~

~~3.3.— **Payment System.**~~

- ~~a.— Upon the Franchisor's request, all required payments by the Franchisee to the Franchisor or to any of its affiliates shall be effectuated by a Payment System using pre-authorized transfers from the Franchisee's operating account through the use of special checks, or electronic fund transfers, or through the use of any other payment system designated by the Franchisor. The Franchisor may process such transfers at the time any payment is due and owing. The Franchisee shall cooperate with the Franchisor in all respects to implement the Payment System within 15 days before the Opening Date. The Franchisee shall cooperate with the Franchisor in maintaining the efficient operation of the Payment System (including depositing all Gross Revenues it receives in its operating account accessed by the Payment System within one Business Day of receipt).~~
- ~~b.— The Franchisee shall give its financial institution instructions in a form provided or approved by the Franchisor and obtain the financial institution's agreement to follow such instructions. The Franchisee shall provide the Franchisor with copies of such instructions and agreement. Without the Franchisor's prior written approval, the financial institution's agreement may not be withdrawn or modified. The Franchisee must also execute such other forms relating to funds transfer as the Franchisor or the financial institution may reasonably request from time to time.~~
- ~~c.— If the Franchisor requests, the Franchisee's financial institution shall send a monthly statement of all activity in the designated account (and such other reports of the activity in the operating account as the Franchisor reasonably requests) to the Franchisor at the same time as it sends such statements to the Franchisee.~~

- ~~d. If the Franchisee maintains other accounts of any type for the Franchised Business, the Franchisee must provide a written description of such accounts to the Franchisor and provide it copies of the monthly statements for all such accounts and the details of all deposits to and withdrawals from them.~~
- ~~e. With respect to the Payment System, the Franchisee shall pay all charges imposed by its financial institution and the Franchisor shall pay all the charges imposed by its financial institution.~~
- ~~f. The Franchisee's obligations to make payments in accordance with this Agreement and any other agreement entered into with the Franchisor or any of its affiliates with respect to the Franchised Business and the rights of the Franchisor and its affiliates, if any, to receive such payments are absolute and unconditional. They are not subject to any abatement, reduction, setoff, defense, counterclaim or recoupment due or alleged to be due to any past, present, or future claims that the Franchisee has or may have against the Franchisor, any of its affiliates, any of its Designees, or against any other person for any reason whatsoever.~~

~~3.4. **Interest on Late Payments; Late Reporting Fee.** Although each failure to pay monies when due is a material breach of this Agreement, to encourage prompt payment and to cover the costs involved in processing late payments, if any payment under this Agreement or any other agreement between the Franchisor and the Franchisee is overdue for any reason, except for the Franchisor's failure to access the Franchisee's operating account when it contained sufficient funds and the Payment System was in effect, the Franchisee shall pay to the Franchisor, on demand, in addition to the overdue amount, interest on such overdue amount from the date it was due until paid equal to the lesser of: (i) 18% per annum; or (ii) the maximum rate of interest permitted by law. In addition to interest on overdue amounts, the Franchisee shall pay a late charge on demand of \$100 for each payment or report that is overdue to cover the Franchisor's administrative costs in dealing with the late payment or report, plus \$100 per week until the payment or report is received by Franchisor. Nothing in this Agreement may be construed to mean that the Franchisee is to pay, or has contracted to pay, any sum in excess of that which may lawfully be charged or contracted for under any applicable law. The parties intend to strictly conform to applicable usury laws. If an amount in excess of such laws is inadvertently collected, it shall be applied to reduce the amounts owed for Royalty Fees, Marketing funds, and Technology Fees.~~

~~3.5. **Application of Payments.** Notwithstanding any designation by the Franchisee, the Franchisor has the sole and absolute discretion to apply any payments made by the Franchisee or effectuated~~

through the Payment System to any past due indebtedness of the Franchisee, including Royalty Fees, Marketing funds, Technology Fees, purchases from the Franchisor or its affiliates, late charges, or any other indebtedness of the Franchisee to the Franchisor or its affiliates in any manner chosen by the Franchisor.

3.6. ~~*Security Interest.*~~ As security for all the Franchisee's monetary and other obligations to the Franchisor or its affiliates, the Franchisee grants to the Franchisor a first priority security interest in all the Franchisee's assets. Such assets include, but are not limited to, all furniture, fixtures, machinery, equipment, inventory, accounts, accounts receivable, and all other property, (tangible or intangible), now owned or later acquired by the Franchisee, used in connection with the Franchised Business, and wheresoever located as well as all contractual and related rights of the Franchisee under this Agreement and all other agreements between the parties. The Franchisee shall execute such financing statements, continuation statements, notices of lien, assignments or other documents as may be required in order to perfect and maintain the Franchisor's security interest. The Franchisor will subordinate its security interest to: (i) the security interest of a reputable institutional lender relating to a loan to the Franchisee for working capital purposes; (ii) the purchase money security interest of an approved equipment vendor for any equipment purchased or leased by the Franchisee and used to operate the Franchised Business; or (iii) the purchase money security interest of a supplier of approved products sold at the Franchised Business. The Franchisee shall pay all filing fees and costs for perfecting the Franchisor's security interest. The Franchisee shall attempt in good faith to obtain a waiver of the landlord's lien rights, or to subordinate the landlord's lien rights to, the security interest of Franchisor.

ARTICLE 4. THE FRANCHISEE'S DUTIES

4.1. ~~*Acquisition of the Site.*~~

a. ~~*Site Approval.*~~ The Franchisee is solely responsible for selecting the site for the Franchised Business. Within 60 days of the Agreement Date and only after obtaining the Franchisor's prior written approval, the Franchisee, at its expense, must complete the acquisition or lease arrangements to acquire or lease the Premises for the Franchised Business in the Reserved Area. The Franchisor may not unreasonably withhold approval of any site that meets its standards for demographic characteristics, traffic patterns, parking, the predominant character of the neighborhood, competition from other businesses providing similar services within the area, the proximity to other businesses and the nature of such businesses, the size, appearance, and other physical characteristics of the site, and any other factors that the

~~Franchisor may consider relevant to approving or disapproving a site. The Franchisor will review site approval submissions on a first in basis. The Franchisor will approve or disapprove a proposed site within 7 business days of receipt by the Franchisor of all materials required. If the Franchisor does not approve the selected site, the Franchisee has 30 days thereafter to submit a new site within the Reserved Area for the Franchisor's approval. If a site, however, has not been approved within 75 days of the Agreement Date, the Franchisor may elect to terminate this Agreement and retain all payments previously made by Franchisee to Franchisor. Franchisee must sign a lease for the Premises and obtain a building permit to construct improvements at the Premises as soon as reasonably practical after approval of the site by Franchisor.~~

- ~~b. **Purchase of the Site.** If the Franchisee intends to purchase the site, it must submit the purchase agreement to the Franchisor for its prior written approval. The Franchisee is solely responsible for securing any necessary acquisition, construction, permanent or other financing of the site and the Premises. Whether the Franchisee purchases or leases the site, it must complete construction within the time frames indicated below.~~
- ~~c. **Lease of the Site.** Any lease or sublease of the Premises must be approved by the Franchisor. Unless its real estate lease contains the provisions contained in the form attached as Attachment "2", the Franchisee must enter an agreement substantially identical to that form with its landlord. Within 15 days of its execution, the Franchisee shall deliver a copy of the signed lease or sublease to the Franchisor. Without the Franchisor's prior written approval, the Franchisee shall not execute or agree to any modification of the lease or sublease that would adversely affect the Franchisor's rights.~~

~~4.2. **Construction Plans and Permits.**~~

- ~~a. The Franchisee shall retain a qualified architect or engineer to prepare a site plan and plans and specifications adapting the Franchisor's standard plans and specifications to the Franchisee's approved location and to applicable laws and lease requirements and restrictions and market conditions. The Franchisee must work with Franchisor's design team in designing the Store and installing the equipment. The Franchisor may, but shall not be required to, recommend architects, engineers and/or contractors for the Franchisee to engage to provide such services. The architect or engineer selected by the Franchisee shall be especially mindful of all zoning, signage, seating capacity, parking requirements and alcoholic beverage licensing and storage requirements. The architect must be approved in writing by the Franchisor. Any material modification to the standard plans and specifications~~

~~must be approved by the Franchisor. Without the Franchisor's further prior written approval, the modified plans and approvals, once approved by the Franchisor, may not thereafter be materially changed or modified. If the Premises have unusual dimensions, Franchisor reserves the right to charge Franchisee a Design Fee of up to \$2,500 to assist in modifying the standard floor plans and décor package to accommodate the unusual dimensions.~~

~~b. The Franchisee shall obtain professional supervision, satisfactory to the Franchisor, over preparing the site layout and plan and over construction of the Premises, and such evidence thereof as the Franchisor may reasonably require. All persons performing construction at the site must be properly licensed and insured.~~

~~e. The Franchisee shall obtain all such permits and certifications as may be required for the lawful construction and operation of the Franchised Business. It must also obtain certifications from all governmental authorities having jurisdiction over the Premises and the Franchised Business that all necessary permits have been obtained and that all requirements for construction and operation have been met, including zoning, access, sign, fire, health, environmental and safety requirements.~~

~~4.3. **Construction Requirements.** Franchisee must commence constructing the Franchised Business as soon as reasonably practical after approval of the site. Within 10 days after commencement, the Franchisee shall provide the Franchisor with written notice of the date it began construction. The Franchisee shall construct the Premises in accordance to the approved plans described in Section 4.2 and the Design Specifications. The Franchisee shall maintain continuous construction of the Premises. Within 150 days of the Agreement Date (exclusive of time lost by reason of strikes, lockouts, fire and other casualties and acts of God), at its sole expense, the Franchisee must complete construction, (including all exterior and interior carpentry, electrical, painting and finishing work, and installation of all approved fixtures, equipment and signs), in accordance with the site plans and Design Specifications. The Franchisor and its representatives may inspect the construction at all reasonable times. Within 20 days after completing construction, the Franchisee must obtain a Certificate of Occupancy. After obtaining the Franchisor's approval for opening, the Franchisee must open the Franchised Business within seven days thereafter. Franchisee must open the Franchised Business to the public within 180 days of the Agreement Date. **With respect to constructing and opening the Franchised Business, time is of the essence.**~~

~~4.4. **Décor Package.** Franchisee must install the décor package, if any, provided to Franchisee by Franchisor. In any event, all décor and finishes must be approved in writing by Franchisor.~~

~~4.5.— *Conditions Precedent to Grand Opening.*— The Franchisee shall not open the Franchised Business for business until:~~

- ~~a.— all of its obligations pursuant to Sections 4.1 through 4.4 are fulfilled;~~
- ~~b.— the Franchisor determines that the Franchised Business has been constructed, furnished, equipped, and decorated in accordance with approved plans and specifications;~~
- ~~c.— the Trainees have completed training to the Franchisor's satisfaction;~~
- ~~d.— the Initial Franchise Fee and all other amounts due to the Franchisor and its affiliates under this Agreement have been paid in full;~~
- ~~e.— the Franchisor has been furnished with certificates of insurance and copies of all insurance policies or such other evidence of insurance coverage as the Franchisor reasonably requests;~~
- ~~f.— The Franchisee has established a merchant account to process credit cards;~~
- ~~g.— the Franchisee has received all permits and licenses necessary to operate the Franchised Business; and~~
- ~~h.— the Franchisor's opening supervisor is available to assist and be present at the grand opening of the Franchised Business.~~

~~The Franchisor's final approval of the opening of the Franchised Business must be in writing. The Franchisor may grant or withhold such approval in its sole discretion. The Franchisee must satisfy all conditions pertaining to opening the Franchised Business and open for business within 180 days after the Agreement Date.~~

~~4.6.— *Use of the Premises.*— The Franchisee shall use the Premises solely for operating the Franchised Business. Except to the extent limited by local law, the Franchisee's lease, or the landlord's rules and regulations, the Franchisee shall keep the Franchised Business open for business and in normal operation for such minimum hours and days as the Franchisor may from time to time prescribe in the Manuals or otherwise in writing. Without obtaining the Franchisor's prior written consent, the Franchisee shall not use nor permit or suffer the use of the Premises for any other purpose or activity.~~

~~4.7.— *Maintenance and Repairs.*~~

- ~~a.— The Franchisee shall maintain the Franchised Business in the highest and most uniform degree of sanitation, repair, appearance, condition and security in the manner set forth in the Manuals. It shall maintain that business as a modern, clean, adequately lighted and~~

~~efficiently operated Franchised Business providing high quality products and services with efficient, courteous, and friendly customer service as the Franchisor may reasonably require. The Franchisee shall make such additions, alterations, repairs and replacements thereto (but no others without the Franchisor's prior written consent) as may be reasonably required for that purpose, including such periodic repainting, changes in appearance, repairs to impaired equipment, and replacement of obsolete signs as the Franchisor may reasonably direct. The Franchisee shall meet and maintain the highest safety and health standards and ratings applicable to the operation of the Franchised Business as the Franchisor may reasonably require. In particular, but not in limitation of the foregoing, Franchisee may be required every 5 years to purchase new or additional equipment, revise or update the décor, replace flooring, wall coverings, and ceiling, and purchase uniforms, signs and other items to meet the Franchisor's then current standards. Franchisee must maintain a sufficient capital reserve for such improvements and modifications.~~

~~b. Franchisor recommends (and may in the future require) the Franchisee to maintain contracts with reputable firms for maintaining the Premises and the machinery and equipment and, if determined by the Franchisor to be appropriate or necessary, for the landscaped areas of the Premises. Contracts for maintaining Premises and the machinery and equipment should provide for the performance of services, including preventative maintenance services. Such contracts must be with reputable, financially responsible firms that: maintain adequate insurance and bonding; have personnel who are factory trained to service equipment of the type in the Premises; and maintain an adequate supply of parts for the machinery, equipment and tools. Upon the Franchisor's request, the Franchisee shall provide the Franchisor with a copy of any contract for maintenance that he or she enters with any outside maintenance firm. If the Franchisee fails to keep such contracts in full force and effect, the Franchisor may do so at the Franchisee's expense.~~

~~4.8. **Operational Requirements.** To ensure that the highest degree of quality and service is uniformly maintained, the Franchisee shall operate the Franchised Business in conformity with such uniform methods, standards and specifications as the Franchisor may from time to time prescribe in the Manuals or otherwise. Without limiting the foregoing, the Franchisee shall:~~

~~a. record all Gross Revenues on the approved P.O.S. System;~~

~~b. utilize a merchant processor approved by Franchisor to process credit cards;~~

- ~~e. comply with the procedures and systems instituted by the Franchisor both now and in the future, including those relating to sales, good business practices, advertising and other obligations and restrictions;~~
- ~~d. maintain in sufficient supply (as the Franchisor may prescribe in the Manuals or otherwise in writing), and use at all times, only such inventory, equipment, materials, advertising methods and formats, and supplies as conform with the Franchisor's standards and specifications, if any, therefor, at all times sufficient to meet the anticipated volume of business, and to refrain from deviating therefrom without the Franchisor's prior written consent;~~
- ~~e. adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct in all dealings with customers, suppliers, employees, independent contractors, the Franchisor, and the public;~~
- ~~f. sell or offer for sale only such approved products and services as meet the Franchisor's uniform standards of quality and quantity, as have been expressly approved for sale in the Manuals or otherwise in writing by the Franchisor at retail to consumers from and through the Franchised Business and must not sell such items for redistribution or resale;~~
- ~~g. sell or offer for sale only products and services that are approved in writing by Franchisor; and without the Franchisor's prior written consent, shall not deviate from the Franchisor's standards and specifications for providing or selling such products and services; and shall discontinue selling and offering for sale any such items as the Franchisor may in its discretion, disapprove in writing at any time;~~
- ~~h. purchase and install, at the Franchisee's expense, all fixtures, furnishings, signs and equipment as the Franchisor may reasonably specify from time to time; and must maintain such equipment in a condition that meets the operational standards and specifications described in the Manuals or otherwise communicated to Franchisee; and, as equipment becomes obsolete or inoperable, must replace the equipment with the types and kinds of equipment as are then approved for use in the Franchised Business. If the Franchisor reasonably determines that additional or replacement equipment is needed because of the addition of new products or methods of service, a change in technology, customer concerns or health or safety considerations, the Franchisee must install the additional equipment or replacement equipment within the reasonable time specified by the Franchisor. The Franchisee shall not install or permit to be installed on or about the Premises (unless~~

~~submitted in writing to the Franchisor prior to purchase and installation and approved in writing by the Franchisor) any products, fixtures, furnishings, signs, cards, vending machines, pinball machines, electronic or video games, lottery ticket terminals, promotional literature, equipment or other items and service concepts not previously specifically approved;~~

- ~~i. promptly pay, when due, all invoices from suppliers and other vendors. Franchisee acknowledges and agrees that Franchisor has the right to collect and retain all manufacturing allowances, marketing allowances, rebates, credits, monies, payments or benefits (collectively, "Allowances") offered by suppliers to Franchisee or Franchisor (or Franchisor's affiliates) based upon Franchisee's purchases of products or services from designated suppliers. These Allowances include those based on System wide purchases of inventory, and other items. Franchisee assigns to Franchisor or its Designee all of Franchisee's right, title and interest in and to any and all such Allowances and authorize Franchisor (or Franchisor's Designee) to collect and retain any or all such Allowances without restriction. In the event any Allowances are forfeited or lost due to the failure of Franchisee to pay invoices from any suppliers or vendors in a timely manner, Franchisee shall, upon request of the Franchisor, pay to the Franchisor the amount so forfeited or lost; and~~
- ~~j. subject to applicable law, offer products and services for sale at prices suggested or imposed by Franchisor. Franchisor may recommend or set maximum prices for services and products offered by Franchisee, which may vary depending on geographic and other market conditions. Franchisee acknowledges that Franchisor has made no guarantee or warranty that offering services or products at any particular price will enhance Franchisee's sales or profits.~~

~~4.9. *P.O.S. System; Software License.*~~

- ~~a. Before commencing to operate the Franchised Business, the Franchisee shall procure and install the P.O.S. System and the Computer System the Franchisor specifies in the Manuals or otherwise in writing. At the Franchisor's request, the Franchisee shall provide any assistance the Franchisor requires to bring the P.O.S. System and Computer System "on-line" with the Franchisor's computer at the Franchisor's headquarters. The Franchisee must continuously maintain an open internet connection with download speeds of a minimum of 50 mbps (megabytes per second), and upload speeds of a minimum of 10 mbps. The Franchisor thereafter has the free and unfettered right to retrieve such data and information~~

~~from the Franchisee's P.O.S. System and Computer System as the Franchisor, in its sole discretion, deems necessary, desirable or appropriate. The Franchisee is exclusively responsible for the telephonic, cable, satellite, or other cost of such retrieval. All of the foregoing items specified to be installed or purchased, or acts specified to be undertaken by the Franchisee, and the delivery of all hardware and software, are at the Franchisee's sole expense. Franchisee shall at all times maintain an active e-mail account and shall check the account at least once each day.~~

~~Computer systems are designed to accommodate a certain maximum amount of data and terminals. As such limits are achieved, and/or as technology and/or software is developed in the future, the Franchisor, at its sole discretion, may require that the Franchisee add memory, ports and other accessories and/or peripheral equipment and/or additional, new, or substitute software to the original P.O.S. System or Computer System purchased by the Franchisee. At a certain point in time it may become necessary for the Franchisee to replace or upgrade the entire P.O.S. System and/or Computer System with a larger system capable of assuming and discharging all the computer related tasks and functions the Franchisor specifies. Computer designs and functions change periodically. Therefore, from time to time, the Franchisor may make substantial modifications to its computer specifications, and may request the Franchisee, at its expense, to comply with those modifications and/or to install entirely different computer systems. To ensure full operational efficiency and communication capability between the Franchisor's computers and those of all Franchised Businesses, the Franchisee shall, at its expense, keep the P.O.S.~~

~~System and Computer System in good maintenance and repair. At the Franchisee's expense, and following the Franchisor's testing and determination that same will prove economically or systematically beneficial to the Franchisee and the Franchisor, the Franchisee must also install such additions, changes, modifications, substitutions and/or replacements to its computer hardware, software, cable, telephone and power lines and other computer related facilities as the Franchisor directs. It shall do so on those dates and within those times specified by the Franchisor in its sole and exclusive discretion, in the Manuals or otherwise. Upon the expiration or sooner termination of this Agreement, all software, disks, tapes and other magnetic storage media Franchisor provides to the Franchisee must be returned to the Franchisor in good condition (reasonable wear and tear excepted). The Franchisee shall delete all software and applications from all memory and storage on any computer it may retain after the termination or expiration of this Agreement. Franchisee acknowledges and understands that computer systems are vulnerable to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders. Franchisor does not guarantee that information or communication systems supplied by Franchisor or its suppliers will not be vulnerable to these problems. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from these problems. Franchisee must also take reasonable steps to verify that Franchisee's suppliers, lenders, landlords, customers, and governmental agencies on which Franchisee relies, are reasonably protected~~

~~b. This may include taking reasonable steps to secure Franchisee's systems, including but not limited to, firewalls, access code protection, anti-virus systems, and use of backup systems.~~

~~All data Franchisee collects, creates, provides, or otherwise develops on its Computer System, whether or not uploaded to Franchisor's system from Franchisee's system, and/or downloaded from Franchisee's system to Franchisor's system, is and will be owned exclusively by Franchisor, and Franchisor will have the right to access, download, and use such data in any manner that Franchisor deems appropriate without compensation to Franchisee~~

- ~~e. All other data that Franchisee creates or collects in connection with the System, and in connection with Franchisee's operation of the Franchised Business (including but not limited to customer and transaction data), is and will be owned exclusively by Franchisor during the term of, and following termination or expiration of, this Agreement. Franchisee agrees to transfer to us all data that Franchisor does not automatically collect upon Franchisor's request. Franchisor hereby licenses use of such data back to Franchisee, at no additional cost, solely for the term of this Agreement and solely for Franchisee's use in connection with operating the Franchised Business under the System. Franchisee acknowledges and agrees that except for the right to use the data under this clause, Franchisee will not develop or have any ownership rights in or to the data. Upon termination, expiration, and/or transfer of this Agreement and/or the Franchised Business, Franchisee agrees to provide Franchisor with all data (in the digital, machine-readable format that Franchisor specifies, and/or printed copies, and/or originals) promptly upon Franchisor's request.~~
- ~~d. Franchisor may periodically specify in the Manual or otherwise in writing the information that Franchisee will collect and maintain on the Computer System installed at the Premises, and Franchisee will provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained. All data pertaining to or derived from the Franchised Business (including, without limitation, data pertaining to or otherwise about Franchised Business customers) is and shall be Franchisor's exclusive property, and Franchisor hereby grants a royalty-free non-exclusive license to Franchisee to use said data during the term of this Agreement. In connection with any use of data in the Franchised Business: (i) Franchisee agrees to comply with all applicable laws pertaining to the privacy of consumers, employees, and transactional information ("Privacy Laws"); (ii) Franchisee also agrees to comply with Franchisor's standards and policies pertaining to Privacy Laws. If there is a conflict between Franchisor's standards and policies pertaining to Privacy Laws and actual applicable law, Franchisee will: (a) comply with the requirements of applicable law; (b) immediately give Franchisor written notice of said conflict; and (c) promptly and fully cooperate with Franchisor and its counsel in determining the most effective way, if any, to meet Franchisor's standards and policies pertaining to Privacy Laws within the bounds of applicable law; (iii) Franchisee agrees not to publish, disseminate, implement, revise, or rescind a data-privacy policy without Franchisor's prior written consent as to said policy.~~
- ~~e. Franchisee acknowledges and agrees that exchanging information with Franchisor by e-mail is an important way to enable quick, effective, and efficient communication, and that~~

~~Franchisor is entitled to rely upon Franchisee's use of e-mail for communicating as part of the economic bargain underlying this Agreement. To facilitate the use of e-mail to exchange information, Franchisee authorizes the transmission of e-mail by Franchisor and its employees, vendors, and affiliates (on matters pertaining to the business contemplated under this Agreement) (together, "Official Senders") to Franchisee during the term of this Agreement. In order to implement the terms of this Section 4.9.e., Franchisor agrees that: (i) Official Senders are authorized to send e-mails to those of Franchisee's employees as Franchisee may occasionally designate for the purpose of communicating with Franchisor; (ii) Franchisee will cause its officers, directors, and employees (as a condition of their employment or position with Franchisee) to give their consent (in an e-mail, electronically, or in a pen and paper writing, as Franchisor may reasonably require) to Official Senders' transmission of e-mails to those persons, and that such persons shall not opt-out, or otherwise ask to no longer receive e-mails, from Official Senders during the time that such person works for or is affiliated with Franchisee; and (iii) Franchisee will not opt-out, or otherwise ask to no longer receive e-mails from Official Senders during the term of this Agreement.~~

~~4.10. **Hiring, Training and Payroll.** The Franchisee shall maintain a competent, conscientious staff and employ such minimum number of employees as are necessary to meet the anticipated volume of business and to achieve the goals of the System. All employees must wear uniforms designated by the Franchisor from time to time. The Franchisee is exclusively responsible for the terms of their employment and compensation and, except for training required under this Agreement, for the proper training of such employees in operating the Franchised Business. The Franchisee is solely responsible for all employment decisions and functions, including those related to hiring, firing, establishing wage and hour requirements, disciplining, supervising and record-keeping. **All employees of Franchisee must sign a non-disclosure agreement in a form approved in writing by Franchisor. The Franchised Business Certified Managers must also sign a covenant not to compete in a form approved in writing by Franchisor.**~~

~~4.11. **Management of the Franchised Business.**~~

~~a. A Franchise Owner must devote a minimum of 25 hours per week to the management of the Franchised Business for the first three months the Franchised Business is open. Thereafter, the Franchise Agreement does not require a Franchise Owner to participate personally in the direct operation of the Franchised Business, although Franchisor encourages and recommends Franchise Owner's active participation.~~

- ~~b. A Franchise Owner or Franchised Business Certified Manager shall devote, on a full-time basis, his or her best efforts to managing and operating the Franchised Business. At all times it is open for business, the Franchised Business requires the Franchised Business Certified Manager's day-to-day supervision. Unless the Franchisor agrees otherwise in writing, before the Manager, or any successor Manager, may manage the Franchised Business, he or she must complete Basic Management Training.~~
- ~~e. If the Franchisor permits the Franchised Business Certified Manager to be an individual other than the Franchise Owner, and such Franchised Business Certified Manager fails to satisfy his or her obligations under Subsection 4.11.b. due to death, disability, termination of employment, or for any other reason, the Franchise Owner shall either satisfy such obligations itself, or retain the services of a Franchised Business Certified Manager of a Company Owned Unit in accordance with Section 2.12.i, until the Franchisee designates a new Franchised Business Certified Manager of the Franchised Business acceptable to the Franchisor who has successfully completed Basic Management Training.~~

~~4.12. *Approved Specifications and Sources of Supply.*~~

- ~~a. *Authorized Specifications and Suppliers.* The Franchisee shall purchase or lease equipment, supplies, inventory, advertising materials, and any other products and services used to operate the Franchised Business solely from manufacturers and suppliers the Franchisor authorizes in writing. The Franchisor may revoke such authorization at any time in writing. Such manufacturers and suppliers shall demonstrate, to the Franchisor's continuing satisfaction, that they possess: the ability to meet the Franchisor's reasonable standards and specifications for such items; and adequate quality controls and capacity to supply the Franchisee's needs promptly and reliably. When considering whether to approve suppliers for the System, the Franchisor may consider any other relevant factors, including, without limitation, any factors relating to the price and quality of the products or services and the reliability of the supplier. The Franchisor may approve a single supplier for any brand and may approve a supplier only as to a certain brand or brands. The Franchisor may concentrate purchases with one or more suppliers to obtain the lowest prices and/or the best advertising support and/or services for any group of Franchised Businesses or Company Owned Units within the Chain. Approval of a supplier may be conditioned on requirements relating to the frequency of delivery, standards of service, including prompt attention to complaints, and concentration of purchases, as set forth above. Such approval may be provisional, pending the Franchisor's further evaluating such supplier. In the future,~~

Franchisor may require that the Franchisee purchase all of its requirements for CBD, Kratom, Kava and related products from the Franchisor or its Designee.

b. ~~*Approval of New Specifications and Suppliers.*~~ If the Franchisee proposes to purchase or lease any equipment, supplies, inventory or other products or services from an unapproved supplier, the Franchisee shall submit to the Franchisor a written request for such approval, or request the supplier itself to do so. As a condition of its approval, the Franchisor may require, that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, at the Franchisor's option, either to the Franchisor or to an independent, certified laboratory the Franchisor designates for testing. The Franchisor is not liable for damage to any sample that may result from the testing process. The Franchisee shall pay a charge not to exceed the reasonable cost of the inspection and the actual cost of the testing, not to exceed \$2,000.00. The Franchisor may, at its option, re-inspect any such approved supplier's facilities and products and continue to sample the products at the supplier's expense and to revoke approval upon the supplier's failure to continue to meet the Franchisor's standards and specifications. The Franchisor may also require as a condition to its approval, that the supplier present satisfactory evidence of insurance, such as product liability insurance, protecting the Franchisor and its franchisees against any and all claims arising from the use of the supplied item(s) within the System.

4.13. ~~*Proprietary Products.*~~ The Franchisor may develop "Proprietary Products" and may continue to develop for use in the System certain additional Proprietary Products. Due to the importance of quality control and uniformity of these products and the significance of such Proprietary Products to the System, it is to the parties' mutual benefit that the Franchisor closely control the production and distribution of the Proprietary Products. Accordingly, the Franchisor may require the Franchisee to purchase from the Franchisor, or from an approved source designated and licensed by the Franchisor, all of the Franchisee's supplies of such Proprietary Products, all in accordance with the requirements of the Franchisor then in effect.

4.14. ~~*Sales of Products and Services to the Franchisee's Affiliates.*~~ With respect to sales of products and services to any of the Franchisee's affiliates, such sales shall be on terms regularly applicable to the Franchisee's nonaffiliated customers, which in all cases shall be arm's length.

4.15. ~~*Credit Cards and Other Methods of Payment.*~~ At all times, so Franchisee may accept customers' credit and debit cards, checks, and other methods of payment, the Franchisee shall maintain credit card relationships with VISA, MasterCard, American Express, and such other credit and debit card issuers or sponsors, check verification services, financial center services,

~~and electronic fund transfer systems as the Franchisor may designate. The Franchisor may require the addition or deletion of credit card relationships and other methods of payment. With respect to Franchisee's acceptance and processing of customer payments by credit and debit cards, Franchisee agrees to do all of the following: (a) maintain, at all times, credit card relationships with the credit and debit card issuers or sponsors, check or credit verification services, financial center services, merchant service providers, and electronic fund transfer systems (together, "Credit Card Vendors") that Franchisor may periodically designate as mandatory. The term "Credit Card Vendors" includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, "Apple Pay" and "Google Wallet"); (b) agree not to use any Credit Card Vendor for which Franchisor has not given prior written approval or as to which Franchisor has revoked its earlier approval; (c) agree to comply with Franchisor's requirements concerning data collection and protection, as specified in Section 4.9 above; (d) comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org), or any successor organization or standards that Franchisor may reasonably specify. Among other things, Franchisee agrees to implement the enhancements, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards; and (e) comply with all the Franchisor's credit card policies, including minimum purchase requirements for a customer's use of a credit card as prescribed in the Manuals. In the future, the Franchisor may require the Franchisee to engage only in cash less transactions with its customers.~~

~~4.16. *Telephones and Answering Service.* The Franchisee shall:~~

- ~~a. continuously maintain the number of operating telephone lines and telephone numbers to be used exclusively by the Franchisee for operating the Franchised Business that the Franchisor prescribes from time to time, as well as maintain, during normal business hours, sufficient staff to handle telephone calls in an efficient and courteous manner;~~
- ~~b. maintain an answering service or automated voice attendant system after normal business hours, utilizing a standard greeting designated by Franchisor from time to time; and~~
- ~~c. continuously maintain an internet connection that permits the Franchisor to monitor accounting and operational information via a modem, as well as to access the security system described below.~~

- 4.17. ~~*Security System.*~~ The Franchisee must install and maintain a security/surveillance system designated or approved by Franchisor with cameras in such locations as the Franchisor designates. The Franchisor must at all times have access to the video stream of all security cameras in and about the Premises via internet connection or other form of electronic "real time" transmission.
- 4.18. ~~*Professional Affiliations.*~~ The Franchisor recommends, but not does not require, the Franchisee to join the local Chamber of Commerce.
- 4.19. ~~*Compliance with Laws, Rules and Regulations.*~~ The Franchisee shall comply with all Federal, state, and local laws, rules and regulations. The Franchisee must timely obtain, maintain, and renew when required any and all permits, certificates, or franchises necessary for the full and proper conduct of the Franchised Business under this Agreement (including qualification to do business; fictitious, trade, or assumed name registration; building and construction permits; occupational licenses; sales tax permits; health and sanitation certifications, permits and ratings; fire clearances and environmental permits). Within two days of the Franchisee's receipt of such items, the Franchisee must forward to the Franchisor copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity in connection with the conduct of the Franchised Business that indicate the Franchisee's material non-compliance with any applicable law, rule or regulation.
- 4.20. ~~*Tax Payments; Contested Assessments.*~~ The Franchisee must promptly pay when due all taxes levied or assessed by any Federal, state or local tax authority. Such taxes include unemployment taxes, withholding taxes, sales taxes, income taxes, tangible commercial personal property taxes, real estate taxes, intangible taxes and any and all other indebtedness incurred by the Franchisee in the conduct of the Franchised Business. The Franchisee must pay to the Franchisor an amount equal to any sales tax, goods and services taxes, gross receipts tax, or similar tax imposed on the Franchisor with respect to any payments to the Franchisor required under this Agreement. It must do so unless the tax is measured by or related to the Franchisor's net income or its corporate status in a state. If Franchisor pays any such tax, the Franchisee must promptly reimburse it for the amount paid. In the event of any bona fide dispute as to liability for taxes assessed or other indebtedness, the Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law. In no event, however, may the Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the Premises or any assets used in connection with the Franchised Business.

~~4.21. *Customer Surveys and Quality Control Programs.*—The Franchisee shall present customers with such evaluation forms as the Franchisor may periodically prescribe. If the Franchisor requests, the Franchisee must participate and/or request its customers to participate in any marketing surveys performed by or on behalf of the Franchisor. The Franchisee must promptly supply Franchisor with a copy of all customer surveys. Furthermore, if requested by Franchisor, Franchisee must place a container, a list, or a scanner on the counter for marketing or other promotional activities. For example, the Franchisee may be required to: (a) place a container on the counter for customers to place their business cards in to be eligible for discounts or promotions; (b) place a list on the counter for customers to record their mobile phone numbers and/or email addresses; or (c) place a scanner on the counter for customers to scan their mobile phone number or email address. All personal information of the customers of Franchisee are the property of Franchisor. Personal information includes a customer's name, address, telephone number, e-mail address, etc. The Franchisee is prohibited from selling, renting, or otherwise disclosing the personal information of its customers without the prior written consent of Franchisor. Franchisor may, from time to time, designate an independent evaluation service to conduct a “mystery shopper,” or similar type, quality control and evaluation program with respect to the Store. Franchisee must participate in such programs as Franchisor requires. If Franchisee receives an unsatisfactory or failing report in connection with any such program, Franchisee must immediately implement any remedial actions Franchisor requires and pay Franchisor all expenses it incurs to have the evaluation service re-evaluate the Franchised Business—as well as all expenses Franchisor may have incurred to inspect the Franchised Business thereafter—together with any costs or expenses incidental thereto that Franchisor incurs.~~

~~4.22. **Inspections.**—The Franchisee shall permit the Franchisor and/or its representatives to enter the Premises, to conduct inspections at any time during normal business hours for announced and unannounced visits. The Franchisee shall cooperate fully with the Franchisor and/or its representatives in such inspections by rendering such assistance as they may reasonably request and by permitting them, at their option, to observe the manner in which the Franchisee is selling products and rendering services, to monitor sales volume, to conduct a physical inventory, to confer with the Franchisee's employees and customers and to remove samples of any products, supplies and materials in amounts reasonably necessary to return to the Franchisor's office for inspection and record keeping. The Franchisor may also submit written questions to Franchisee's employees as part of the inspections. The inspections may be conducted, without prior notice, at any time when the Franchisee or one of its employees is at the Franchised Business. The inspections will be performed in a manner that minimizes interference with~~

~~operating the Franchised Business. Upon notice from the Franchisor, and without limiting the Franchisor's other rights under this Agreement, the Franchisee shall take such steps as may be necessary to immediately correct any deficiencies detected during such inspections. Such steps may include, without limitation, immediately desisting from the further use of any equipment, advertising, materials, products, supplies, or other items that do not conform to the Franchisor's then current requirements. If the Franchisee fails or refuses to correct such deficiencies, the Franchisor may, without any claim to the contrary by the Franchisee, enter the Premises, without being guilty of trespass or any other tort, to make or cause to be made the required corrections. All such corrections are at the Franchisee's expense and the Franchisee must pay them upon demand. The Franchisor may re-inspect the Premises and the Franchised Business to confirm that the Franchisee has made all necessary corrections. In such event, the Franchisee shall pay to the Franchisor a Re-Inspection Fee in an amount equal to the actual travel and related costs incurred in connection with such re-inspection, plus \$400.00 per day for the Franchisor's personnel. The Re-Inspection Fee shall be payable upon demand.~~

~~4.23. *Notices to the Franchisor.*~~

- ~~a. If any of the following events occurs in connection with the Franchised Business or may have an adverse effect on the Franchised Business, within five days of the occurrence thereof, the Franchisee shall notify the Franchisor in writing:~~
- ~~i. the commencement of any action, suit, countersuit, or other proceeding against the Franchisee or any of its employees;~~
 - ~~ii. the receipt of any notice of noncompliance by the Franchisee or any of its employees with any law, rule or regulation; or~~
 - ~~iii. the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality entered against the Franchisee or any of its employees.~~
- ~~b. Within five days of request, the Franchisee shall provide the Franchisor with any information it requests about the progress and outcome of the foregoing events.~~

~~4.24. *Operating Suggestions.* The Franchisee is encouraged to submit suggestions in writing to the Franchisor for improving elements of the System (such as new products, services, equipment, service format, advertising and any other relevant matters). The Franchisor may consider such suggestions when adopting or modifying standards, specifications, and procedures for the System. Any suggestions the Franchisee makes become the Franchisor's exclusive property.~~

~~The Franchisor, however, has no obligation to use such suggestions nor to compensate the Franchisee therefor. Without the Franchisor's prior written consent, the Franchisee may not implement any suggestions inconsistent with its obligations under this Agreement.~~

~~4.25. **Charitable Efforts.** Franchisee acknowledges and agrees that certain associations between Franchisee and/or the Franchised Business and/or the Proprietary Marks and/or the System, on the one hand, and certain political, religious, cultural or other types of groups, organizations, causes, or activities, on the other, however well intentioned and/or legal, may create an unwelcome, unfair, or unpopular association with, and/or an adverse effect on, Franchisor's reputation and/or the good will associated with the Proprietary Marks. Accordingly, Franchisee agrees that it will not, without Franchisor's prior written consent, take any actions that are, or which may be perceived by the public to be, taken in the name of, in connection or association with Franchisee, the Proprietary Marks, the Franchised Business, Franchisor, and/or the System involving the donation of any money, products, services, goods, or other items to, any charitable, political or religious organization, group, or activity.~~

~~4.26. **Minimum Performance Levels.** Franchisee must achieve or exceed the following minimum Gross Revenues ("Minimum Performance Levels"): Commencing on the Opening Date to the first anniversary — \$250,000 in Gross Revenues; from the first anniversary to the second anniversary — \$300,000 in Gross Revenues; and from the third anniversary and thereafter — \$350,000 in Gross Revenues. In the event Franchisee does not meet the Minimum Performance Levels in any year, at Franchisor's option, Franchisor has the right to any or all of the following remedies: (1) to suspend Franchisor's performance obligations under this Franchise Agreement; (2) to terminate the territorial protection granted under Section 1.3 above, in which event Franchisor will have the right to establish and operate, and license or franchise others to establish and operate, a Natural Life Businesses within the Territory; (3) to reduce the size of the Territory for which Franchisee is granted territorial protection under Section 1.3 above; (4) demand payment of 5% of the difference between the Minimum Performance Level and the actual Gross Revenues achieved by Franchisee in the applicable year, payable on demand; or (5) to terminate this Franchise Agreement upon thirty (30) days written notice.~~

~~4.27. **Miscellaneous Obligations.** When the Franchisor substantially satisfies its pre-opening obligations to the Franchisee, the Franchisee within three days of the Franchisor's request shall provide written certification thereof to the Franchisor. The certification must be in the form that the Franchisor reasonably requests. Pre-opening obligations means such of the Franchisor's~~

~~obligations under this Agreement to the Franchisee that the Franchisor shall satisfy before the Opening Date for the Franchised Business.~~

~~4.28. **Guaranty.** If any Franchisee Principal is a married individual and the Principal's spouse has not executed this Agreement, such Principal shall cause his or her spouse to personally execute and bind himself or herself to the terms of a Guaranty, in the form attached as Attachment 6 hereof.~~

~~ARTICLE 5. PROPRIETARY PROPERTY~~

~~5.1. **The Franchisor's Representations Concerning the Proprietary Marks.** With respect to the Proprietary Marks, the Franchisor represents to the Franchisee that:~~

- ~~a. To its knowledge, Franchisor or its affiliate owns all right, title, and interest in and to the Proprietary Marks subject to the rights of senior users, if any;~~
- ~~b. the Franchisor will take all actions it deems reasonably necessary or appropriate to preserve and protect the ownership and validity of such Proprietary Marks.~~

~~5.2. **Franchisee's Use of the Proprietary Property.** The Franchisee may use the Proprietary Property only in accordance with standards and specifications the Franchisor determines from time to time. Without limiting the foregoing:~~

- ~~a. the Franchisee must use the Proprietary Property only in connection with operating the Franchised Business at the Premises;~~
- ~~b. the Franchisee must use the Proprietary Marks as the sole service mark/trademark identifications for the Franchised Business and prominently display the Proprietary Marks on and/or in connection with all materials the Franchisor designates, and only in the manner the Franchisor prescribes;~~
- ~~c. the Franchisee must not use the Proprietary Property as security for any obligation or indebtedness nor in any manner encumber it;~~
- ~~d. the Franchisee must not use the Proprietary Marks as part of its corporate, partnership or other legal name;~~
- ~~e. the Franchisee must comply with the Franchisor's instructions concerning filing and maintaining the requisite fictitious, trade, or assumed name registrations for the **Natural Life CBD/Kratom/Kava** trade name, and execute any documents the Franchisor or its~~

~~counsel deems reasonably necessary to obtain protection for the Proprietary Property and the Franchisor's interest therein;~~

- ~~f. the Franchisee must maintain a suitable sign or graphics package approved by Franchisor at, or near the front of, the Premises, on any pylon sign, building directory or other area, identifying the Premises only as "Natural Life CBD/Kratom/Kava" Store; except to the extent prohibited by local legal restrictions or landlord regulations, such signage must conform in all respects to the Franchisor's requirements;~~
- ~~g. all packaging materials used in connection with the System must bear the Franchisor's Proprietary Marks, as prescribed by the Franchisor; and~~
- ~~h. the Franchisee must exercise caution when using the Franchisor's Proprietary Property to ensure that the Proprietary Property is not jeopardized in any manner.~~

~~5.3. *Infringement by the Franchisee.* Any use of the Proprietary Property not in strict accordance with, or outside the scope of, this Agreement, without the Franchisor's prior written consent, infringes the Franchisor's rights in the Proprietary Property. Both during and after the Term, the Franchisee must not, directly or indirectly, infringe or contest or aid in contesting the validity of, or right of the Franchisor to, the Proprietary Property, or take any other action in derogation of such rights.~~

~~5.4. *Claims Against the Proprietary Property.* In the event of any claim of infringement, unfair competition, or other challenge to the Franchisee's right to use any Proprietary Property, or in the event the Franchisee becomes aware of any use of, or claims to, any Proprietary Property by persons other than the Franchisor or its franchisees, the Franchisee must notify the Franchisor in writing no later than seven days thereafter. Except pursuant to judicial process, the Franchisee must not communicate with anyone except the Franchisor and its counsel in connection with any such infringement, challenge, or claim. The Franchisor has sole discretion as to whether it takes any action in connection with any such infringement, challenge or claim, and the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge or claim relating to any Proprietary Property. Such discretion includes determining whether or not to settle such infringement, challenge, or claim, and on what terms. The Franchisee must sign all instruments and documents, render any assistance, and perform any acts that the Franchisor's attorneys deem necessary or advisable to protect and maintain the Franchisor's interest in any litigation or proceeding related to the Proprietary Property or otherwise to protect and maintain the Franchisor's interests in the Proprietary Property.~~

~~5.5. *The Franchisor's Right to Modify the Proprietary Marks.* If, at any time, in the Franchisor's sole and absolute discretion, it becomes advisable to modify or discontinue the use of any Proprietary Mark and/or use one or more additional or substitute names or marks for reasons including, but not limited to, the rejection of any pending registration or revocation of any existing registration of any of the Proprietary Marks, or the superior rights of senior users—the Franchisee shall do so at its sole expense within 30 days of the Franchisor's request.~~

~~5.6. *The Franchisor's Reservation of Rights.* The license of the Proprietary Marks granted to the Franchisee has limited exclusivity. In addition to the Franchisor's right to use and grant others the right to use the Proprietary Marks outside the Protected Territory, all rights not expressly granted in this Agreement to the Franchisee concerning the Proprietary Marks or other matters are reserved for the Franchisor, including the right to:~~

- ~~a. establish, develop, and license or franchise other systems, different from the System licensed by this Agreement, within or outside the Protected Territory, without offering or providing the Franchisee any rights in, to, or under such other systems; and~~
- ~~b. sell, within or outside the Protected Territory, through dissimilar channels of distribution such as through retail grocery stores, specialty grocery stores, or via the Internet, under any terms that the Franchisor deems appropriate, products and services similar or identical to those authorized for the Franchised Business, using the Proprietary Marks.~~

~~Furthermore, if the Franchisor acquires a Competitive Business or is acquired by a Competitive Business and units of such Competitive Business encroach upon the Franchisee's Protected Territory, the Franchisor will use commercially reasonable efforts to sell the encroaching units without being in default under this Agreement. If the Franchisor is not reasonably able to sell the encroaching units, the units of the Competitive Business shall continue to operate under their former name without Franchisor being in default under this Agreement.~~

~~5.7. *Ownership; Inurement Solely to the Franchisor.* Except as expressly granted in this Agreement, the Franchisee has no ownership or other rights in the Proprietary Property. The Franchisor is the owner or authorized licensee of the Proprietary Property. All good will associated with the Franchised Business inures directly and exclusively to the Franchisor's benefit. Such good will is the Franchisor's exclusive property, except to the extent it results from the profit received from the operation or possible permitted sale of the Franchised Business during the Term. If, in any jurisdiction, the Franchisee secures any rights whatsoever to any Proprietary Mark (or any other Proprietary Property) not expressly granted under this Agreement,~~

~~the Franchisee shall immediately notify the Franchisor and assign all of the Franchisee's right, title and interest to the Proprietary Marks (or any other Proprietary Property) not expressly granted under this Agreement to the Franchisor.~~

**ARTICLE 6.
MANUALS AND OTHER CONFIDENTIAL INFORMATION**

~~6.1. *In General.* To protect the reputation and good will of the Franchisor, and to maintain uniform standards of operation under the Proprietary Marks, the Franchisee shall conduct its Franchised Business in accordance with the Brand Standards Manuals (the "Manuals"). The Manuals are an integral part of this Agreement and have the same force and effect as if fully set forth herein. All right, title and interest in and to all materials, including but not limited to the Manuals and all artwork and designs, created by Franchisor, and used with the Proprietary Marks or in association with the Franchised Business ("Copyrighted Materials") are the property of Franchisor. Additionally, all Copyrighted Materials created by Franchisee or any other persons or entity retained or employed by Franchisee are works made for hire within the meaning of the United States Copyright Act and are the property of Franchisor, who shall be entitled to use and license others to use the Copyrighted Materials unencumbered by moral rights. To the extent the Copyrighted Materials are not works made for hire or rights in the Copyrighted Materials do not automatically accrue to Franchisor, Franchisee irrevocably assigns and agrees to assign to Franchisor, its successors and assigns, the entire right, title, and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights, in such Copyrighted Materials, which Franchisee and the author of such Copyrighted Materials warrant and represent as being created by and wholly original with the author. Where applicable, Franchisee agrees to obtain any other assignments of rights in the Copyrighted Materials from another person or entity necessary to ensure Franchisor's right in the Copyrighted Materials as required by this Section 6.1.~~

~~6.2. *Confidential Use.* At all times, the Franchisee shall treat and maintain the Confidential Information as confidential and trade secrets of the Franchisor. At all times, the Franchisee shall keep the Manuals, and software (which cannot be copied, scanned, or reproduced in whole or in part) password protected. The Franchisee shall strictly limit access to the Confidential Information to its employees, to the extent they have a "need to know" in order to perform their jobs. The Franchisee shall report the theft, loss, destruction, or improper access of the Manuals, or software, or any portion thereof, immediately to the Franchisor. Without the Franchisor's prior written consent, the Franchisee shall not, at any time, copy, record, or otherwise reproduce any~~

~~of the Confidential Information, in whole or in part. All persons to whom the Franchisee grants access to the Manuals or any other Confidential Information, must first be required by the Franchisee to sign the Franchisor's form of confidentiality agreement. The Franchisor's current form of Confidentiality Agreement is attached hereto as Attachment "3". Without limiting the generality of the foregoing, all the Franchisee's owners and employees must sign such a confidentiality agreement prior to acquiring their ownership interest or beginning employment. Promptly after execution of all such confidentiality agreements the Franchisee shall deliver copies thereof to the Franchisor. A breach by Franchisee of the provisions of this Section 6.2 shall be deemed a material breach for which the Franchisor shall be permitted to terminate this Agreement immediately without any opportunity to cure.~~

~~6.3. **Periodic Revisions.** The Franchisor may periodically revise and change the contents of the Manuals. Beginning on the 30th day (or such longer time as specified by the Franchisor) after delivery of written notice from the Franchisor, the Franchisee shall comply with each new or changed provision. Revisions to the Manuals must be based on what the Franchisor, in its sole discretion, deems in the best interests of the System, including promoting quality, enhancing good will, increasing efficiency, decreasing administrative burdens, or improving profitability of the Franchisor or its franchisees. Because complete and detailed uniformity under many varying conditions may not be possible or practical, the Franchisor may, in its sole discretion and as it may deem in the best interests of all concerned in any specific instance, vary standards for any franchisee based upon the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices, or any condition that the Franchisor deems important to the successful operation of such franchisee's franchised business. The Franchisee is not entitled to require the Franchisor to grant to the Franchisee a like or similar variation under this Agreement. The Franchisee shall at all times ensure that its copy of the Manuals contains all updates the Franchisor delivers. In the event of any dispute as to the contents of the Manuals, the terms contained in the Master Copy of each of the Manuals the Franchisor maintains at the Franchisor's home office are controlling.~~

~~6.4. **Prior Information.** All Confidential Information received before the Agreement Date was unknown to the Franchisee except through disclosure by the Franchisor in connection with the grant of a Franchise. The marketing practices and operating procedures developed by the Franchisor and franchised to the Franchisee for operating the Franchised Business are important for the success of the System. To the extent the Franchisee receives any Confidential Information after the execution of this Agreement, and, within 30 days thereafter, the Franchisee does not~~

~~object in writing to the Franchisor that any or all of the information comprising the Confidential Information should not be considered Confidential Information, then the Franchisee is deemed to have irrevocably waived its right to make any such objection. The Franchisee acknowledges that the foregoing representations and warranties in this Section are a material inducement to the Franchisor to enter into this Agreement, and any breach thereof is a material breach of this Agreement.~~

**ARTICLE 7.
ADVERTISING**

~~7.1.—*Local Advertising by the Franchisee.*~~

- ~~a.— The Franchisee is responsible for the cost and placement of advertising to promote the Franchised Business. The Franchisee must spend a minimum of Two Thousand Dollars (\$2,000) for the first six months after opening and then Seven Hundred and Fifty Dollars (\$750) per month on local advertising and marketing thereafter.. The Franchisee must submit all materials to be used for Local Advertising to the Franchisor for its prior approval, unless they have already been approved or consist solely of materials provided by the Franchisor. If, within 7 business days from the date the Franchisor receives such submitted materials, the Franchisee does not receive the Franchisor's written approval thereof, they are considered disapproved. All materials on which the Proprietary Marks are used shall include the applicable designation service mark SM, trademark TM, registered [®], copyright [©], or such other designation as the Franchisor may specify. If, in the Franchisor's judgment, such materials or advertising may injure or harm the System, the Franchisor may require the Franchisee to withdraw and/or discontinue the use of any promotional materials or advertising, even if previously approved. Any notice to withdraw and/or discontinue use of promotional materials or advertising must be in writing. Within five days after delivery of such notice, the Franchisee shall have withdrawn and discontinued use of the relevant promotional materials and advertising. Submitting advertising to the Franchisor for approval does not affect the Franchisee's right to determine the prices at which the Franchisee sells its products or services. Franchisor reserves the right to collect some or all of Franchisee's Local Advertising expenditure and implement Local Advertising on Franchisee's behalf.~~
- ~~b.— Subject to any legal restrictions, the Franchisor may require the Franchisee to include in all advertisements and promotions, as well as in a sign conspicuously placed within the Premises, a QR Code, and substantially the following statement: "Franchise Opportunities Available." All responses must be immediately referred to the Franchisor at 800-653-5897,~~

~~or Dallas@NaturalLifeFranchise.com, or any other number or email address the Franchisor designates, and include the Franchisor's corporate address. The Franchisee has no authority to act on the Franchisor's behalf with respect to franchise sales.~~

~~e. Subject to any legal restrictions, the Franchisee must honor all loyalty cards, gift cards and promotional offers that are implemented by the Franchisor for the System.~~

~~7.2. **Grand Opening Advertising, Marketing and Promotion.** Sometime during the 30 days before opening and the 30 days after the opening of the Franchised Business, the Franchisee must spend a minimum of \$13,000 on grand opening advertising, marketing, and promotions in a manner approved by Franchisor. We will collect this amount from you and you must submit your grand opening budget to us to approve. We will reimburse all of your approved Grand Opening expenses from this amount. We reserve the right to implement grand opening campaign activities on your behalf. You may not have a grand opening on the same day as another franchisee. We must approve of the grand opening day.~~

~~7.3. **Marketing Fund.**~~

~~a. The Franchisor has created, or intends to create, a special fund called the “**Natural Life Marketing Fund**” (the “Marketing Fund”). The Marketing Fund is for the benefit of all franchisees and Company Owned Units that contribute to the Marketing Fund. The Franchisor has the exclusive right to maintain, operate, and administer the Marketing Fund.~~

~~b. The Franchisor will deposit the Marketing funds into the Marketing Fund. The Franchisor may use the Marketing funds to meet the costs of conducting regional and/or national advertising and promotional activities (including the cost of advertising campaigns, test marketing, marketing surveys, public relations activities, and marketing materials) that the Franchisor considers beneficial to the System. The Franchisor may charge the Marketing Fund fees at reasonable market rates for advertising, marketing, and promotional services that the Franchisor itself actually provides in lieu of engaging third party agencies to provide such services.~~

~~e. In its sole discretion, the Franchisor may make, or refrain from making, any such expenditures for advertising and promotional activities. Without limiting the generality of the foregoing, in any calendar year, the Franchisor may spend more or less than that year's aggregate Marketing funds to the Marketing Fund. The Franchisor may have the Marketing Fund borrow from the Franchisor or other lenders to cover any Marketing Fund deficits. The Franchisor may have the Marketing Fund invest any surplus for the Marketing Fund's future~~

~~use. Before the Marketing Fund's other assets may be expended, any interest earned on Marketing Fund Marketing funds shall be used to pay costs directly related to the Marketing Fund's advertising efforts.~~

~~d. We will prepare an annual statement of the operations of the Fund that will be made available to you if you submit a written request for it. We are not required to have the Fund statements audited.~~

~~7.4. **Content and Concepts.** The Franchisor will consider suggestions from the Franchise Advisory Council with respect to marketing concepts and materials, and expenditures from the Marketing Fund. However, the Franchisor retains sole discretion over the concepts and materials and all other matters relating to advertising, public relations, marketing, market research, and promotional campaigns. The Franchisor, however, may spend the Marketing funds only for the purposes authorized in this Agreement. The Marketing funds are intended to maximize general public recognition and acceptance of the Proprietary Marks for the benefit of the System as a whole. In administering the Marketing Fund, the Franchisor need not make expenditures for the Franchisee that are equivalent or proportionate to its Marketing funds or to insure that any particular franchisee benefits directly or pro rata from advertising or promotion conducted in connection with the Marketing funds.~~

~~7.5. **Marketing funds Not an Asset.** The Marketing funds are not, and will never become, an asset of the Franchisor. Upon Franchisee's request, Franchisor will provide Franchisee with a report or spreadsheet showing the receipts and expenditures of the Marketing Fund during the prior year. With respect to the maintaining, operating, or administering the Marketing Fund, except as expressly provided in this ARTICLE, the Franchisor assumes no other direct or indirect liability or obligation to the Franchisee. The Marketing Fund and its earnings shall not otherwise inure to our benefit except that any resulting technology and intellectual property shall be deemed our property.~~

~~7.6. **Terminating Expenditures.** At any time, the Franchisor may stop collecting and disbursing Marketing funds and terminate the Marketing Fund. If it does so, the Franchisor shall disburse the remaining funds for the purposes authorized under this Agreement.~~

~~7.7. **The Franchisor's Marketing funds.** Company Owned Units shall contribute to the Marketing Fund on the same basis as franchisees.~~

~~7.8. **Market Co-Op.** Franchisor reserves the right to designate any geographical area for purposes of establishing a cooperative market marketing fund ("Market Co-op Fund"). If a Market Co-op~~

~~Fund for the geographic area in which the Franchised Business is located has been established before the Opening Date, Franchisee will immediately become a member of such Market Co-op Fund. If a Market Co-op Fund for the geographic area in which the Franchised Business is located is established during the term of this Agreement, Franchisee will become a member of that Market Co-op Fund within thirty (30) days after the date on which the Market Co-op Fund commences operation. (However, Franchisee will not be required under any circumstances to be a member of more than one Market Co-op Fund.) The following provisions shall apply to each Market Co-op Fund:~~

- ~~A. Each Market Co-op Fund shall be organized (including but not limited to bylaws and other organic documents) and governed in a form and manner, and shall commence operations on a date, which Franchisor must have approved in advance in writing. The activities carried on by each Market Co-op Fund shall be decided by a majority vote of its members. Any Franchised Business that Franchisor operates in the region shall have the same voting rights as Franchised Businesses owned by franchisees. Each Franchised Business owner shall be entitled to cast one (1) vote for each Franchised Business owned.~~
- ~~B. Each Market Co-op Fund shall be organized for the exclusive purpose of administering regional marketing programs and developing, subject to Franchisor's approval, standardized promotional materials for use by the members in local marketing and promotion.~~
- ~~C. No advertising, marketing, or promotional plans or materials may be used by a Market Co-op Fund or furnished to its members without Franchisor's prior written approval.~~
- ~~D. Franchisee agrees to make its required contribution to a Market Co-op Fund pursuant to the allocation that Franchisor specifies.~~
- ~~E. Although each Market Co-op Fund is intended to be of perpetual duration, Franchisor maintains the right to terminate any Market Co-op Fund. A Market Co-op Fund shall not be terminated, however, until all monies in that Market Co-op Fund have been expended for marketing and/or promotional purposes.~~

~~7.9. **Internet Advertising Prohibition.** Without the Franchisor's prior written consent, Franchisee must not operate or advertise, market, or otherwise promote the Franchised Business on the Internet. Nor may the Franchisee register any domain name containing the words "**Natural Life**", "**Natural Life CBD/Kratom/Kava**" or any variation thereof, or establish, operate, or participate in a Web site on which such words appear. With respect to any aspect of the System,~~

~~Chain, or Franchised Business (including, without limitation, the use of the Proprietary Marks); Franchisor retains the sole right to advertise on the Internet, create or operate a Web site or sites, and use Natural Life or Natural Life CBD/Kratom/Kava as part of any domain name. Franchisor exclusively owns all rights in such domain names and such other domain names as Franchisor designates in the Manuals. Provided Franchisee is not in default hereunder or under any other obligation of Franchisee to Franchisor or its affiliates, Franchisor will list Franchisee's Franchised Business on the Franchisor's web site. Franchisor has the right, but not the obligation, to establish and maintain a Web Site (which may promote the Marks and/or the System, or serve as an intranet, extranet, or other means of electronic communication within the System). Franchisor will have the sole right to control all aspects of the Web Site, including its design, content, functionality, links to other websites, legal notices, and policies and terms of usage. Franchisor will also have the right to discontinue operation of the Web Site at any time without notice to Franchisee. Except as Franchisor otherwise approves in advance in writing, Franchisee must not establish or maintain a separate Web Site, or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with the Franchised Business. If Franchisor grants this approval, Franchisee must establish and operate the Web Site strictly in accordance with Franchisor's standards and policies provided to Franchisee in the Manuals or otherwise in writing.~~

~~7.10.—~~

~~Social Media. All social media platforms using the Natural Life brand name will be solely operated by Natural Life Corporation. Stores, company owned or franchisee owned will not be provided with this privilege. This is to protect the brand image as well as our investor's and franchisee's investment. This includes any sites using the Natural Life/Shop Natural Life name (Or any other iteration using the verbiage Natural Life) as part of a domain name associated with any social media platform. There will be provisions made for local store events and Grand Openings as determined by Natural Life Corporation. (Any modification to this must be approved by Natural Life Corporation).~~

~~**ARTICLE 8.
ACCOUNTING AND RECORDS**~~

~~8.1.—Books and Records. The Franchisee shall maintain complete and accurate books and records for the Franchised Business's operations. Such books and records must not contain information not relating to the Franchise. They shall be preserved for at least six years (including the period after this Agreement expires or is sooner terminated) from the dates they were prepared.~~

~~8.2. **Reports and Statements.** By Wednesday of each week during the Term, the Franchisee shall submit to the Franchisor accurate records reflecting the entire Gross Revenues for the preceding week (ending on Sunday night) and such other information as the Franchisor requires from time-to-time. Such records must be in the form the Franchisor prescribes. Within 30 days of the end of each calendar month during the Term, the Franchisee must also submit a balance sheet and income statement prepared in accordance with generally accepted accounting principles (“GAAP”) consistently applied. Within 90 days of the end of its fiscal year, the Franchisee must also submit a balance sheet and income statement prepared in accordance with GAAP consistently applied. Each annual statement shall be signed by the Franchisee or by the Franchisee's treasurer or chief financial officer attesting that the financial statements are true and correct and fairly present the Franchisee’s financial position as at and for the times indicated. When it files such returns with the appropriate tax authorities, the Franchisee shall also provide the Franchisor with copies of its monthly sales tax returns along with proof of payment, bi-weekly payroll returns with proof of payments, as well as Federal and state income tax returns. The financial statements and/or other periodic reports described above shall segregate the Franchised Business’s income and related expenses from those of any other business that the Franchisee may conduct. Franchisee hereby authorize Franchisor to disclose the financial statements, reports, and operating data to prospective franchisees, regulatory agencies, and others at Franchisor’s discretion.~~

Review and

~~8.3. **Audit by the Franchisor.** At all reasonable times and at the Franchisor's expense, the Franchisor and its representatives may examine and copy the Franchisee’s books and records, as well as inspect all cash control devices and systems and conduct a physical inventory. At any time, the Franchisor may access the Franchisee's P.O.S. System to determine, among other things, sales activity and Gross Revenues. At any time, the Franchisor may also have an independent audit made of the Franchisee’s books and records. Franchisee must fully cooperate with Franchisor’s representatives and independent accountants hired by Franchisors to conduct any such inspection or audit. In the event any such inspection or audit shall disclose an understatement of Gross Revenues, Franchisee shall pay to Franchisor, immediately after receipt of the inspection or audit report, any Royalty Fee, Marketing fund, or Technology Fee due on the amount of such understatement, plus interest at the rate of 18% per annum or the highest rate permitted by law, whichever is less from the date originally due until the date of payment. Further, in the event such inspection or audit is made necessary by Franchisee’s failure to furnish reports, supporting records or other information, as required in this Agreement, or to furnish such~~

~~reports, records or information on a timely basis, or if an understatement of Gross Revenues for the period of any audit (which shall not be for less than three (3) months) is determined by any such audit or inspection to be greater than two percent (2%), Franchisee shall reimburse Franchisor for the cost of such audit or inspection, including, without limitation, the charges of any independent accountants and the travel expenses, room and board and compensation of Franchisor's employees. The foregoing remedies shall be in addition to all of Franchisor's other remedies and rights under this Agreement or applicable law.~~

**~~ARTICLE 9.
INSURANCE~~**

~~9.1. *Types and Amounts of Coverage.* Throughout the entire Term, the Franchisee must maintain such types of insurance in such amounts as the Franchisor may require. Such insurance is in addition to any other insurance that may be required by applicable law, the Franchisee's landlord, or otherwise. Such policies that the Franchisor requires must be written by an insurance company reasonably satisfactory to the Franchisor with a Best rating of "A " or better. At a minimum, such policies include, the following:~~

- ~~a. commercial general liability insurance, product liability, advertising liability, completed operations and independent contractors coverage in the amount of \$1,000,000 per occurrence for bodily injury and property damage combined with a general aggregate of \$2,000,000, and naming the Franchisor as an additional named insured in each such policy or policies;~~
- ~~b. workers' compensation coverage and employer's liability insurance in the minimum amount of \$1,000,000.00, or as otherwise legally required, as well as such other insurance as may be required by statute or rule of the state in which the Franchised Business is located;~~
- ~~c. property insurance on special form, plus flood (if in a special flood hazard area), of not less than the full replacement value of the supplies, furniture, fixtures, equipment, machinery and inventory having a deductible acceptable to Franchisor, as well as business interruption insurance in the minimum amount of \$100,000 to cover the ongoing revenue generated by the Store for a minimum of four months;~~
- ~~d. automobile liability insurance including coverage of vehicles hired and not owned by the Franchisee, but used by employees or subcontractors in connection with the Franchised Business with a combination of primary and excess limits of not less than \$1,000,000;~~

~~e. product liability insurance with limits of not less than \$1,000,000 per occurrence and \$1,000,000 in the aggregate. The product liability insurance may not contain a “health hazard exclusion”, or a “vape exclusion”;~~

~~You must maintain minimum insurance coverage prior to occupying leased space (See Article 9 of Franchise Agreement). The cost of this insurance will vary based on many factors and may be paid in a lump sum annually, quarterly and sometimes monthly~~

~~f. We estimate the annual insurance premiums for standard units to be approximately \$3,000 to \$4,000 per store per year.~~

~~g. Product withdraw coverage of \$250,000;~~

~~h. Business Personal Property \$100,000~~

~~i. Business Income /interruption insurance with coverage of \$100,000;~~

~~j. commercial excess liability or umbrella to include commercial general liability, workers compensation, employer liability, automobile liability, with limits of not less than \$2 million; and~~

~~k. such other insurance, in such amounts, as the Franchisor reasonably requires for its own and the Franchisee's protection.~~

~~At any time, the Franchisor may adjust the amounts of coverage required under such insurance policies and require different or additional kinds of insurance, including excess liability insurance. It may do so to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Franchisor, however, may make such changes to the required insurance only if they are effectuated throughout the entire System, including any Company Owned Units.~~

Evidence of

~~9.2. **Insurance.** No later than the earliest of the dates set forth below, an approved insurance company must issue a certificate of insurance showing compliance with the insurance requirements in this ARTICLE and the Franchisee must furnish the Franchisor with a paid receipt showing the certificate number:~~

~~a. 30 days before beginning construction of the Premises;~~

~~b. if the Premises are constructed and presently owned or leased by the Franchisee, 10 days from the Agreement Date; or~~

~~e. if the Premises are not presently owned or leased, 10 days after ownership of the Premises is conveyed to the Franchisee or a lease of the Premises is signed.~~

~~The certificate of insurance shall include a statement by the insurer that the policy or policies shall not be canceled, subject to non-renewal, or materially altered without at least 30 days' prior written notice to the Franchisor. Upon the Franchisor's request, the Franchisee shall supply it with copies of all insurance policies and proof of payment. Every year, the Franchisee shall send current certificates of insurance and copies of all insurance policies to the Franchisor. Franchisor must be named as an additional insured on all insurance policies referred to in this Section 9.~~

~~9.3. **Requirements for Construction and Renovation.** In connection with any construction, renovation, refurbishment, or remodeling of the Premises, the Franchisee shall cause the general contractor to maintain commercial general liability insurance (with comprehensive automobile liability coverage for both owned and non-owned vehicles, builder's risk, completed operations, and independent contractors coverage) with a reputable insurer. Such liability insurance must be in the amount of at least \$1,000,000, and must name the Franchisor and the Franchisee as an additional insured, as their interests may appear. The Franchisee shall also cause the general contractor to maintain workers' compensation and employer's liability insurance as may be required by law.~~

~~9.4. **Waiver of Subrogation.** To the extent this Section may be effective without invalidating, or making it impossible to secure, insurance coverage from responsible insurance companies doing business in the state in which the Franchised Business is located (even though an extra premium may result), with respect to any loss covered by insurance the Franchisor and Franchisee then carry, neither party's insurance companies have any right of subrogation against those of the other.~~

~~9.5. **Effect of the Franchisor's Insurance.** The insurance maintained by the Franchisor does not in any way limit or affect the Franchisee's obligation to obtain and maintain the foregoing policy or policies in the amounts specified in this Article. Nor does the Franchisor's performance of the Franchisee's obligations relieve the Franchisee of liability under the indemnity provisions set forth in this Agreement.~~

~~9.6. **The Franchisee's Failure to Maintain Insurance.** If, for any reason, the Franchisee fails to procure or maintain the insurance required by this Agreement (as revised from time to time by the Franchisor) within 3 days of written demand therefor by the Franchisor, the Franchisor has the right (but not the duty) to immediately procure such insurance. If it does so, the Franchisor~~

may charge the cost of such insurance to the Franchisee, plus an administrative fee of 10% of the premium, plus interest at the maximum rate permitted by law. Upon demand, the Franchisee shall immediately pay the Franchisor such charges. Nothing herein shall obligate Franchisor to obtain insurance on behalf of Franchisee, and the failure of Franchisee to obtain and maintain insurance as required herein shall be deemed a material default by Franchisee hereunder for which Franchisor reserves the right to terminate this Agreement.

**ARTICLE 10.
THE FRANCHISE ADVISORY COUNCIL**

- 10.1. ~~*The Franchisor's Right to Create the Franchise Advisory Council.*~~ In its sole discretion, at any time in the future, the Franchisor may create a Franchise Advisory Council and subcouncils (collectively, the "Advisory Council"). The Advisory Council, if any, will be established and operated according to rules and regulations the Franchisor periodically approves. Its purpose will be to serve as an advisory council to the Franchisor with respect to advertising, marketing, operations, new product and services suggestions, and other matters relating to the System.
- 10.2. ~~*The Franchisee's Membership in the Franchise Advisory Council.*~~ Upon the creation of the Advisory Council, as long as the Franchised Business remains operating in accordance with the terms of this Agreement, the Franchisee will be a member thereof. As such, the Franchisee enjoys full voting rights and privileges in the Advisory Council. The Franchisor and all other Company Owned Units and franchisees of the System in good standing will also be members of the Advisory Council. Each member of the Advisory Council is entitled to one vote per Franchised Business or Company Owned Unit it owns and operates on all matters on which members are authorized to vote under the Bylaws of the Advisory Council.

**ARTICLE 11.
TRANSFER OF INTEREST**

- 11.1. ~~*Transfer by the Franchisor.*~~ Without the Franchisee's consent, the Franchisor has the absolute right to transfer or delegate any or all of its rights or obligations under this Agreement to any person. If the Franchisor's transferee or delegatee assumes the Franchisor's obligations under this Agreement, within seven days of the Franchisor's delivery of written notice thereof, the Franchisee shall execute and deliver to the Franchisor a release of the Franchisor. Such release, however, may not release the Franchisor from any liabilities from which it may not be released under any applicable state law. Without the Franchisee's consent, the Franchisor may also transfer its stock, engage in public and private securities offerings, merge, consolidate, reorganize, acquire other businesses (including Competing Businesses, subject to Section 5.6),

~~sell all or substantially all of its assets, borrow money (with or without providing collateral), and otherwise deal in its assets or operate its business.~~

~~11.2. *Transfer by the Franchisee.*~~

~~a. *Personal Rights.*—The rights and duties set forth in this Agreement are personal to the Franchisee. The Franchisor grants the Franchise in reliance on the Franchisee's business and personal skill, reputation, aptitude, and financial capacity. Accordingly, unless otherwise expressly permitted by this Agreement, without the Franchisor's prior written consent, the Franchisee may not sell, assign, convey, or otherwise dispose of—voluntarily, involuntarily, directly or indirectly, by operation of law or otherwise—any direct or indirect interest in this Agreement. (For the purposes of this ARTICLE 11, the term “transfer” refers to any of the preceding actions.). The Franchisor will not unreasonably withhold its consent to any transfer provided Franchisee and its transferee comply with the provisions of this Section 11.2. The Franchisor's prior written consent is not required for:~~

~~i. a transfer of this Agreement by an individual Franchisee to its wholly owned corporation or limited liability company—but the majority of all voting and ownership interests in that corporation or limited liability company must at all times be, and remain, owned by such individual Franchisee, and all owners will remain personally liable for all obligations of Franchisee hereunder—no Transfer Fee is charged in such event;~~

~~ii. a transfer of less than a 5% interest in a publicly held corporation; or~~

~~iii. a transfer of all or any part of any interest in the Franchisee to one of the other original shareholders or partners (or members if a limited liability company) of the Franchisee.~~

~~A transfer of 25% or more of the voting or ownership interests in a corporate or partnership (or limited liability company) Franchisee—individually or in the aggregate, directly or indirectly—is considered a transfer of an interest in this Agreement by the Franchisee. Any purported or attempted transfer by the Franchisee—by operation of law or otherwise in violation of this Agreement—is null and void, as well as a material breach of this Agreement.~~

~~b. *No Encumbrance.*—The Franchisee may not create, permit, or suffer a lien against, nor pledge, mortgage, hypothecate, grant a security interest in, or in any manner encumber this Agreement or 25% or more of its other assets or the voting or ownership interests in the Franchisee (or in any owner of the Franchisee).~~

- ~~e. **"For Sale" Restrictions.**—The Franchisee may not place a "Business For Sale," "For Sale" sign, or any sign of a similar nature or purpose upon the Premises. Nor may the Franchisee use the Proprietary Marks to advertise the sale of the Franchise or the sale or lease of the Premises. These prohibitions apply to any activities conducted under any listing agreement that the Franchisee may enter with a real estate or business broker.~~
- ~~d. **Permitted Transfer.**—Unless the Franchisee satisfies all the following conditions—any of which the Franchisor, in its sole discretion, may waive—the Franchisor need not consent to a transfer of any interest in this Agreement:~~
- ~~i. the Franchisor has not exercised its right of first refusal;~~
 - ~~ii. all the Franchisee's accrued monetary obligations and all other outstanding obligations to the Franchisor—and all of the Franchisee's trade creditors have been satisfied;~~
 - ~~iii. the Franchisee has not defaulted under any provision of this Agreement or any other agreement between the Franchisee and the Franchisor or its affiliates;~~
 - ~~iv. the Franchisee has executed a general release of all claims against the Franchisor, its affiliates, and their respective officers, directors, shareholders, representatives, agents and employees (in their corporate and individual capacities), substantially in the form of General Release attached hereto as Attachment "4", except for liabilities from which the Franchisor may not be released under any applicable state law;~~
 - ~~v. the transferee has executed the standard form of Franchise Agreement then offered to new franchisees and such other ancillary agreements as the Franchisor may require for the Franchised Business; the terms of such agreements may differ from those of this Agreement—such differing terms may include a smaller Protected Territory, higher Royalty Fee, and/or Marketing funds—the transferee, however, need only pay a Transfer Fee of \$10,000.00;~~
 - ~~vi. the transferee has been interviewed at the Franchisor's principal office, without expense to the latter, and has demonstrated to the Franchisor's satisfaction that the transferee has the business and personal skills, reputation, and financial capacity the Franchisor requires;~~
 - ~~vii. the transferee has satisfactorily completed the Franchisor's application procedures for new franchisees;~~

- ~~viii. the transferee, at its expense and within the time the Franchisor reasonably specifies, has renovated the Franchised Business to conform to the Trade Dress and operating and/or design concepts then used in the System;~~
- ~~ix. the transferee has demonstrated to the Franchisor's sole satisfaction that he or she has properly assumed, and will be able to comply with, all of its obligations in connection with the Franchised Business—if the Premises are leased, the foregoing includes the transferee assuming the lease; notwithstanding such assumption, the Franchisee remains liable for all obligations to the Franchisor in connection with the Franchised Business arising before the effective date of the transfer; the Franchisee must execute all instruments the Franchisor reasonably requests to evidence such liabilities;~~
- ~~x. at the transferee's expense, upon such terms and conditions as the Franchisor may reasonably require, the transferee or transferee's Franchised Business Certified Manager has completed the Basic Management Training program then in effect for new franchisees;~~
- ~~xi. the Franchisor is reasonably satisfied that the proposed sale terms and other factors involved in the transfer do not materially impair the transferee's ability to assume and carry out its obligations effectively. The Franchisor, however, has no duty to consider such factors; and~~
- ~~xii. the Franchisee timely satisfies any other conditions the Franchisor reasonably imposes.~~

~~The Franchisor's approval of a proposed transfer is not an expression of its opinion concerning the appropriateness or fairness of the terms of the transfer or the likelihood of the transferee's success. If the Franchisor disapproves of the transfer because all the transfer conditions contained in this Section or elsewhere in this Agreement have not been satisfied, it has no liability of any nature to the Franchisee or the transferee in connection therewith.~~

~~The Franchisor's consent to a transfer does not constitute a waiver of any claims it may have against the Franchisee. Nor does it constitute a waiver of the Franchisor's right to demand the transferee's exact compliance with all the terms of this Agreement. Without limiting the foregoing, even if the Franchisor approves the transfer, no transfer relieves the Franchisee of liability for its conduct prior to the transfer, including conduct in breach of this Agreement.~~

~~11.3.—*Death or Permanent Disability.*~~

- ~~a.— The grant of rights under this Agreement is personal to Franchisee, and on the death or permanent disability of Franchisee or any of Franchisee's Principals, the executor, administrator, conservator or other personal representative of Franchisee or Principal, as the case may be, shall be required to transfer Franchisee's or Principal's interest in this Agreement within six (6) months from the date of death or permanent disability to a third party approved by Franchisor. Failure to transfer in accordance with the forgoing will constitute a material default and the Franchise granted by this Agreement will terminate. A transfer under this Section 11.3, including without limitation, transfer by devise or inheritance, is subject to the conditions for Transfers in this Article 11 and unless transferred by gift, devise, or inheritance, subject to the terms of Section 11.2 above. For purposes of this Agreement, the term "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent such person from providing continuous and material supervision of the operation of Franchisee's Franchised Business during the six (6)-month period from its onset.~~
- ~~b.— Immediately after the death or permanent disability of such person, or while the Franchise is owned by an executor, administrator, guardian, personal representative or trustee of that person, the Franchised Business shall be supervised by an interim successor manager satisfactory to Franchisor, or Franchisor, in its sole discretion, may provide an interim successor manager for the on-site special assistance fee equal to \$300 per day plus during Franchisor's operation thereof, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, pending transfer of the Franchise to the deceased or disabled individual's lawful heirs or successors.~~

~~11.4.—*The Franchisor's Right of First Refusal.*~~

- ~~a.— If, at any time:~~
- ~~i.— any person who owns at least a 10% ownership or voting interest in the Franchisee (or in any entity with an ownership interest in the Franchisee) receives an arm's-length written offer from an independent third party to purchase such person's interest, or any part thereof, (such interest, or the part thereof, subject to the offer referred to as the "Interest," and such offer referred to as the "Interest Offer"); or~~
- ~~ii.— the Franchisee receives an arm's-length written offer from an independent third party to purchase the Franchisee's interests under this Agreement or, outside the ordinary~~

course of business, a material part or all of the Franchised Business's operating assets, including the Premises if owned by the Franchisee or an affiliate (such interests and assets subject to the offer referred to as the "Assets," and such offer referred to as the "Asset Offer");

~~and~~ such person receiving the Interest Offer, or the Franchisee receiving the Asset offer, as the case may be (in either case the person receiving such third party's offer referred to as the "Offeror"), desires to accept such offer,

~~then~~ such party must first offer to sell the Franchisor the Interest or the Assets for the consideration and on the terms set forth in such third party's written offer. The Offeror's offer (the "Offer") must be made by written notice to the Franchisor setting forth the name and address of the prospective purchaser and the price and terms of the Offer. The written notice shall also include a franchise application completed by the prospective purchaser, as well as any other information that the Franchisor reasonably requests to evaluate the Offer. Such information may include, among other things, any purchase and sale and related agreements executed, or proposed to be executed, by the Franchisee or the third party. The Franchisor has a first priority option to purchase the Interest or the Assets. This option to purchase is superior to any third party's right to purchase the Interest or Assets. The Franchisor may exercise such option by delivering written notice of acceptance of the Offer ("Notice of Exercise") to the Offeror within 30 days after receipt thereof (including, without limitation, all information the Franchisor requests pertaining thereto).

~~b. If the Franchisor accepts the Offer, the Offeror must sell the Interest or the Assets to the Franchisor and the Franchisor shall purchase the Interest or the Assets from the Offeror for the consideration and upon the terms set forth in the Offer, less any broker's commission that would have been due if the Franchisor had not exercised its right of first refusal and the sale made instead to the proposed third party purchaser. The Franchisor's creditworthiness shall be deemed at least equal to the proposed purchaser's creditworthiness. At the time of the sale to the Franchisor, if the Franchisor is a public company having registered shares traded on a national securities exchange and wishes to pay the Offeror therewith, the Offeror must accept such shares (the "Franchisor's Stock Consideration") in lieu of cash or Unique Consideration (defined below). The number of shares constituting the Franchisor's Stock Consideration is based on the then current value of the Franchisor's registered shares.~~

~~e. If an independent third party's written offer (and the Offeror's corresponding Offer to the Franchisor) provides for the purchaser's payment of a Unique Consideration, then the~~

~~Franchisor may, in lieu thereof, substitute a cash consideration or Franchisor's Stock Consideration. If Franchisor elects to do so, it shall inform the Offeror of such election in its Notice of Exercise. Within 15 days after the Franchisor delivers its Notice of Exercise, the Offeror and the Franchisor shall agree on the amount of the cash or Franchisor's Stock Consideration to be substituted for the Unique Consideration. If the parties cannot conclude an agreement within such time, an independent appraiser the Franchisor selects shall determine the amount of cash or Franchisor's Stock Consideration. "Unique Consideration" is any non-cash consideration that is of such a nature that the Franchisor cannot reasonably duplicate it.~~

- ~~d. If the proposed sale includes assets of the Offeror not related to operating the Franchised Business, the Franchisor may, at its option, elect to purchase only the assets related to operating the Franchised Business. In such event, the Franchisor, exercising reasonable discretion, shall determine an equitable purchase price for such operating assets, which it shall allocate to each asset included in the proposed sale.~~
- ~~e. Unless the Offeror and Franchisor agree otherwise, the closing of the purchase of the Interest or the Assets shall be held at the Franchisor's then principal office, or any other location the Franchisor designates, no later than the 30th day after it delivers its Notice of Exercise to the Franchisee. Notwithstanding the foregoing, the closing of any such purchase for which a cash or stock consideration is determined by an appraiser in accordance with Section 11.4.c shall be held on the 15th day after such cash or stock consideration is finally determined. At any such closing, the Offeror must deliver to the Franchisor an assignment and any other documents the Franchisor reasonably requests to evidence and document the transfer of ownership of the Interest or the Assets (such assignment and other documents, collectively, the "Transfer Documents."). The Transfer Documents must evidence and document that the transfer is free and clear of all liens, claims, pledges, security interests, options, restrictions, charges, and encumbrances. And they must be in proper form for transfer (if they are negotiable securities or documents or like instruments) and be accompanied by evidence of payment of all applicable transfer taxes by the Offeror. Simultaneously therewith, after setting off any amounts the Offeror owes the Franchisor against the amount due the Offeror, the Franchisor must pay the consideration due the Franchisee for the Interest or the Assets, as the case may be. If a cash consideration is paid, the Franchisor shall deliver a cashier's check or certified check drawn on a bank or thrift institution doing business in the County of its principal place of business. If Franchisor's Stock Consideration is paid, the Franchisor~~

~~shall issue the appropriate amount of its registered shares. The remaining terms of such purchase and sale are those set forth in the Offer.~~

- ~~f. If the Franchisor does not accept the Offer (or is deemed under this Agreement to have waived its right to do so because it did not timely deliver a Notice of Exercise) as provided above, for a period of 60 days after the Franchisor elected not to exercise its option, the Offeror may sell the Interest or the Assets to the independent third party for the consideration and upon the terms specified in such third party's written offer. Such sale shall strictly comply with all terms of transfer required under this Agreement, including those set forth in Section 11.2. As a condition precedent to any sale of an Interest to an independent third party, such party shall deliver to the Franchisor a written acknowledgement that the Interest it is purchasing is subject to all the terms of this Agreement. Without limiting the foregoing, the written acknowledgment shall also contain the third party's agreement to be bound by all the terms of this ARTICLE with respect to the transfer of the Interest in the same manner as the Offeror. If, within the aforesaid 60 day period, the Offeror does not sell the Interest or the Assets as provided above, any transfer by him or her of the Interest or the Assets is again subject to the restrictions set forth in this Agreement.~~
- ~~g. If a proposed transferee is the spouse, son, or daughter of the Offeror, the Franchisor does not have any right of first refusal. All such transferees, however, are subject to all of the restrictions on transfer of ownership imposed on the Offeror under this Agreement.~~

ARTICLE 12. DEFAULT AND TERMINATION

~~12.1. Termination by the Franchisor Without Notice.~~

- ~~a. Subject to applicable law, upon the occurrence of any of following events, the Franchisor may immediately terminate this Agreement:~~
- ~~i. the Franchisee becomes insolvent or makes a general assignment for the benefit of creditors;~~
 - ~~ii. a petition in bankruptcy is filed by the Franchisee or such a petition is filed against or consented to by the Franchisee and such petition is not dismissed within 45 days;~~
 - ~~iii. the Franchisee is adjudicated as bankrupt;~~
 - ~~iv. a bill in equity or other proceeding for the appointment of a receiver of the Franchisee or other custodian for the Franchisee's business or assets is filed and consented to by the Franchisee;~~

- ~~v. a receiver or other custodian (permanent or temporary) of the Franchisee's business or assets is appointed by any court of competent jurisdiction;~~
- ~~vi. proceedings for a composition with creditors under Federal or any state law is instituted by or against the Franchisee;~~
- ~~vii. a final judgment in excess of \$5,000 remains unsatisfied or of record for 30 days or longer (unless a supersedeas bond is filed);~~
- ~~viii. execution is levied against the Franchisee's operation or property, or suit to foreclose any lien or mortgage against the Premises or its other assets is instituted against the Franchisee and not dismissed within 45 days;~~
- ~~ix. a substantial portion of the Franchisee's real or personal property used in the Franchised Business is sold after levy thereupon by any sheriff, marshal, or constable;~~
- ~~x. Franchisee fails to secure a lease or open for business within the time frames indicated in Sections 4.1 and 4.3 above;~~
- ~~xi. Franchisee intentionally or negligently discloses to any unauthorized person the contents of any part of the Manual, Copyrighted Materials, Confidential Information or trade secrets of Franchisor;~~
- ~~xii. Franchisee receives five or more customer complaints regarding service or operations at the Franchised Business in any 12-month period, including negative postings on internet sites such as Trip Advisor and Yelp;~~
- ~~xiii. Franchisee receives five or more complaints from its employees regarding the Franchisee's employment practices, non-compliance with the Franchise Agreement, or non-compliance with applicable law.~~
- ~~xiv. Franchisee fails to report and pay when due rent for the Franchised Business, employee salaries, payroll taxes or sales taxes.~~
- ~~xv. Franchisee or any of its officers, directors, owners or managerial employees is convicted of a felony, a crime of moral turpitude or any other crime or offense that the Franchisor believes is likely to have a material adverse effect on the System, the Proprietary Property, the good will associated with the Proprietary Marks, or the Franchisor's interest in any of the Proprietary Property unless the Franchisee immediately and legally terminates such individual as an officer, director, owner, or employee of the Franchisee;~~

~~xvi. the Franchisee or any of its officers, directors, owners or managerial employees engages in conduct that is deleterious to, or reflects unfavorably on, the Franchisee, the Franchisor, or the System; or the Franchisee's officers, directors, owners or managerial employees engage in conduct that exhibits a reckless disregard for the physical or mental well-being of employees, customers, the Franchisor's representatives, or the public at large—such conduct includes battery, assault, sexual harassment or discrimination, racial harassment or discrimination, alcohol or drug abuse, or other forms of threatening, outrageous, or unacceptable behavior;~~

~~xvii. Franchisee voluntarily abandons the Franchised Business for a period of 5 consecutive days, or any shorter period that indicates an intent by Franchisee to discontinue operation of the Franchised Business, unless such abandonment is due to fire, flood, earthquake, hurricane, tornado or other similar causes beyond Franchisee's control and not related to the availability of funds to Franchisee.~~

~~xviii.—Franchisee or any of its principals purports to transfer any rights or obligations under this Agreement or any interest to third party in a manner contrary to the provisions of Section 11.2 above.~~

~~xix. Franchisee or any of its principals fails to comply with the restrictive covenants of Section 14.1 below.~~

~~xx. Franchisee or its principals disclose or divulge the contents of the Manual or other confidential information of Franchisor.~~

~~xxi. Franchisee fails to achieve the Minimum Performance Levels described in Section 4.26 above.~~

~~b.—Each of the foregoing events in Section 12.1.a are material defaults under this Agreement.~~

~~e.—If the Franchisor elects to terminate this Agreement under this Section 12.1, it need not provide the Franchisee with any notice or opportunity to cure.~~

~~d.—Within three days of the occurrence of any of the events enumerated in Section 12.1.a, the Franchisee shall provide written notice thereof to the Franchisor.~~

~~12.2. **TERMINATION by the Franchisor After Notice.**—Upon the occurrence of any of the following events, without providing the Franchisee with any opportunity to cure, the Franchisor may, by written notice, immediately terminate this Agreement:~~

- ~~a. within 5 days after the Franchisor delivers a Notice of Default, the Franchisee fails to pay the Franchisor or any affiliate any amount due under this Agreement or any other Agreement;~~
- ~~b. the Franchisee loses the right to possess the Premises and does not timely satisfy the provisions of Section 1.4, if applicable; or the Franchisee otherwise forfeits the right to do or transact business in the jurisdiction where the Franchised Business is located;~~
- ~~c. a serious or imminent threat or danger to public health or safety results from constructing, maintaining, or operating the Franchised Business and such threat or danger remains uncorrected for two days after the Franchisor or any governmental authority delivers written notice thereof unless a cure cannot be reasonably completed in such time, in which event the Franchisee shall, within such time, begin to take all reasonable steps to cure, and shall complete the cure as soon as reasonably practical, but in no event later than 30 days after delivery of such written notice (or such shorter cure period as the governmental authority may permit);~~
- ~~d. the Franchisee fails or refuses to comply with any mandatory specification, standard or operating procedure the Franchisor prescribes in this Agreement, in the Manuals, or otherwise in writing, relating to the cleanliness or sanitation of the Franchised Business or violates any health, safety, or sanitation law, ordinance, or regulation and does not correct such failure or refusal within three days after the Franchisor or any governmental authority delivers written notice thereof unless a cure cannot be reasonably completed in such time, in which event the Franchisee shall, within such time, begin to take all reasonable steps to cure, and must complete the cure no later than 30 days after delivery of such written notice (or such shorter cure period as the governmental authority may permit);~~
- ~~e. the Franchisee denies the Franchisor the right to inspect the Franchised Business or to audit the sales and accounting records of the Franchised Business;~~
- ~~f. one or more of the Franchisee's employees engages in conduct that is deleterious to, or reflects unfavorably on, the Franchisee, the Franchisor, or the System; or one or more of the Franchisee's employee engages in conduct that exhibits a reckless disregard for the physical or mental well-being of employees, customers, the Franchisor's representatives, or the public at large such conduct includes battery, assault, sexual harassment or discrimination, racial harassment or discrimination, alcohol or drug abuse, or other forms of threatening, outrageous, or unacceptable behavior;~~

- ~~g. except as expressly permitted hereunder, any person attempts or purports to transfer any rights or obligations under this Agreement, without the Franchisor's prior written consent;~~
- ~~h. any breach occurs under Sections 6.2 or 14.1;~~
- ~~i. the Franchisee knowingly maintains false books or records, or knowingly submits any false reports to the Franchisor;~~
- ~~j. the Franchisee misuses or makes any unauthorized use of the Proprietary Property or otherwise materially impairs the good will associated with the Proprietary Property or the Franchisor's rights in the Proprietary Property;~~
- ~~k. Franchisee sells or offers for sale any unauthorized products or services, engages in any unauthorized business or practice or sells any unauthorized product or service under the Proprietary Marks or under a name or mark which is confusingly similar to the Proprietary Marks;~~
- ~~l. during any 12 consecutive month period, the Franchisee receives from the Franchisor two or more Notices of Default whether for the same or different defaults notwithstanding that such defaults might have been cured;~~
- ~~m. any misrepresentation under Section 20.26 or any violation of the Anti-Terrorism Laws by Franchisee, its Manager, its owners, agents or employees;~~
- ~~n. the Franchisee fails to timely pay its landlord or any of its trade creditors and such failure continues for a period of fifteen days after notice thereof is given to Franchisee; or~~
- ~~o. the Franchisee or any of its affiliates defaults under any other agreement with the Franchisor or any of its affiliates (including, without limitation, any sublease or franchise agreement) and the Franchisor terminates such agreement on account thereof.~~

~~12.3. *Termination by the Franchisor After Notice and Right to Cure.* Except as otherwise provided above, the Franchisee has 30 days after the Franchisor delivers a Notice of Default to cure any default described therein and provide evidence of cure satisfactory to the Franchisor. A Notice of Default shall be in writing and describe the nature of the default. If any default described in a Notice of Default is not cured within such 30-day period—or such longer period as applicable law may require—without any further notice to the Franchisee, the Franchisor may immediately terminate this Agreement. In addition to the defaults specified in Sections 12.1 and 12.2, the Franchisee is in default under this Agreement if it fails to comply with any other obligation or requirement imposed by this Agreement, as it may from time to time reasonably~~

~~be revised or supplemented by the Manuals. The Franchisee is also in default hereunder if it fails to carry out the terms of this Agreement in good faith. To the extent a cure is permitted under this Agreement, the Franchisee has the burden of proving it properly and timely cured any default.~~

ARTICLE 13.

OBLIGATIONS OF THE FRANCHISEE UPON TERMINATION OR EXPIRATION

~~Upon the expiration or sooner termination of this Agreement, all rights granted under this Agreement to the Franchisee terminate immediately, and the Sections of this ARTICLE apply to the rights and obligations of the parties. The provisions of this ARTICLE contemplate and are intended, among other things, to enable the Franchisor, if it so chooses, to immediately, without any interruption, take over and continue to operate the Franchised Business under its ownership upon the expiration or sooner termination of this Agreement.~~

~~13.1. *Cease Operations.* The Franchisee shall immediately cease operating the Franchised Business. Thereafter the Franchisee shall not, directly or indirectly, use any of the Proprietary Property. Nor may the Franchisee represent himself or herself as a present or former franchisee of the Franchisor or in any other way affiliate himself or herself with the System. The Franchisee shall immediately cease using all stationery, Signage, and any other materials containing the Proprietary Marks. The Franchisee shall also immediately cease using any telephone numbers for the Franchised Business used at any time before such expiration or termination. To ensure that the Franchisee has ceased using such telephone numbers, the Franchisee authorizes the Franchisor to take whatever actions are necessary to comply with the foregoing in accordance with the Limited Power of Attorney to Transfer Telephone Listing and Number, which the Franchisee is executing concurrently with this Agreement, in substantially the same form as Attachment "5".~~

~~13.2. *Payment of Outstanding Amounts.* Except for refunds expressly required hereunder, the Franchisor may retain all fees paid under this Agreement. In addition, within 10 days after the effective date of termination or expiration (or such later date(s) as it is determined that amounts are due to the Franchisor), the Franchisee shall pay the Franchisor all Royalty Fees, Marketing funds, Technology Fees, amounts owed for products or services the Franchisee purchased from the Franchisor or its affiliates, and all other unpaid amounts the Franchisee owes to the Franchisor, its affiliates, and the Franchisee's trade creditors.~~

~~13.3. *Assignment of Lease of Premises.* If the Premises are leased from a third party and if the Franchisor elects, the Franchisee shall immediately assign its interest in the lease to the Franchisor and immediately surrender possession of the Premises to the Franchisor. The~~

~~Franchisee is and remains liable for all of its obligations accruing up to the effective date of any lease assignment.~~

~~13.4. *Distinguishing Operations.*~~

- ~~a. If the Franchisor does not exercise its rights under Section 13.3 and the Franchisee desires to operate a noncompetitive business at the Premises, the Franchisee shall make such modifications or alterations to the Premises that may be needed to distinguish the appearance of the Premises from that of other franchised units under the System. The Franchisee shall make all such modifications and alterations immediately upon termination or expiration of this Agreement. At such time, the Franchisee must also make such specific additional changes to the Premises as the Franchisor reasonably requests for that purpose—including, changing the use of the Premises. The Franchisee must not take any action that impairs the good will of its customers or potential customers toward the Franchisor, its franchisees, or any other aspect of the System.~~
- ~~b. In the manner the Franchisor specifies, the Franchisee must immediately remove all identifying architectural superstructure and Signage on or about the Premises bearing the Franchisor's name or logos (or any name or logo similar thereto). Upon request, the Franchisee must hold for delivery to the Franchisor, at the latter's expense, all such property belonging to the Franchisor. Until the time of their removal, the Franchisee must completely cover any Signage that the Franchisee cannot remove within one Business Day of the expiration or termination of this Agreement. If the Franchisee fails or refuses to comply with this obligation, without being guilty of trespass or any other tort or criminal act, the Franchisor may enter upon the Premises for the purpose of removing such Signage and storing it at another location. The Franchisor does so at the Franchisee's reasonable expense. The Franchisee must pay such expense upon demand.~~
- ~~c. Until all modifications and alterations required by this Section are completed, the Franchisee must: maintain a conspicuous sign, in the form the Franchisor specifies, at the Premises stating that the Franchisee's Store is no longer associated with the Franchisor's System; and advise all customers or prospective customers telephoning the Franchisee's Store that the Store is no longer associated with the Franchisor's System.~~
- ~~d. If the Franchisee fails or refuses to comply with the requirements of this Section, the Franchisor may enter upon the Premises to make, or cause to be made, the required modifications, alterations, and changes. It does so at the Franchisee's sole risk and expense,~~

~~without responsibility for any actual or consequential damages to the property of the Franchisee or others, and without liability for trespass or other tort or criminal act. The Franchisee's failure to make such modifications, alterations, or changes will cause irreparable injury to the Franchisor.~~

~~13.5. **Unfair Competition.** If the Franchisee continues to operate, or subsequently begins to operate, any other business, he or she may not, in connection with such business or the promotion thereof, use any reproduction or colorable imitation of the Proprietary Marks or Trade Dress, imitate any methods of operation, packaging, packaging design, labels, or undertake any other conduct that is likely to cause confusion, mistake, or deception, or that is likely to dilute the Franchisor's rights in and to the Proprietary Marks or Trade Dress. In addition, the Franchisee shall not use any designation of origin or description or representation that falsely suggests or represents an association or connection with **Natural Life CBD/Kratom/Kava**, the Franchisor, or any of its affiliates. Any such action undertaken by the Franchisee is considered unfair competition. This Section does not, directly or indirectly, discharge the Franchisee's obligations under ARTICLE 14. Franchisee may not, directly or indirectly, use Franchisor's products, packaging, packaging design, advertising materials, advertising programs, or other aspects of the System in any other business or for any purpose other than as permitted by this Agreement, without the prior written consent of Franchisor.~~

~~13.6. **Return of Materials.** At its expense, the Franchisee shall immediately turn over to the Franchisor all tangible Proprietary Property (together with all copies and any other forms of reproductions of such materials) in the Franchisee's possession or control. All such Proprietary Property, copies and reproductions are the Franchisor's exclusive property.~~

~~13.7. **The Franchisor's Purchase Rights.** Upon the expiration or sooner termination of this Agreement, Franchisor has a first priority option (but not the obligation) to purchase any or all items the Franchisee owns bearing the Proprietary Marks, such as advertising materials, supplies, inventory or other items, together with any of the Franchisee's other assets used to operate the Franchised Business. The Franchisor may purchase such items at a price equal to the Franchisee's cost or fair market value, whichever is less. The Franchisor may exercise such option by delivering a notice of intent to purchase to the Franchisee within 30 days after the expiration or sooner termination of this Agreement. If, within a reasonable time, the parties cannot agree on the fair market value of the items to be purchased, the Franchisor shall designate an independent appraiser to do so. The appraiser's determination is final and binding. The parties shall equally bear the costs of the appraiser. The fair market value of tangible assets shall be determined~~

~~without reference to good will, going concern value, or other intangible assets. If the Franchisor exercises its option to purchase, it may setoff all amounts due from the Franchisee under this Agreement, and the cost of the appraisal, if any, against any payment due the Franchisee. As the owner of the Signage, Franchisor will not have to pay Franchisee any consideration to remove or take possession of the Signage. If the Franchisee fails or refuses to deliver any of the items purchased under this Section to the Franchisor or its nominee, fails to execute or deliver the necessary documents to transfer good title to the Franchisee's assets, or surrender possession of the Premises to the Franchisor or its nominee, or otherwise fails to comply with any of the provisions of this ARTICLE, the Franchisor may apply to any court of competent jurisdiction for an injunction to compel the Franchisee to comply therewith. If it does so, it need not post any bond nor demonstrate irreparable harm. The Franchisee must pay the Franchisor all costs and expenses relating to such injunction, including the Franchisor's reasonable attorneys' fees and costs. In lieu of such payment, the Franchisor may take a credit against the purchase price equal to the total amount of such related costs and expenses. In the event the Franchisee or any person or entity affiliated with the Franchisee owns the real estate on which the Franchised Business is located, upon termination of the Franchise Agreement, the Franchisor or its Designee shall have the right to purchase such real estate at its fair market value. The procedure for the purchase option with respect to the real estate shall be the same as the purchase option with respect to the items bearing the Proprietary Marks as described above.~~

Liquidated Damages for Premature Termination. ~~If this Agreement terminates because of the Franchisee's default, the Franchisee must pay the Franchisor a lump-sum payment equal to the average of the Royalty Fees, Marketing funds, and Technology Fees paid by the Franchisee to the Franchisor during the last 12 months of operation multiplied by 24. If the Franchisee has not continuously operated the Franchised Business for the 12-month period prior to termination by Franchisor, the Franchisee shall pay to the Franchisor liquidated damages in an amount equal to the Franchisee's average weekly Royalty Fees, Marketing fund, and Technology Fees for the period in which Franchisee was operating the Franchised Business from the Agreement Date through the date of termination, multiplied by 104.~~

~~This payment constitutes liquidated damages for causing the premature termination of this Agreement and not a penalty. A precise calculation of the full extent of damages that the Franchisor will incur if this Agreement terminates because the Franchisee defaults cannot be reasonably determined. Nevertheless, the lump-sum payment provided under this Section is reasonable in light of the damages for premature termination that the Franchisor may reasonably be expected to incur in such event.~~

~~This sum is not a penalty and is intended by the parties only as a compensatory remedy for past breaches and not as a preventative remedy to deter future breaches. Nor does this sum represent a price for the privilege of not performing or its payment represent an alternative manner of~~

~~performance. Accordingly, as a purely liquidated damage provision, this Section does not preclude, nor is inconsistent with, a court granting the Franchisor specific performance or any other equitable remedies, such as an injunction, to prevent future breaches. The Franchisor's rights to liquidated damages and specific performance or any other equitable relief are not mutually exclusive~~

**ARTICLE 14.
INDEPENDENT COVENANTS OF THE FRANCHISEE**

~~14.1. *Diversification of Business; Competition and Interference With the Franchisor.*~~

~~a. The Franchisor would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among the franchisees within the System if franchisees were permitted to hold interests in any Competitive Business. Accordingly, during the Term and for the 24 month period thereafter, the Franchisee (including the Franchisee's owners, officers, directors, and managers, as well as the owners, officers, directors and managers of any entity that is an owner of Franchisee) shall not, directly or indirectly:~~

~~i. solicit or otherwise attempt to induce (by combining or conspiring with, or attempting to do so), or influence in any other manner any of the Franchisor's customers, vendors, and others with whom the Franchisor does business, to terminate or modify his, her, or its business relationship with the Franchisor or to compete against the Franchisor;~~

~~ii. as owner, officer, director, employee, agent, lender, broker, consultant, franchisee, or in any other similar capacity whatsoever be connected in any manner with the ownership, management, operation or control, or conduct of a Competitive Business within the United States (this restriction, however, does not apply to a 5% or less beneficial interest in a publicly held corporation). Franchisee acknowledges that Franchisor intends to operate, and to license third parties to operate, **Natural Life CBD/Kratom/Kava Stores** throughout the United States and that Franchisor has a legitimate business interest in protecting its trade secrets throughout the United States; and~~

~~iii. in any manner interfere with, disturb, disrupt, impair, diminish, or otherwise jeopardize the business of the Franchisor or any of its other franchisees.~~

~~b. The Franchisee acknowledges and confirms that the scope of activities prohibited in this Section 14.1, as well as the length of the term and geographical restrictions contained therein,~~

~~are necessary to protect the Franchisor's legitimate business interests and are fair and reasonable and not the result of overreaching, duress, or coercion of any kind. The Franchisee's full, uninhibited, and faithful observance of each of the covenants contained in this Section will not cause any undue hardship, financial or otherwise. Enforcement of each of the covenants contained in this Section 14.1 will not impair the Franchisee's ability to obtain employment commensurate with its abilities and on terms fully acceptable to him or her or otherwise to obtain income required for the comfortable support of himself or herself and its family, and the satisfaction of the needs of its creditors. The Franchisee's special knowledge of the business of a retail store offering CBD, Kratom, and Kava products (and anyone acquiring such knowledge through the Franchisee) is such as would cause the Franchisor and its franchisees serious injury and loss if he or she (or anyone acquiring such knowledge through the Franchisee) were to use such knowledge to the benefit of a competitor or were to compete with the Franchisor or any of its franchisees.~~

- ~~e. If any court finally holds that the time or territory for or to which this Section 14.1 applies or the scope of activities prohibited thereunder or that any provision stated in this Section constitutes an unreasonable restriction upon the Franchisee, the provisions of this Agreement are not thereby rendered void, but apply as to time and territory or to such other extent as such court finally concludes or indicates is a reasonable restriction under the circumstances. The time periods set forth in this Section 14.1 are suspended during any period in which the Franchisee is breaching any of its terms or involved in a legal action or proceeding challenging the validity or enforceability thereof.~~
- ~~d. Without the Franchisee's consent, the Franchisor, in its sole discretion, may reduce the scope of any covenants set forth in this ARTICLE. Any such reduction is effective immediately upon the Franchisee's receipt of written notice. The Franchisee must comply immediately with any covenant as so modified. Such modified covenant is fully enforceable to the extent permitted by applicable law.~~
- ~~e. The foregoing covenants in this ARTICLE shall be construed as independent of any other covenant or provision of this Agreement. The existence of any claim the Franchisee may have against the Franchisor or any of its affiliates (regardless of whether arising from this Agreement) is not a defense to the enforcement of the foregoing covenants against the Franchisee.~~

ARTICLE 15.
INDEPENDENT LICENSEE AND INDEMNIFICATION

~~15.1. *Independent Status.*— This Agreement does not create a fiduciary relationship between the parties to this Agreement. The Franchisee is an independent licensee. Unless expressly provided to the contrary, nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, affiliate or servant of the other party for any purpose whatsoever. Nothing in this Agreement authorizes the Franchisee to make any contract, agreement, warranty, or representation on the Franchisor's behalf. Nor may the Franchisee incur any debt or other obligation in the Franchisor's name. The Franchisee shall take such affirmative action as the Franchisor requests to disclose to the public that the Franchisee is an independent licensee. Such actions may include placing and maintaining a plaque in a conspicuous place within the Premises and a notice on all stationery, business cards, sales literature, contracts, and similar documents that states that the Franchised Business is independently owned and operated by the Franchisee. The content of such plaque and notice is subject to the prior written approval of the Franchisor.~~

~~15.2. *Indemnification.*— TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISEE AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS NATURAL LIFE FRANCHISE CORP., NL FULFILLMENT CORP., AND ANY OF THESE COMPANIES' PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES (COLLECTIVELY REFERRED TO AS THE "NATURAL LIFE CBD/KRATOM/KAVA INDEMNITEES"), FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO THE OPERATION, CONDITION, OR ANY PART OF FRANCHISEE'S NATURAL LIFE CBD/KRATOM/KAVA® FRANCHISE, THE FRANCHISED BUSINESS, THE PRODUCTS, THE PREMISES, OR ANY ASPECT OF THE REAL ESTATE CONNECTED TO FRANCHISEE'S FRANCHISED BUSINESS, WHETHER CAUSED BY FRANCHISEE, FRANCHISEE'S AGENTS OR EMPLOYEES, OR ARISING FROM FRANCHISEE'S ADVERTISING OR BUSINESS PRACTICES. FRANCHISEE AGREES TO PAY FOR ALL THE NATURAL LIFE CBD/KRATOM/KAVA INDEMNITEES' LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES) OR CONCURRENT~~

~~OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY FRANCHISEE HEREUNDER. THE NATURAL LIFE CBD/KRATOM/KAVA INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE NATURAL LIFE CBD/KRATOM/KAVA INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. FRANCHISEE AGREES THAT TO HOLD THE NATURAL LIFE CBD/KRATOM/KAVA INDEMNITEES HARMLESS, FRANCHISEE WILL REIMBURSE THE NATURAL LIFE CBD/KRATOM/KAVA INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE NATURAL LIFE CBD/KRATOM/KAVA INDEMNITEES.~~

—Initial

ARTICLE 16.
REPRESENTATIONS AND WARRANTIES

~~16.1. **No Reliance.** Except as expressly provided to the contrary in this Agreement, the Franchisor makes no representations, warranties, or guarantees upon which the Franchisee may rely. Nor does the Franchisor assume any liability or obligation to the Franchisee by providing any waiver, approval, consent, or suggestion to the Franchisee in connection with this Agreement; or by reason of any neglect, delay, or denial of any request therefor unless such conduct would otherwise constitute a breach of an express obligation of the Franchisor under this Agreement.~~

~~16.2. **Franchisor's Representations.** The Franchisor represents and warrants as follows:~~

~~a. **Organization.** The Franchisor is a corporation duly organized, validly existing, and in good standing under Florida law.~~

~~b. **Authorization.** The Franchisor has the corporate power to execute, deliver, and carry out the terms of the Agreement. The Franchisor has taken all necessary action with respect thereto. This Agreement has been duly authorized, executed, and delivered by the Franchisor and constitutes its valid, legal and binding agreement and obligation in accordance with the terms of this Agreement, except as may be limited by applicable bankruptcy, insolvency,~~

~~reorganization and other laws and equitable principles affecting creditors' rights generally from time to time in effect.~~

- e. ~~**No Violation.**—The Franchisor's performance of its obligations under the Agreement will not result in:~~
- i. ~~the breach of any term or condition of any contract, agreement, or other commitment to which the Franchisor is a party or by which it is bound, or constitute an event that, with notice, the lapse of time, or both, would result in such a breach; nor~~
 - ii. ~~the Franchisor's violation of any statute, rule, regulation, ordinance, code, judgment, order, injunction, or decree.~~

The foregoing representations and warranties are true and correct on the date this Agreement is executed and will remain so throughout the Term.

~~16.3. **The Franchisee's Representations.**—The Franchisee represents and warrants as follows:~~

- a. ~~**Organization.**—If the Franchisee is a corporation, limited liability company, or a general or limited partnership, the Franchisee is duly organized, validly existing, and in good standing under the laws of its state of organization.~~
- b. ~~**Authorization.**—The Franchisee has the power to execute, deliver, and carry out the terms and conditions of the Agreement. The Franchisee has taken all necessary action with respect thereto. This Agreement has been duly authorized, executed, and delivered by the Franchisee and constitutes its valid, legal, and binding agreement and obligation in accordance with the terms of this Agreement, except as may be limited by applicable bankruptcy, insolvency, reorganization and other laws and equitable principles affecting creditors' rights generally from time to time in effect.~~
- e. ~~**No Violation.**—Performance by the Franchisee of his, her, or its obligations under this Agreement will not result in:~~
 - i. ~~the breach of any term or condition of any contract, agreement, or other commitment to which the Franchisee is a party or by which he, she, or it is bound, or constitute an event that, with notice, the lapse of time or both, would result in such a breach; nor~~
 - ii. ~~the violation by the Franchisee of any statute, rule, regulation, ordinance, code, judgment, order, injunction or decree.~~

~~The foregoing representations and warranties are true and correct on the date this Agreement is executed and will remain so throughout the Term.~~

~~16.4. **True Copies.**— The Franchisee represents and warrants that copies of all documents it must furnish to the Franchisor in connection with obtaining the Franchise, and as required in the future, have been and will be true and complete copies of such documents (including all amendments or modifications thereof) and contain no misleading or incorrect statements or material omissions.~~

~~16.5. **Receipt of FDD.**— The Franchisee acknowledges that he or she received from the Franchisor a Franchise Disclosure Document ("FDD") for the state where the Franchised Business will be located and, if different, the state where the Franchisee resides (with all exhibits and supplements thereto) at least 14 calendar days prior to:~~

~~a. executing this Agreement and every other agreement imposing a binding obligation on the Franchisee in connection with the sale of the Franchise; and~~

~~b. the Franchisee's paying any consideration in connection with the sale, or proposed sale, of the Franchise.~~

~~16.6. **Receipt of Completed Franchise Agreement.**— The Franchisee acknowledges that he or she received from the Franchisor a completed copy of this Agreement and all related agreements, containing all material terms, with all blanks filled in (except for the date, signatures and any minor matters not material to the agreements) at least five Business Days prior to the execution of this Agreement.~~

~~16.7. **Acknowledgement of Risk.**— The Franchisee acknowledges and agrees to the following:~~

~~a. THE FRANCHISEE'S SUCCESS IN OWNING AND OPERATING THE FRANCHISED BUSINESS IS SPECULATIVE AND WILL DEPEND ON MANY FACTORS. SUCH FACTORS INCLUDE, TO A LARGE EXTENT, THE FRANCHISEE'S INDEPENDENT BUSINESS ABILITY. EXCEPT AS SPECIFICALLY INCLUDED IN THIS AGREEMENT, NO REPRESENTATIONS OR PROMISES, EXPRESS OR IMPLIED, HAVE BEEN MADE BY THE FRANCHISOR OR ANY EMPLOYEE, BROKER, OR REPRESENTATIVE OF THE FRANCHISOR, TO INDUCE THE FRANCHISEE TO ENTER INTO THIS AGREEMENT. NO EMPLOYEE, OFFICER, DIRECTOR, BROKER OR REPRESENTATIVE IS AUTHORIZED TO DO OTHERWISE.~~

- ~~b. THE FRANCHISEE ACKNOWLEDGES THAT, IN ALL OF ITS DEALINGS WITH THE FRANCHISOR'S OWNERS, OFFICERS, DIRECTORS, EMPLOYEES, AND REPRESENTATIVES, SUCH INDIVIDUALS ACT ONLY IN THEIR REPRESENTATIVE CAPACITY AND NOT IN AN INDIVIDUAL CAPACITY. THE FRANCHISEE FURTHER ACKNOWLEDGES THAT THIS AGREEMENT AND ALL BUSINESS DEALINGS BETWEEN THE FRANCHISEE AND SUCH INDIVIDUALS AS A RESULT OF THIS AGREEMENT ARE SOLELY BETWEEN THE FRANCHISEE AND THE FRANCHISOR. NOTWITHSTANDING THE FOREGOING, IF FRANCHISOR ENGAGES ANY BROKER, SUCH BROKER SHALL BE SOLELY LIABLE FOR ITS CONDUCT IN CONNECTION WITH THE FRANCHISEE EXCEPT THAT FRANCHISOR SHALL REMAIN LIABLE FOR THE BROKER'S CONDUCT SOLELY TO THE EXTENT OF FRANCHISOR'S OWN CRIMINAL, INTENTIONAL OR GROSSLY NEGLIGENT CONDUCT REGARDING ENGAGING SUCH BROKER.~~
- ~~e. IN ADDITION, THE FRANCHISOR MAKES NO WARRANTY AS TO THE FRANCHISEE'S ABILITY TO OPERATE THE FRANCHISED BUSINESS IN THE JURISDICTION IN WHICH THE FRANCHISED BUSINESS IS TO BE OPERATED. THE FRANCHISEE ITSELF MUST SEEK OR OBTAIN ADVICE OF COUNSEL SPECIFICALLY WITH RESPECT TO THIS ISSUE. IF LEGISLATION ENACTED, OR REGULATION PROMULGATED, BY ANY GOVERNMENTAL BODY PREVENTS THE FRANCHISEE FROM OPERATING THE FRANCHISED BUSINESS, THE FRANCHISOR IS NOT LIABLE FOR DAMAGES NOR REQUIRED TO INDEMNIFY THE FRANCHISEE IN ANY MANNER WHATSOEVER OR TO RETURN ANY MONIES RECEIVED FROM THE FRANCHISEE. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY FRANCHISEE.~~

ARTICLE 17.
MEDIATION AND ARBITRATION; EQUITABLE RELIEF

Mediation and

~~17.1. **Arbitration.**~~

- ~~a. In connection with any dispute arising under this Agreement, before any arbitration proceeding takes place, either party may, at its option, submit the controversy or claim to nonbinding mediation before CPR Institute for Dispute Resolution ("CPR") in accordance~~

~~with its National Franchise Mediation Program. If CPR is unable to conduct the mediation, the controversy or claim may be submitted to the American Arbitration Association or any other mutually agreeable mediator. In the event of any such mediation, both parties shall execute a confidentiality agreement reasonably satisfactory to the Franchisor. Once the controversy or claim is submitted to mediation, the obligation to attend mediation is binding on both parties. Each party bears its own costs with respect to the mediation. The fee for the mediation, however, will be split equally.~~

- ~~b. Subject to Section 17.1.a and the provisions set forth in Section 17.2, any controversy or claim relating to this Agreement including any claim that this Agreement, or any part thereof, is invalid, illegal, or otherwise voidable or void shall be submitted to arbitration before the American Arbitration Association (or any other mutually agreeable arbitration association) in accordance with its commercial arbitration rules.~~
- ~~c. The provisions of this Section shall be construed as independent of any other covenant or provision of this Agreement. But if a court of competent jurisdiction determines that any such provisions are unlawful in any way, such court shall modify or interpret such provisions to the minimum extent necessary to have them comply with the law. Notwithstanding any provision of this Agreement relating to the state laws by and under which this Agreement shall be governed and construed, all issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Agreement shall be governed by the United States Arbitration Act (9 U.S.C. § 1 et seq.) and the Federal common law of arbitration.~~
- ~~d. Judgment upon an arbitration award may be entered in any court of competent jurisdiction. Such judgment is binding, final, and non-appealable. To the fullest extent permitted by law, the Franchisor and the Franchisee (and their respective owners) waive any right to, or claim for, any punitive or exemplary damages against the other. In the event of a dispute between the Franchisor and the Franchisee, each is limited to recovering the actual damages it sustains.~~
- ~~e. Before any arbitration proceeding takes place, if it so elects, the Franchisor or the Franchisee may have the arbitrator conduct, in a separate proceeding before the actual arbitration, a preliminary hearing, at which testimony and other evidence may be presented and briefs may be submitted (including a brief setting forth the then-applicable statutory or common-law methods of measuring damages in respect of the controversy or claim being arbitrated).~~

- ~~f. This arbitration provision is self executing and remains in full force and effect after the expiration or sooner termination of this Agreement. If either party fails to appear at any properly noticed arbitration proceeding, notwithstanding such failure to appear, an award may be entered against such party by default or otherwise.~~
- ~~g. Mediation and/or arbitration shall take place in Leon County, Florida, or at the mediator's or arbitrator's office closest to the Franchisor's home office.~~
- ~~h. Mediation or arbitration between the Franchisor and the Franchisee shall be of the Franchisor's and the Franchisee's individual claims. None of the Franchisee's claims may be mediated or arbitrated on a class wide basis.~~

~~17.2. *Exceptions to Mediation and Arbitration; Equitable Relief*~~

- ~~a. Notwithstanding anything in this Agreement to the contrary, the obligation to mediate or arbitrate is not binding upon the Franchisor, and the Franchisor need not mediate or arbitrate any of the following matters:
 - ~~i. claims relating to the Proprietary Property;~~
 - ~~ii. claims relating to any lease or sublease of real property between the parties or their related entities;~~
 - ~~iii. claims relating to the Franchisee's obligations upon termination or expiration of this Agreement;~~
 - ~~iv. claims relating to any transfer of an interest in the Franchisee, the Franchised Business or its assets, or this Agreement restricted under this Agreement;~~
 - ~~v. claims relating to actions that may impair the good will associated with the Proprietary Marks;~~
 - ~~vi. matters involving danger, health, or safety involving the Franchisee, its employees or customers, or the public; or~~
 - ~~vii. requests for restraining orders, injunctions, or other procedures to obtain specific performance in a court of competent jurisdiction when such court considers the restraining order, injunction, or specific performance necessary to preserve the status quo or prevent irreparable injury pending resolution of the actual dispute between the parties by mediation or arbitration.~~~~

~~b. The Franchised Business is intended to be one of a large number of businesses identified by the Proprietary Marks selling the public the products and services associated with the Proprietary Marks. Consequently, a single franchisee's failure to comply with the terms of its franchise agreement is likely to cause irreparable damage to the Franchisor, and damages at law would, therefore, be an inadequate remedy. Accordingly, in the event of a breach or threatened breach of any of the terms of the Agreement by the Franchisee concerning any matters referenced in Subsection 17.2.a, the Franchisor may seek an injunction restraining such breach and/or a decree of specific performance (together with recovery of reasonable attorneys' fees and costs incurred in obtaining such equitable relief). It may do so without demonstrating or proving any actual damage. The foregoing equitable remedies are in addition to all other rights or remedies to which the Franchisor may otherwise be entitled because of any breach of this Agreement by the Franchisee. The Franchisor may seek such relief without posting any bond or security. But if a court of competent jurisdiction, nevertheless, requires a bond, a bond in the sum of \$100 is sufficient. Notwithstanding anything in this Agreement to the contrary, the Franchisor may seek injunctive relief in any jurisdiction that has jurisdiction over the Franchisee.~~

ARTICLE 18. TERM

~~18.1. *Term.* Unless sooner terminated under ARTICLE 12, the Term of this Agreement runs for 10 years from the Agreement Date. The parties agree to reasonably amend the term of this Agreement to coincide with the term of the lease of the Premises.~~

~~18.2. *Option to Obtain Successor Franchise Agreement.*~~

~~a. The Franchisee is granted an option to obtain, upon the expiration of the Term, a Successor Franchise Agreement for a period of 10 years. The Franchisee may exercise its option to obtain a Successor Franchise Agreement only if he or she complies with the following conditions—unless another time is specified below, such conditions must be satisfied at the time the option is exercised and remain satisfied at all times thereafter:~~

~~i. not less than 12 months nor more than 18 months before the end of the Term, the Franchisee must give the Franchisor written notice of his or her intention to exercise the option to obtain a Successor Franchise Agreement by submitting his or her application for a Successor Franchise Agreement;~~

~~ii. at least 6 months prior to the expiration of the Term, the Franchisor may inspect the Franchised Business and give notice of all required maintenance, refurbishing,~~

- ~~renovating, and upgrading; if it does so, the Franchisee shall, to the Franchisor's reasonable satisfaction, complete all such required maintenance, refurbishing, renovating, and upgrading no later than 60 days prior to expiration of the Term;~~
- ~~iii. if renovation or maintenance of the Franchised Business is not possible or feasible, prior to the beginning of the term of the Successor Franchise Agreement the Franchisee shall relocate the Franchised Business to a location the Franchisor approves in accordance with the procedures described in Section 1.4 above;~~
- ~~iv. the Franchisee shall satisfy all its monetary obligations owed to the Franchisor, its affiliates, and all of the Franchisee's trade creditors, and must not be in default of any provision of this Agreement or any other agreement between the Franchisee and the Franchisor or its affiliates;~~
- ~~v. the Franchisee shall comply with all other requirements the Franchisor imposes under the Successor Franchise Agreement upon its execution; except that in lieu of the initial franchise fee, the Franchisee shall pay a successor franchise fee of \$5,000.00;~~
- ~~vi. not less than 90 days before the Term expires, the Franchisee shall execute, and deliver to the Franchisor, a Successor Franchise Agreement, the terms of which may significantly differ from the terms of this Agreement—such differing terms may include, without limitation, a smaller Protected Territory and a higher Royalty Fee and/or Marketing fund (but any higher Royalty Fee may not exceed the Royalty Fee included in the most recent Franchise Agreement executed by the Franchisor's newest franchisee);~~
- ~~vii. the Franchisee must execute a general release of any and all claims against the Franchisor and its affiliates, and their respective officers, directors, shareholders, agents, and employees, substantially in the form of General Release attached hereto as Attachment "4"—such release, however, must exclude liabilities from which the Franchisor may not require a release under any applicable state law; and~~
- ~~viii. the Franchisee is lawfully entitled to continue to occupy the Premises for the entire Succeeding Term; if the Franchisee is then leasing the Premises from the Franchisor or a third party, the Franchisee shall be entitled to renew the lease for a term at least as long as the entire Succeeding Term or must obtain the Franchisor's approval of a new location for the Franchised Business within the Protected Territory but not within the protected territory of a Company Owned Unit or another franchisee or area~~

~~developer within the Chain in accordance with the Franchisor's relocation procedures.~~

~~b. If the Franchisee does not satisfy all the conditions set forth in Section 18.2.a, the Franchisor may elect not to enter into a Successor Franchise Agreement.~~

~~e. Notwithstanding anything herein to the contrary, Franchisor reserves the right not to enter into a successor franchise agreement for this Franchise as a result of a decision to withdraw from a marketing area or the Territory in which Franchisee's Franchised Business is located.~~

~~18.3. **Reinstatements and Extensions.** If termination or expiration of the Term would violate any applicable law, the Franchisor may reinstate or extend the Term to comply with such laws. The Franchisor may do so by written notice to the Franchisee. Such reinstatement or extension is for the period set forth in the notice. Such reinstatement or extension does not waive any of the Franchisor's rights under this Agreement or otherwise modify it.~~

~~**1. DEFINITIONS** **Definitions.** For the purposes of this Agreement, the Attachments attached to this Agreement, and any other document executed incidental to this Agreement, as well as any attachments to such documents, the following terms have the following meanings:~~

~~*"Marketing funds"* means the payments described in Section 3.1.c.~~

~~*"Advisory Council"* means a franchise advisory council created in accordance with ARTICLE 10.~~

~~*"Affiliate"* means, with respect to a corporation or other business entity, any person controlling, controlled by, or under common control with that corporation or business entity. With respect to an individual, affiliate means that individual's immediate family members, as well as such immediate family members' spouses, and the corporations or other business entities such individual and his or her family members, directly or indirectly, control.~~

~~*"Agreement"* means this Franchise Agreement, as it may be amended, supplemented, or otherwise modified in accordance with Section 20.2.~~

~~*"Agreement Date"* means the date this Agreement is signed by an authorized representative of the Franchisor.~~

~~*"Assets"* means the Franchisee's interest in this Agreement or its operating assets described in Section 11.4.a.ii.~~

~~"Asset Offer" means the offer to purchase the Assets described in Section 11.4.a.ii.~~

~~"Basic Management Training" means the training described in Section 2.7.a.~~

~~"Business Affiliate" means any of the Franchisor's employees, officers, directors, agents, consultants, representatives, contractors, suppliers, distributors, franchisees or other business contacts.~~

~~"Business Day" means a day other than Saturday, Sunday, or a U.S. national holiday.~~

~~"Chain" means the group of Company Owned Units and franchised units each operating a Store under the System and the Proprietary Marks.~~

~~"Company Owned Unit" means a retail Store operated under the System and the Marks and owned by the Franchisor or any of its affiliates.~~

~~"Competitive Business" means a business that is engaged wholly or partially, directly or indirectly, in the offer and sale of hemp based products including CBD, hemp flower and hemp flower derived products, Kratom extract and Kratom infused products, Kava extract and Kava infused products, and any similar or competitive products.~~

~~"Confidential Information" means any knowledge, know how, technologies, processes, techniques, and any other information that the Franchisor designates as confidential, proprietary, or trade secrets or that is not readily available in the public domain. Confidential Information includes the Manuals, and software.~~

~~"Design Specifications" means the specifications described in Section 2.3.a.ii.~~

~~"Designee" means one or more of the Franchisor's representatives who are independent contractors and appointed by the Franchisor to perform certain of its duties under this Agreement as described in ARTICLE 2.~~

~~"Enforcement Costs" means the costs described in Section 20.9.~~

~~"FDD" means the Franchisor's current Franchise Disclosure Document and all exhibits and supplements thereto.~~

~~"Franchise" means the rights granted to the Franchisee under this Agreement.~~

~~"Franchise Owner" means: (a) if the Franchisee is an individual, such individual; (b) if the Franchisee is a corporation, the individuals who own 10% or more of the voting and ownership interests in such corporation; (c) if the Franchisee is a partnership, any individual who is or~~

owns 10% or more of the voting and ownership interests in an entity that is a general partner of such partnership; or (d) if the Franchisee is a limited liability company, the individuals who own 10% or more of the voting and ownership interests in such limited liability company.

~~"Franchised Business" means the retail Store the Franchisee is authorized to establish and operate under this Agreement.~~

~~"Franchisee" means all persons signing the signature page of this Agreement as Franchisee, jointly and individually.~~

~~"Franchisor's Stock Consideration" means the Franchisor's publicly traded registered shares described in Section 11.4.b.~~

~~"Gross Revenues" means the entire amount of all the Franchisee's revenues arising out of the ownership or operation of the Franchised Business or any business at or about the Premises and any revenues received from the lease or sublease of a portion of the Premises. Such revenues may be evidenced by cash, credit, checks, purchased gift certificates, scrip, coupons and premiums (unless exempted by the Franchisor), services, property or other means of exchange. Such revenues exclude, however, the amount of any sales taxes that are collected and actually paid to the taxing authority. Gross Revenues are deemed received by the Franchisee at the time the goods, products, merchandise, or services from which they derive are delivered or rendered or at the time the relevant sale takes place, whichever occurs first. Gross Revenues consisting of property or services are valued at the prices applicable, at the time such Gross Revenues are received, to the products or services exchanged for such Gross Revenues. Franchisee may not deduct delivery charges or any other service charges from Gross Revenues before calculating royalties. Gross Revenues includes the proceeds from business interruption insurance. Royalty Fees are paid on the full retail price charged by Franchisee regardless of any credit or discount Franchisee may provide to the customer unless Franchisor pre-approved the credit or discount in writing.~~

~~"Initial Franchise Fee" means the fee described in Section 3.1.a.~~

~~"Interest" means the ownership or voting interest described in Section 11.4.a.i.~~

~~"Interest Offer" means the offer to purchase an Interest in the Franchise described in Section 11.4.a.i.~~

~~"Local Advertising" means advertising, marketing, public relations, and promotion undertaken by the Franchisee in media directed primarily at the Franchisee's local market area. It includes~~

~~television, radio, newspapers, magazines, billboards, posters, handbills, direct mail, yellow pages, sports program booklet advertising, church bulletins, collateral promotional and novelty items (e.g., matchbooks, pens and pencils, bumper stickers, calendars) that prominently display the Franchisor's Proprietary Marks, advertising on public vehicles such as cabs and buses, the cost of producing materials necessary to participate in these media, agency commissions related to the production of such advertising, and amounts paid to an approved regional advertising cooperative or to a merchant's association for advertising of which the Franchisee is a member. Local Advertising does not include payments to the Marketing Fund nor payments in connection with permanent on premises signs, lighting, purchasing or maintaining vehicles, even though such vehicles display in some manner the Franchisor's Proprietary Marks, contributions, sponsorships (unless the Franchisor's Proprietary Marks are prominently displayed by the group or activity receiving the contribution or sponsorship), premium or similar offers such as discounts, price reductions, special offers, free offers and sweepstake offers (except that the media costs associated with promoting the premium offers are included); employee incentive programs, and other similar payments that the Franchisor, in its sole discretion, determines should not be included in determining whether the Franchisee has met its obligation for Local Advertising.~~

~~*"Franchised Business Certified Manager"* means the Franchise Owner unless the Franchisor otherwise agrees in writing. The Franchised Business must at all times be under the direct supervision of a Franchised Business Certified Manager who has satisfactorily completed our initial training program to our satisfaction and who devotes 25 hours per week or more using his/her full business time, energy and effort to the management and operation of your Natural Life CBD/Kratom/Kava Business.~~

~~*"Manuals"* means all manuals, and any revisions thereto, prepared for the internal use of the Franchised Business currently or subsequently produced by, or for the benefit of, the Franchisor and loaned to the Franchisee.~~

~~*"Marketing Fund"* means the fund described in Section 7.3 into which Marketing funds shall be deposited for use in regional and national marketing activities to promote the System.~~

~~*"Notice of Default"* means the notices described in Section 12.3.~~

~~*"Notice of Exercise"* means the Franchisor's written notice of acceptance of an Offer described in Section 11.4.a.~~

~~"Opening Date" means: (i) the date on which the Franchised Business is first opened for business to the general public after being newly constructed; (ii) the date on which the Franchised Business is first opened for business to the general public as the Franchised Business after being converted to the Franchised Business from another retail concept where the retail concept was suspended during the conversion period; or (iii) the Agreement Date where the existing retail operation is being converted to the Franchised Business without being suspended, whichever is applicable.~~

~~"Offer" means the offer extended to the Franchisor described in Section 11.4.a.~~

~~"Payment System" means the system the Franchisee creates to make payments to the Franchisor as described in Section 3.3.~~

~~"Person" means any individual, corporation, partnership, limited liability company, or other business entity or trust.~~

~~"P.O.S. System" means the computerized cash registers, software, printer and modem the Franchisee shall purchase in accordance with the Franchisor's specifications contained in the Manuals.~~

~~"Premises" means the entire real property either owned or leased by the Franchisee where the Franchised Business is located, as described in Attachment "1".~~

~~"Proprietary Marks" means the service mark and logo "Natural Life CBD/Kratom/Kava" and all other trademarks, service marks, trade names, logos and commercial symbols that the Franchisor authorizes as part of the System.~~

~~"Proprietary Products" means hemp based products including CBD, hemp flower and hemp flower derived products, Kratom extract and Kratom infused products, Kava extract and Kava infused products, and related products that contain formulas owned by Franchisor, or which are marketed under the Natural Life CBD/Kratom/Kava trademark and trade name.~~

~~"Proprietary Property" means the Proprietary Marks, Confidential Information, and copyrighted information of the Franchisor or its affiliates that the Franchisee may use under this Agreement.~~

~~"Protected Territory" means the area described on Attachment "1" to the Franchise Agreement within which the Franchisor will not operate nor license a third party to operate a Competitive Business under the Proprietary Marks. The Protected Territory is determined on a case by case basis and mutually agreed between Franchisor and Franchisee after a location for the Franchised~~

~~Business has been approved by the Franchisor. The Protected Territory is also limited by Sections 1.3 ad 5.6.~~

~~"Reserved Area" means the area in which the Franchisee will conduct its site selection process to identify and submit proposed sites for the Franchisor's approval in accordance with its site approval process. The Reserved Area is described on Attachment "1". But it does not include any protected territory pertaining to a Company Owned Unit or another franchisee or area developer within the Chain who already has a Franchised Business in operation or to be operated in the Reserved Area.~~

~~"Royalty Fee" means the fee described in Section 3.1.b.~~

~~"Signage" means all signs bearing the Proprietary Marks and located at the Premises.~~

~~"Succeeding Term" means the term of the Successor Franchise Agreement.~~

~~"Successor Franchise Agreement" means a renewal Franchise Agreement which is the then-current form of franchise agreement for new **Natural Life CBD/Kratom/Kava** franchisees at the time the Franchisee elects to enter or enters into such agreement in accordance with Section 18.2.~~

~~"System" means the Franchisor's system for operating a **Natural Life CBD/Kratom/Kava** Store. The system includes specific standards and procedures and Proprietary Property—all of which may be improved, further developed, or otherwise modified as well as those features described in this Agreement.~~

~~"Term" means the term of the Agreement described in Section 18.1.~~

~~"Trade Dress" means the store design and image developed and owned by the Franchisor or its affiliates for **Natural Life CBD/Kratom/Kava** Stores as may, from time to time, be revised and further developed by the Franchisor.~~

~~"Trainees" means the persons the Franchisor approves to attend Basic Management Training.~~

~~"Transfer Fee" means the fee described in Section 11.2.d.v.~~

~~"Transfer Documents" means the assignment and other documents described in Section 11.4.e.~~

~~"Unique Consideration" means the consideration described in Section 11.4.e~~

~~18.5. *Other Definitional Provisions.*~~

- ~~a. Unless the context requires otherwise or unless specifically defined otherwise in such other documents, all the terms defined in this Agreement have the meanings ascribed herein when used in other documents issued under, or delivered in accordance with, this Agreement.~~
- ~~b. The term "person" includes any corporation, partnership, limited liability company, estate, trust, association, branch, bureau, subdivision, venture, associated group, individual, government, institution, instrumentality, and other entity, enterprise, association, or endeavor of every nature and kind.~~

**ARTICLE 19.
GENERAL PROVISIONS**

- ~~19.1. *Release of Prior Claims.* By executing this Agreement, the Franchisee, and each of its successors under this Agreement, forever releases and discharges the Franchisor and its affiliates, its Designees, franchise sales brokers, if any, and other agents, and their respective officers, directors, representatives, employees and agents, from any and all claims of any kind, in law or in equity, that may exist as of the Agreement Date relating to this Agreement or any other agreement between the parties, or relating in any other way to the conduct of the Franchisor, its affiliates, its Designees, franchise sales brokers, if any, or other agents, and their respective officers, directors, representatives, employees and agents before the Agreement Date, including any and all claims, whether presently known or unknown, suspected or unsuspected, arising under the franchise, business opportunity, securities, antitrust or other laws of the United States, any state or locality.~~
- ~~19.2. *Amendments.* The provisions of this Agreement may be amended, supplemented, waived or changed only by a written document signed by the party as to whom enforcement of any such amendment, supplement, waiver, or modification is sought and making specific reference to this Agreement. This Section is subject to the terms of Sections 20.3 and 20.7.~~
- ~~19.3. *Modification of the System.* FROM TIME TO TIME AFTER THE AGREEMENT DATE, THE FRANCHISOR MAY CHANGE OR MODIFY THE SYSTEM. THE FRANCHISEE MUST ACCEPT, AND IS BOUND BY, SUCH CHANGES TO AND MODIFICATIONS OF THE SYSTEM AS IF THEY WERE PART OF THIS AGREEMENT AT THE TIME IT WAS EXECUTED. THE FRANCHISEE MUST MAKE ALL SUCH EXPENDITURES AS THE FRANCHISOR MAY REASONABLY REQUIRE TO TIMELY AND EXPEDITIOUSLY IMPLEMENT AND COMPLY WITH SUCH CHANGES OR MODIFICATIONS.~~

~~19.4. **Binding Effect.**— All of the terms and provisions of this Agreement, whether so expressed or not, are binding upon, inure to the benefit of, and are enforceable by the parties and their respective personal representatives, legal representatives, heirs, successors, and permitted assigns.~~

~~19.5. **Notices.**— All notices, requests, demands, consents and other communications required or permitted under this Agreement shall be in writing (including fax and email) and shall be (as elected by the person giving such notice) hand delivered by messenger or courier service, faxed, emailed, or mailed (airmail if international) by registered or certified mail (postage prepaid), return receipt requested, addressed to the appropriate party at its address set forth above or to such other address as that party may designate by notice complying with the terms of this Section. Each such notice is deemed delivered:~~

~~a. on the date delivered if by personal delivery;~~

~~b. on the date of transmission if by fax or email; or~~

~~c. on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities or courier service as not deliverable, as the case may be, if mailed or couriered.~~

~~19.6. **Headings.**— The headings and subheadings contained in this Agreement are for convenience of reference only. They shall not be considered a part of this Agreement. Nor do they limit or otherwise affect, in any way, the meaning or interpretation of this Agreement.~~

~~19.7. **Severability.**~~

~~a. If any provision of this Agreement, or any other agreement entered into under this Agreement, is contrary to, prohibited by, or deemed invalid under applicable law or regulation, such provision is inapplicable and deemed omitted to the extent so contrary, prohibited, or invalid, but the remainder of this Agreement is not invalidated thereby and shall be given full force and effect so far as possible. If any provision of this Agreement may be construed in two or more ways, one of which would render the provision invalid or otherwise voidable or unenforceable and another of which would render the provision valid and enforceable, such provision has the meaning that renders it valid and enforceable.~~

~~b. If any applicable law of any jurisdiction requires greater prior notice of termination, or nonrenewal, of this Agreement than is required hereunder, or the taking of some action not required under this Agreement, the greater prior notice and/or other action required by such~~

~~law shall be substituted for its counterpart under this Agreement. If, under any applicable law of any jurisdiction, any provision of this Agreement or any requirement prescribed by the Franchisor is invalid or unenforceable, the Franchisor may, in its sole discretion, modify such invalid or unenforceable requirement to the extent required to be valid and enforceable. Unless the Franchisor elects to give them greater applicability, the foregoing substitutions and modifications to this Agreement are effective only in the jurisdiction in which they are required. In all other jurisdictions, this Agreement shall be enforced as originally made and entered.~~

~~19.8. **Waivers.** The failure or delay of any party at any time to require performance by another party of any provision of this Agreement, even if known, does not affect the right of such party to require performance of that provision or to exercise any right, power or remedy hereunder. A waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right, power or remedy under this Agreement. No notice to or demand on any party in any case, of itself, entitles such party to any other or further notice or demand in similar or other circumstances.~~

~~19.9. **Enforcement Costs.** If any arbitration, legal action, or other proceeding is instituted for the enforcement of this Agreement, or because of an alleged dispute, default, or misrepresentation in connection with any provision of this Agreement, the successful or prevailing party or parties is entitled to recover reasonable pre institution and post institution attorneys' fees, arbitration costs, court costs and all expenses even if not taxable as arbitration or court costs (including all such fees, costs and expenses incident to arbitration, appellate, bankruptcy and post judgment proceedings), incurred in connection with such action or proceeding, in addition to any other relief to which such party or parties may be entitled. Attorneys' fees include paralegal fees, administrative costs, investigative costs, costs of expert witnesses, court reporter fees, sales and use taxes, if any, and all other charges billed by the attorneys to the prevailing party. If the Franchisor is required to engage legal counsel in connection with any failure by the Franchisee to pay when due any monies owed under this Agreement or submit when due any reports, information or supporting records, or in connection with any failure otherwise to comply with this Agreement, the Franchisee must reimburse the Franchisor on demand for all of the above-listed costs and expenses it incurs, whether or not arbitration, a legal action, or other proceeding is initiated.~~

~~19.10. *Jurisdiction and Venue.*— A substantial portion of the negotiations, anticipated performance, and execution of this Agreement occurred or will occur in Leon County, Florida. Therefore, each of the parties irrevocably and unconditionally:~~

~~a.— agrees that any suit, action or legal proceeding arising out of or relating to this Agreement must be brought only in the courts of record of the State of Florida in Leon County or the District Court of the United States, Northern District of Florida;~~

~~b.— consents to the jurisdiction of each such court in any suit, action, or proceeding;~~

~~c.— waives any objection that he, she or it may have to the laying of venue of any such suit, action, or proceeding in any of such courts; and~~

~~d.— agrees that service of any court paper may be effected on such party by mail, as provided in this Agreement, or in such other manner as may be provided under applicable laws or court rules in the State of Florida.~~

~~19.11. *Remedies Cumulative.*— Except as otherwise expressly provided in this Agreement, no remedy in this Agreement conferred upon any party is intended to be exclusive of any other remedy. Each and every such remedy is cumulative and is in addition to every other remedy given under this Agreement or now or later existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy under this Agreement precludes any other or further exercise of such right, power, or remedy.~~

~~*Effectiveness;*~~

~~19.12. *Counterparts.*— This Agreement is not effective or binding or enforceable against the Franchisor until it is accepted by the Franchisor and executed by an authorized officer of the Franchisor. The Franchisee is advised not to incur any expenses with respect to opening the Franchised Business until the Franchisee has received a final executed copy of this Agreement from the Franchisor's home office. This Agreement may be executed in one or more counterparts, each of which is an original, but all of which together constitute one and the same instrument. Confirmation of execution by telex or by telecopy or telefax of a facsimile signature page is binding upon any party to such confirmation.~~

~~*Consents;*~~

~~19.13. *Approvals and Satisfaction.*— Whenever the Franchisor's consent or approval is required under this Agreement, unless specifically stated in this Agreement to the contrary, such consent or approval shall not be unreasonably withheld or delayed. Unless such consent or approval is in writing and signed by an authorized representative of the Franchisor, no consent or approval~~

~~required of the Franchisor is binding upon the Franchisor. No other officer, employee, or agent of the Franchisor has authority to execute any consent or approval on behalf of the Franchisor. The Franchisor's consent or approval, whenever required, may be withheld if any default by the Franchisee exists under this Agreement. Unless the Agreement expressly states otherwise, anytime the Franchisor's satisfaction is required under this Agreement, such satisfaction is determined on the basis of the Franchisor's sole and absolute judgment.~~

~~19.14. **Governing Law.** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 *et seq.*) or the United States Arbitration Act (9 U.S.C. §§ 1 *et seq.*), this Agreement and any other agreement relating thereto, and all transactions contemplated thereby, are governed by, and shall be construed and enforced in accordance with, the internal laws of Florida, without regard to its conflict-of-laws principles. NOTWITHSTANDING THE FOREGOING, ANY LAWS REGULATING THE OFFER OR SALE OF FRANCHISES, BUSINESS OPPORTUNITIES, OR SIMILAR INTERESTS OR GOVERNING THE RELATIONSHIP BETWEEN THE PARTIES TO THIS AGREEMENT, OR BETWEEN THE FRANCHISOR AND THE FRANCHISEE'S GUARANTORS AND OWNERS, IF ANY, DO NOT APPLY UNLESS THEIR RESPECTIVE JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.~~

~~19.15. **Interpretation.** Each of the parties has been or has had the opportunity to have been represented by their own counsel throughout the negotiations, as well as at the execution of this Agreement and all the other documents executed incidental to this Agreement. Therefore, either while this Agreement is effective or after its expiration or sooner termination, none of the parties may claim or assert that any provision of this Agreement or of the other documents should be construed against the drafter thereof.~~

~~19.16. **Entire Agreement.** This Agreement (together with its Attachment-s, and all other written agreements related to this Agreement that are expressly referenced herein) represents the entire understanding and agreement between the parties with respect to the subject matter of this Agreement, and supersedes all other negotiations, understandings, and representations, if any, made by and between the parties. No representation, inducement, promise, or agreement, oral or otherwise, if any, not embodied in this Agreement, its Attachments, or any other written agreement related to this Agreement and expressly referenced herein is of any force and effect. Notwithstanding the foregoing, nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Franchisor in its Franchise Disclosure Document.~~

~~19.17. *Survival.*—All the Franchisor’s and Franchisee’s respective obligations that expressly or by their nature survive the expiration or sooner termination of this Agreement continue in full force and effect subsequent to and notwithstanding its expiration or termination. Such obligations continue in full force and effect until they are satisfied or by their nature expire.~~

~~19.18. *Force Majeure.*—Neither the Franchisor nor the Franchisee is liable for loss or damage or deemed in breach of this Agreement if its failure to perform its obligations results solely from the following causes beyond its reasonable control:~~

~~a.—transportation shortages or inadequate supply of equipment, merchandise, supplies, labor, material, or energy;~~

~~b.—compliance with any applicable law; or~~

~~c.—war, strikes, natural disaster, or acts of God.~~

~~Any delay in the Franchisor’s or the Franchisee’s performance resulting from any of said causes extends the time for performance accordingly or excuse performance, in whole or in part, as may be reasonable. Notwithstanding the foregoing, said causes do not excuse late payments of amounts owed to the Franchisor for any reason.~~

~~19.19. *Liability of Multiple Franchisees.*—If the Franchisee consists of more than one person, all such persons are jointly and severally liable for the Franchisee’s liabilities and obligations under this Agreement.~~

~~19.20. *Third Parties.*—Except as provided in this Agreement to the contrary with respect to any affiliates of the Franchisor, nothing in this Agreement, whether express or implied, confers any rights or remedies under or by reason of this Agreement on any persons (including other **Natural Life CBD/Kratom/Kava** franchisees) other than the parties and their respective personal or legal representatives, heirs, successors, and permitted assigns. Further, except as provided in this Agreement to the contrary with respect to any Designee of the Franchisor, nothing in this Agreement relieves or discharges the obligation or liability of any third persons to any party to this Agreement. Nor does any provision give any third persons any right of subrogation or action over or against any party to this Agreement.~~

~~19.21. *Equitable Relief.*—The Franchisee recognizes that notwithstanding anything this Agreement to the contrary, the Franchised Business is intended to be one of a large number of businesses identified by the Proprietary Marks that sell the public the products and services associated with the Proprietary Marks. Therefore, a single franchisee’s failure to comply with the terms of its~~

~~franchise agreement is likely to cause irreparable damage to the Franchisor. And, thus, damages at law would be an inadequate remedy. Consequently, if the Franchisee breaches or threatens to breach any of the terms of the Agreement, the Franchisor is entitled to an injunction restraining such breach and/or to a decree of specific performance (together with recovery of reasonable attorneys' fees and costs incurred in obtaining said equitable relief). If it seeks such an injunction or decree, it need not demonstrate or prove any actual damage. The foregoing equitable remedies are in addition to any other remedies or rights to which the Franchisor may be entitled because of any breach of this Agreement by the Franchisee. The Franchisor is entitled to seek such an injunction or decree without posting any bond or security. But if a court, nevertheless, requires a bond, a bond in the sum of \$100 is sufficient.~~

~~19.22. **Currency.** Unless otherwise agreed in writing by both parties, all references in this Agreement, and all other agreements between the parties, to monetary amounts refer to U.S. currency.~~

~~19.23. **Right of Parties.** If the Franchisee defaults in performing any of its obligations under this Agreement, the Franchisor has the right (but not the duty) to perform the Franchisee's obligations. If it does, the Franchisee must immediately reimburse the Franchisor for the costs of so performing, including an administrative fee of 10% of such costs (together with accrued interest permitted under this Agreement on overdue amounts).~~

~~19.24. **Waiver of Punitive Damages Claims.** TO THE FULLEST EXTENT PERMITTED BY LAW, THE PARTIES MUTUALLY AND WILLINGLY WAIVE ANY RIGHT TO, OR CLAIM FOR, ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER. IN THE EVENT OF A DISPUTE BETWEEN THE PARTIES, EACH IS LIMITED TO RECOVERING ONLY THE ACTUAL DAMAGES IT SUSTAINS.~~

~~19.25. **Waiver of Jury Trial.** THE PARTIES MUTUALLY AND WILLINGLY WAIVE THE RIGHT TO A TRIAL BY JURY OF ANY AND ALL CLAIMS MADE BETWEEN THEM WHETHER NOW EXISTING OR ARISING IN THE FUTURE INCLUDING ANY AND ALL CLAIMS, DEFENSES, COUNTERCLAIMS, CROSS CLAIMS, THIRD PARTY CLAIMS AND INTERVENOR'S CLAIMS WHETHER ARISING FROM OR RELATED TO THE SALE, NEGOTIATION, EXECUTION, OR PERFORMANCE OF THE TRANSACTIONS TO WHICH THIS AGREEMENT RELATES.~~

~~19.26. **Anti-Terrorism Laws.** Franchisee and its owners agree to comply with and/or to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee and its owners certify,~~

~~represent, and warrant that none of their property or interests is subject to being “blocked” under any of the Anti-Terrorism Laws and that Franchisee and its owners are not otherwise in violation of any of the Anti-Terrorism Laws.~~

~~a.— Franchisee and its owners certify that none of them, their respective employees, or anyone associated with Franchisee is listed in the Annex to Executive Order 13224 (which can be accessed at <http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html>). Franchisee agrees not to hire (or, if already employed, retain the employment of) any individual who is listed in the Annex.~~

~~b.— Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee, its owners, their employees, or anyone associated with Franchisee to be listed in the Annex to Executive Order 13224.~~

~~c.— Franchisee is solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that its indemnification responsibilities set forth in this Agreement pertain to its obligations under this Section 20.26.~~

~~d.— Any misrepresentation under this Section or any violation of the Anti-Terrorism Laws by Franchisee, its owners, agents, its employees shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered with Franchisor or its affiliates.~~

~~e.— “Anti-Terrorism Laws” means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirement of any governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control and any government agency outside the U.S.) addressing or in any way relating to terrorist acts and/or acts of war.~~

~~19.27. **Consent to do Business Electronically.**— The parties to the Franchise Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the State of Florida, the parties hereby affirm to each other that they agree with the terms of the Franchise Agreement and its Addenda, and by attaching their signature electronically~~

~~to the Franchise Agreement, they are executing the document and intending to attach their electronic signature to it. Furthermore, the parties acknowledge that the other parties to the Franchise Agreement can rely on an electronic signature as the respective party's signature.~~

Your Acknowledgements

~~19.28. You acknowledge the truthfulness of the statements contained in Attachment 7 hereto. Your acknowledgments are an inducement for us to enter into this Agreement. You shall immediately notify us, prior to acknowledgment, if any statement in Attachment 7 is incomplete or incorrect.~~

<u>12-Month Measuring Period</u> (commencing with opening date)	<u>Minimum Gross Sales*</u>
<u>Months 0 – 12</u>	<u>\$250,000</u>
<u>Months 13 – 24</u>	<u>\$300,000</u>

* We reserve the right to increase the minimum Gross Sales figures based on CPI increases in accordance with §0.

<p>THE FRANCHISOR: Natural Life Franchise Corp.</p> <p>By: _____ Print Name: Gabriel Suarez</p> <p>Its: Founder and CEO</p> <p style="text-align: center;"><u>Months 25 – 36</u> (and each subsequent 12-month period)</p>	<p>THE FRANCHISEE:</p> <p>By: _____ Print Name: _____</p> <p>_____</p> <p>Its: _____ <u>\$350,000</u></p>
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If you fail to achieve the minimum required Gross Sales figure for a given 12-month measuring period, we may, at our option, elect between any of the following: (a) we may terminate this Agreement; (b) we may reduce the size of your Territory in any manner we deem appropriate; or (c) we may allow you to keep your Territory but charge you royalty fees and brand fund fees (and any other fees calculated as a percentage of Gross Sales) based on imputed Gross Sales equal to the difference between the minimum required Gross Sales and your actual Gross Sales generated during the relevant measuring period.

13. FRANCHISE ADVISORY COUNCIL. We may, but need not, create a franchise advisory council to provide us with suggestions to improve the System, including matters such as marketing, operations and new product or service suggestions. We consider all suggestions in good faith but are not bound by them. The council would be established and operated according to rules and regulations we periodically approve, including procedures governing the selection of council representatives to communicate with us on matters raised by the council. You would have the right to be a council member as long as you comply with this Agreement and do not act in a disruptive, abusive or counter-productive manner. As a member, you would be entitled to all voting rights and privileges granted to other council members. Each member would have one vote on all matters on which members are

authorized to vote.

14. FEES

Initial Franchise Fee. You agree to pay us an initial franchise fee in the amount set forth in Part B of 0 in one lump sum at the time you sign this Agreement. The initial franchise fee is fully earned by us and nonrefundable once this Agreement is signed.

Royalty Fee. On the day of each week we specify (the “royalty fee due date”), you must pay us a royalty fee equal to the greater of 5% of weekly Gross Sales generated during the immediately preceding reporting period or \$200 per week. The current reporting period runs from the opening of business on Monday through the close of business on Sunday and the current royalty payment due date is the Wednesday immediately following the end of the prior reporting period. We may periodically change the reporting period and weekly royalty payment due date through updates to the Manual.

Other Fees and Payments. You must pay all other fees, expense reimbursements and other amounts specified in this Agreement in a timely manner as if fully set forth in §14. You also agree to promptly pay us an amount equal to all taxes levied or assessed against us based on goods or services you sell or goods or services we furnish to you, excluding income taxes imposed on us based on fees you pay us under this Agreement.

Due Date & Late Fee. Payments are due 10 days after invoicing unless otherwise specified. If any sum due under this Agreement has not been received by us when due or there are insufficient funds in your Account to cover the sum when due, then in addition to this sum you must pay us \$100 plus default interest on the amount past due at a rate equal to the lesser of 18% per annum (pro-rated on a daily basis) or the highest rate permitted by applicable Law. If no due date is specified, interest begins to run 10 days after we bill you. We will not impose a late fee for any amount paid pursuant to §0 if, but only to the extent that, sufficient funds were available in your Account to be applied towards the payment when due; *provided, however*, that if we are unable to determine the amount due because of your failure to record sales or submit Gross Sales reports in a timely manner, we may assess a late fee on the entire amount that was due. This §0 shall not constitute our agreement to accept late payments or extend credit to you.

Method of Payment. No later than 15 days after the Effective Date, you must send us a completed and executed ACH Agreement authorizing us to electronically debit your designated Account for all amounts owed to us and our affiliates on the applicable due date, excluding any amounts due within 15 days after the Effective Date. You must sign all other documents required by us or your bank to enable us to debit your Account for amounts owed. You must deposit all Gross Sales into the Account and ensure sufficient funds are available for withdrawal before each payment due date. If there are insufficient funds in your Account, any excess amounts you owe will be payable upon demand, together with any late fee imposed pursuant to §0. We may also impose a \$50 NSF fee for each instance where either: (a) there are insufficient funds in your Account to cover amounts owed when due; or (b) a check you issue to us is returned due to insufficient funds.

CPI Adjustments. We reserve the right to periodically adjust all fees (including minimum fees) expressed as a fixed dollar amount based on changes to the Consumer Price Index (CPI) in the United States. We may periodically review and increase these fees based on CPI changes, but only if the then-current CPI (“Current CPI”) is more than 5% higher than the corresponding CPI in effect on: (a) the Effective Date of this Agreement (for the initial fee adjustments); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments) (“Baseline CPI”). The adjusted fee shall be calculated by multiplying the current fee by a fraction: (a) the numerator of which is an amount calculated as the product of (i) 100 and (ii) the difference of Current CPI minus Baseline CPI; and (b) the denominator of which is Baseline CPI. We may utilize any CPI index series published by the U.S. Department of Labor or any comparable Governmental Authority that we deem appropriate. We currently use the following index: All Urban Wage Earners and Clerical Workers (CPI-W), U.S. City Average (1982-84 = 100), “All Items”. We will notify you of any CPI

adjustment at least 60 days before the fee adjustment becomes effective. We may implement no more than one (1) fee adjustment during any five (5) year period. If we, in our sole discretion, determine not to increase the fees in a given five (5) year period despite a 5% or greater CPI increase, that potential fee increase will accumulate and may be carried forward and applied in connection with a subsequent fee adjustment. We also reserve the right to adjust the minimum Gross Sales figures set forth in §12 at the same time, and in the same manner, as we adjust fees based on CPI increases in accordance with the above.

15. BRAND PROTECTION COVENANTS.

Reason for Covenants. The Intellectual Property, training and assistance we provide would not be acquired except through implementation of this Agreement. You agree that competition by you, the Owners or Persons associated with you or the Owners (including family members) could seriously jeopardize our franchise system because you and the Owners received an advantage through knowledge of our day-to-day operations and Know-how. You and the Owners agree to comply with the covenants in §15 to protect the Intellectual Property and our franchise system.

Intellectual Property and Confidential Information. You and the Owners agree to:

- (i) refrain from using any Intellectual Property or Confidential Information in any business or for any purpose other than the operation of your Store pursuant to this Agreement;
- (ii) maintain the confidentiality of all Confidential Information at all times;
- (iii) refrain from making unauthorized copies of documents containing Confidential Information;
- (iv) take all steps we reasonably require to prevent unauthorized use or disclosure of Confidential Information; and
- (v) stop using the Intellectual Property and Confidential Information immediately upon the expiration, termination or Transfer of this Agreement (and any Owner who ceases to be an Owner before the expiration, termination or Transfer of this Agreement must stop using the Intellectual Property and Confidential Information immediately at the time he or she ceases to be an Owner).

Unfair Competition. You and the Owners may not engage in any Prohibited Activities during the Term or Post-Term Restricted Period. Notwithstanding the foregoing, you and the Owners may have an interest in a Competing Business during the Post-Term Restricted Period as long as the Competing Business is not located within, and does not use ecommerce or online channels of distribution to sell competitive products within, the Restricted Territory. If you or an Owner engages in a Prohibited Activity during the Post-Term Restricted Period (other than having an interest in a Competing Business permitted by this Section), then the Post-Term Restricted Period applicable to you or the non-compliant Owner, as applicable, shall be extended by the period of time during which you or the non-compliant Owner, as applicable, engaged in the Prohibited Activity.

Family Members. Because (a) an Owner could circumvent the intent of §15 by disclosing Confidential Information to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild) and (b) it would be difficult for us to prove whether the Owner disclosed Confidential Information to the family member, each Owner agrees that he or she will be presumed to have violated the terms of §15 if any member of his or her immediate family engages in any Prohibited Activities during the Term or Post-Term Restricted Period or uses or discloses Confidential Information. However, the Owner may rebut this presumption with evidence conclusively showing he or she did not disclose Confidential Information to the family member.

Employees. You must ensure all employees, officers, directors, partners, members, independent contractors and other Persons associated with you or your Store sign and send us a Confidentiality Agreement

before they are given access to any Confidential Information. Any Person who signs a Brand Protection Agreement need not sign a Confidentiality Agreement. You must: (a) use best efforts to ensure these individuals comply with the Brand Protection Agreements and Confidentiality Agreements, as applicable; (b) immediately notify us of any breach that comes to your attention; and (c) reimburse us for all expenses we incur to enforce a Brand Protection Agreement or Confidentiality Agreement, including attorneys' fees and court costs.

Covenants Reasonable. You and the Owners agree that: (a) the covenants in §15 are reasonable both in duration and geographic scope; (b) our use and enforcement of similar covenants with respect to other franchisees benefits you and the Owners by preventing others from unfairly competing with your Store; and (c) you and the Owners have sufficient resources, business experience and opportunities to earn an adequate living while complying with the covenants in §15.

Breach of Covenants. You and the Owners agree that: (a) any failure to comply with §15 is likely to cause substantial and irreparable damage to us and/or other franchisees for which there is no adequate remedy at Law; and (b) we are entitled to injunctive relief if you or an Owner breaches §15, together with any other relief available at equity or Law. We will notify you if we intend to seek injunctive relief, but we need not post a bond. If a court requires that we post a bond despite our mutual agreement to the contrary, the required amount of the bond may not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at Law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

16. YOUR OTHER RESPONSIBILITIES

Insurance. For your protection and ours, you agree to maintain the following insurance policies:

- (i) “all risk” property insurance coverage on all assets, including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of your Store, which must include coverage for fire, vandalism and malicious mischief and have coverage limits of at least full replacement cost;
- (ii) comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of your Store, containing minimum liability protection of \$1,000,000 combined single limit per occurrence and \$2,000,000 in the aggregate;
- (iii) product liability insurance (which may not contain a “health hazard exclusion” or “vape exclusion”) containing minimum liability protection of \$1,000,000 combined single limit per occurrence;
- (iv) product withdrawal expense endorsement containing at least \$250,000 in coverage;
- (v) business personal property insurance containing minimum liability protection of \$100,000 per occurrence;
- (vi) automobile liability and property damage insurance covering all loss, liability, claim or expense of any kind whatsoever resulting from the use, operation, or maintenance of any automobiles or motor vehicles, owned, leased or used by you or your officers, directors, employees, partners or agents in the operation of your Store, containing minimum liability protection of \$1,000,000 combined single limit per occurrence;
- (vii) umbrella insurance containing minimum liability protection of \$2,000,000 combined single limit per occurrence;
- (viii) business income and business interruption insurance providing coverage of at least

\$100,000 per occurrence;

- (ix) employer's liability insurance containing minimum liability protection of \$1,000,000 combined single limit per occurrence;
- (x) worker's compensation insurance as required by Law;
- (xi) any insurance required under your lease or by Law; and
- (xii) any other insurance we specify in the Manual from time to time.

You must provide us with proof of coverage: (a) prior to opening; (b) within 10 days after the renewal of a policy; and (c) at any other time on demand. You must obtain these policies from licensed insurance carriers rated A or better by Alfred M. Best & Company, Inc. Each policy must be endorsed to: (a) name us and our members, officers, directors, and employees as additional insureds; (b) contain a waiver by the insurance carrier of all subrogation rights against us; and (c) provide that we receive at least 30 days' prior written notice of the termination, expiration, cancellation or modification of the policy. If any policy fails to meet these criteria, we may disapprove the policy and you must immediately secure a new policy meeting our criteria. Upon 10 days' notice, we may increase the minimum liability coverage amount of any policy and/or require different or additional types of insurance due to inflation, special risks, changes in Law or standards of liability, higher damage awards or other relevant changes in circumstances. If you fail to maintain a required policy, we may, at our option, obtain the policy on your behalf. If we do so, you must promptly sign any application or other form required to obtain the policy and reimburse us for all premiums and other costs we incur.

Books and Records. You must prepare complete and accurate books, records, accounts and tax returns pertaining to your Business and keep copies for at least five (5) years after their preparation. You must maintain, and send to us upon request, a written list of all of your customers. You must send us copies of your books and records within seven (7) days of our request. You must provide us with independent access to your QuickBooks Online or other online financial accounting software account with permission to read all reports.

Reports.

Generally. You must prepare all reports we require including, without limitation, the reports described below. Reports must be prepared in the form and manner we specify. You must send us a copy of any report we require upon request. We also have the right to independently access your Technology Systems to retrieve and compile Business Data and generate any reports we deem appropriate, including Gross Sales reports.

Report of Initial Investment Costs. To assist us in updating future versions of our Franchise Disclosure Document, you must complete and send us a report, in the form we designate, listing all expenses you incur in connection with the development and opening of your Store. You must send us the completed report within 60 days after the opening date of your Store.

Gross Sales Reports. No later than each royalty payment due date, you must prepare and send us a weekly statement of your Gross Sales for the prior week. If you miscalculate Gross Sales, you must notify us of the error no later than the end of the next Gross Sales reporting period. Otherwise, you will not be entitled to any refund or credit of any fees paid to us based on previously reported Gross Sales.

Advertising Expenditure Reports. No later than 30 days after the expiration of your grand opening period, you must prepare and send us a final report detailing all your expenditures on your grand opening marketing campaign in accordance with §0. No later than the 10th day of each month, you must prepare and send us a monthly report detailing your expenditures

incurred during the prior month on local advertising required by §0. All advertising expenditure reports must include copies of receipts for the reported expenditures.

Financial Statements. No later than the 15th day of each month, you must prepare and send us a monthly balance sheet and profit and loss statement for your Business in the format we prescribe. Within 90 days after the end of each calendar year, you must prepare and send us a balance sheet (as of the end of the calendar year) and profit and loss statement for the prior calendar year. Financial statements must be: (a) verified and signed by you certifying to us that the information is true, complete, and accurate; (b) prepared on an accrual basis in compliance with Generally Accepted Accounting Principles; and (c) submitted in any format we reasonably require. We may require that your financial statements be reviewed or audited by a certified public accountant if you submit materially inaccurate financial statements on a prior occasion. You must send us a copy of any financial statement required by this Section upon request. You hereby authorize us to disclose Operational Data to prospective franchisees, Governmental Authorities and other Persons for any reasonable business purpose, provided the disclosure is not prohibited by applicable Law.

Legal Compliance. You must: (a) secure and maintain all required licenses, permits and regulatory approvals; (b) operate your Store in compliance with all applicable Laws; (c) notify us in writing within two (2) business days after you become aware of any Claim, or any order, demand or disciplinary action issued by a Governmental Authority, that may adversely affect the operation of your Store; and (d) immediately send us a copy of any inspection report or other communication from a Governmental Authority alleging violation of a health or safety Law.

Ownership and Protection of Data. We are the exclusive owner of all Business Data collected by you, us or any other Person. We hereby grant you a license to utilize the Business Data solely for purposes of operating your Store in compliance with this Agreement. You must protect all Customer Data with a level of control proportionate to the sensitivity of data. You must adhere to applicable privacy Laws with respect to data which, if compromised, could have a negative impact on our image or consumer confidence. You agree to: (a) comply with all applicable data protection Laws and our data processing and data privacy policies in the Manual (if any); and (b) upon request, sign any data processing or data privacy agreement required by us or by Law. You further agree to:

- (i) obtain, maintain and adhere to all applicable compliance standards established by PCI-DSS;
- (ii) establish appropriate administrative, technical and physical controls consistent with Law and PCI-DSS to preserve the security and confidentiality of any credit card information, in any form whatsoever, that you store, process, transmit or come in contact with;
- (iii) promptly notify us if you suspect there is, or has been, a security breach or potential compromise of any such credit card information;
- (iv) provide us with updates regarding the status of PCI-DSS, which update may be through a completed PCI AOC (Attestation of Compliance), PCI-DSS SAQ (Self-Assessment Questionnaire) or other method mutually agreed; and
- (v) promptly notify us of any noncompliance with PCI-DSS requirements to discuss your remediation efforts and timeline.

17. INSPECTION AND AUDIT

Inspections. For quality control purposes and to ensure compliance with this Agreement, we (or our representative) may enter your Store, evaluate your operations and inspect your books, records, accounts and tax returns. We will determine the scope of the inspection, which may include, among other things:

- (i) evaluating the physical condition of your Store for cleanliness, sanitation and state of repair;
- (ii) examining and copying your books, records, accounts and tax returns;
- (iii) inspecting and testing your equipment;
- (iv) removing samples of your inventory for testing purposes;
- (v) monitoring and speaking with your staff; and
- (vi) contacting your landlord and customers.

We may conduct the inspection at any time and without prior notice. During the inspection, we (or our representative) will use reasonable efforts to minimize any interference with the operation of your Store. You and your employees must cooperate and not interfere with the inspection. You consent to us accessing your Technology Systems and retrieving any Business Data we deem appropriate. You must pay us a reinspection fee of \$400 per day (for the duration of the inspection period) and reimburse us for all Travel Expenses and other costs we incur to conduct an inspection to determine if you remedied: (a) a health or safety issue identified by a Governmental Authority; or (b) a breach of our system standards we brought to your attention. We bear the cost of all other inspections.

Audit. We may audit your books and records at any time. You must fully cooperate with us and any Person we hire to conduct the audit. If an audit reveals an understatement of Gross Sales, you must immediately pay us all additional fees you owe together with any late fee imposed pursuant to §0. You must reimburse us for the cost of any audit (including reasonable accounting and attorneys' fees and Travel Expenses incurred by us or the auditor) that: (a) is required due to your failure to provide information we request, preserve records or file reports as required by this Agreement; or (b) reveals an understatement of Gross Sales by at least 2%. We bear the cost of all other audits. We shall not be deemed to have waived our right to terminate this Agreement by accepting reimbursement of our audit costs.

18. INTELLECTUAL PROPERTY

Ownership and Use. You acknowledge that: (a) we are (or our affiliate is) the exclusive owner of the Intellectual Property and the associated goodwill; (b) your right to use the Intellectual Property is derived solely from this Agreement; and (c) your right to use the Intellectual Property is limited to a license to operate your Store during the Term pursuant to, and only in compliance with, this Agreement and the Manual. You may not use the Intellectual Property in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized by us. Any unauthorized use of the Intellectual Property constitutes an infringement of our rights. You must comply with all provisions in the Manual governing use of the Intellectual Property. You will not acquire any goodwill, title or interest in or to the Intellectual Property.

Changes to Intellectual Property. We may change the Intellectual Property at any time in our sole discretion, including by changing the Copyrighted Materials, Know-how, Marks and/or System. You must, at your expense, implement all Intellectual Property changes we require in accordance with our instructions. We are not liable for any expenses, losses or damages you incur (including the loss of any goodwill associated with a Mark) as a result of any change to the Intellectual Property.

Use of Marks. You agree to: (a) use the Marks as the sole identification of your Store; *provided, however,* that you must identify yourself as the independent owner of your Store in the manner we prescribe; (b) prominently display the Marks in the manner we prescribe on or in connection with any advertising, promotional materials, displays, receipts, stationery and forms we designate to give notice of trademark and service mark registrations and copyrights; and (c) obtain any fictitious or assumed name registrations required by applicable Law. You may not: (a) use the Marks in any modified form or as part of a corporate or trade

name or with any prefix, suffix, or other modifying words, designs or symbols (other than logos we license to you); (b) use the Marks when signing a contract, lease, check or other agreement or in any other manner that may cause confusion or imply we are liable for your obligations; (c) register or attempt to register any Marks, or any other trademarks confusingly similar to the Marks, with any Governmental Authority; or (d) challenge or contest the validity or ownership of our Marks.

Use of Know-how. We disclose Know-how to you during training programs, in the Manual and through other guidance furnished during the Term. You will not acquire any interest in the Know-how other than the right to utilize it in compliance with this Agreement. The Know-how is proprietary and disclosed to you solely for use in the development and operation of your Store during the Term.

Improvements. If you or any of your Owners or employees conceives of or develops an Improvement, you must send us a written notice describing the Improvement. You must obtain our approval prior to using any such Improvement. Any Improvement we approve may be used by us and any third parties we authorize to operate a Store, without any obligation to pay royalties or other fees to you or any other Person. You or your Owner or employee, as applicable, must assign to us or our designee, without charge, all rights to the Improvement, including the right to grant sublicenses. In return, we will authorize you to use Improvements developed by other Persons that we approve for use in connection with the operation of a Store.

IP Disputes. You must immediately notify us of any IP Dispute. You may not communicate with any Person other than us and our counsel in connection with any IP Dispute. We have sole discretion in deciding what action, if any, to take in response to the IP Dispute. We may exclusively control any litigation or other proceeding relating to the IP Dispute. You must execute all documents, render all assistance, and perform all acts that are, in our counsel's opinion, necessary or advisable to protect or maintain our interest in the litigation or proceeding and/or protect the Intellectual Property.

19. INDEMNITY. You agree to indemnify the Indemnified Parties and hold them harmless for, from and against any and all Losses and Expenses they incur as a result of or in connection with:

- (i) the marketing, use or operation of your Store;
- (ii) the breach of any Definitive Agreement committed by you or your Owners or affiliates;
- (iii) the breach of any agreement with a third party committed by you or your Owners or affiliates;
- (iv) any Claim relating to taxes or penalties assessed by any Governmental Authority against us that are directly related to your failure to pay or perform functions required of you under this Agreement;
- (v) libel, slander or disparaging comments made by you or any of your Owners, officers, employees or independent contractors regarding the System, a Store or an Indemnified Party;
- (vi) any labor, employment or similar type of Claim pertaining to your employees (including Claims alleging we are a joint employer of your employees) or our relationship with you or your Owners (including Claims alleging we are an employer of you and/or any of your Owners); or
- (vii) any actions, investigations, rulings or proceedings conducted by any Governmental Authority (including the United States Department of Labor, Equal Employment Opportunity Commission or National Labor Relations Board) relating to your employees.

You and your Owners must immediately notify us of any Claim or proceeding described above. The Indemnified Parties shall have the right, in their sole discretion, to: (a) retain counsel of their choosing to represent them with respect to any Claim; and (b) control the response thereto and the defense thereof, including the right to enter into an agreement to settle the Claim. You may participate in such defense at your expense. You must fully cooperate and assist the Indemnified Parties with the defense of the Claim. You must reimburse the Indemnified Parties for all of their costs and expenses in defending the Claim, including court costs and reasonable attorneys' fees.

20. TRANSFERS

By Us. This Agreement is fully assignable by us (without prior notice to you) and shall inure to the benefit of any assignee(s) or other legal successor(s) to our interest in this Agreement, provided that we shall, subsequent to any such assignment, remain liable for any obligations incurred by us prior to the effective date of the assignment. We may also delegate our obligations under this Agreement to one or more Persons without assigning the Agreement.

By You. The rights and duties created by this Agreement are personal to you and the Owners. We are granting you franchise rights in reliance upon the character, skill, attitude, business ability and financial resources of you and your Owners. Because this Agreement is a personal services contract, neither you nor any Owner may engage in a Transfer (other than a Permitted Transfer) without our prior approval. Any Transfer (other than a Permitted Transfer) without our approval is void and constitutes a breach of this Agreement. We will not unreasonably withhold approval if all of the following conditions are satisfied:

- (i) we believe the proposed transferee has sufficient business experience, aptitude and financial resources to own and operate a Store and meets our minimum criteria for franchisees;
- (ii) you and your affiliates and Owners are in full compliance with all Definitive Agreements;
- (iii) the transferee's owners successfully complete, or make arrangements to attend, the initial training program and the transferee pays us any applicable training fee;
- (iv) your landlord consents to the assignment of your lease to the transferee, or the transferee is diligently pursuing an approved substitute location within the Site Selection Area;
- (v) the transferee and its owners obtain all licenses and permits required by applicable Law to own and operate the Store;
- (vi) the transferee: (a) agrees to discharge and guarantee all of your obligations under this Agreement and any other agreement relating to the Business (including supplier contracts); and (b) signs any agreement we require to confirm the foregoing;
- (vii) the transferee and its owners sign our then-current form of franchise agreement (unless we instruct you to assign this Agreement to the transferee) except that: (a) the Term and renewal term(s) shall be the Term and renewal term(s) remaining under this Agreement; and (b) the transferee need not pay a separate initial franchise fee;
- (viii) the transferee agrees to remodel the Store and upgrade all furniture, fixtures and equipment to comply with our then-current standards and specifications (these changes must be completed within 12 months after completion of the Transfer or within such shorter period of time that we specify);
- (ix) you or the transferee pay us a \$10,000 transfer fee to defray expenses we incur in connection with the Transfer (if the transferee is found by a broker we engage, you must also reimburse us for all commissions we pay the broker, which amount shall be in addition to the transfer fee);
- (x) you and your Owners sign a General Release;
- (xi) you agree to subordinate the transferee's financial obligations to you to the transferee's financial obligations owed to us pursuant to the franchise agreement (we may require you to enter into a written subordination agreement);

(xii) we choose not to exercise our right of first refusal described in §0; and

(xiii) you or the transferring Owner, as applicable, and the transferee satisfy all other conditions we reasonably require as a condition to approval of the Transfer.

Our consent to a Transfer shall not constitute a waiver of: (a) any Claims we have against the transferor; or (b) our right to demand the transferee comply with all terms of the franchise agreement.

Permitted Transfers. You may engage in a Permitted Transfer without our prior approval, but you must: (a) give us at least 10 days' prior written notice; and (b) upon our request, cause any Entity that was the Franchisee Entity immediately prior to the Permitted Transfer to sign a corporate guarantee in the format we require to secure performance of the new Franchisee Entity's financial obligations under all Definitive Agreements. You and the Owners (and the transferee) must sign all documents we reasonably request to effectuate and document the Permitted Transfer.

Owner Death or Disability. Within 180 days after the death or permanent disability of an Owner, the Owner's ownership interest must be assigned to another Owner or to a third party we approve. Any assignment to a third party will be subject to all terms and conditions of §0 unless the assignment qualifies as a Permitted Transfer. An Owner is deemed to have a "permanent disability" only if he/she has a medical or mental problem preventing him/her from substantially complying with his/her obligations under this Agreement or operating the Business in the manner required by this Agreement and the Manual for a continuous period of at least three (3) months.

Our Right of First Refusal. If you or an Owner desires to engage in a Transfer, you or the Owner, as applicable, must obtain and send us a bona-fide offer executed by the purchaser after completion of due diligence. We have 30 days after receiving the offer to decide whether to purchase the interest for the same price and upon the same terms contained in the offer, except we may substitute cash for any non-cash form of payment proposed in the offer. If we notify you within the 30-day period that we intend to purchase the interest, you or the Owner, as applicable, must sell the interest to us. We will have an additional 30 days to prepare for closing. We will be entitled to receive from you or the Owner, as applicable, all customary representations and warranties given by you (as the seller of the assets) or the Owner (as the seller of the ownership interest) or, at our election, the representations and warranties contained in the offer. If we do not exercise our right of first refusal, you or the Owner, as applicable, may complete the Transfer to the purchaser pursuant to the terms of the offer, subject to the requirements of §0, including our approval of the transferee. However, if the sale is not completed within 120 days after delivery of the offer to us, or there is a material change to the terms of sale, we will again have the right of first refusal specified in this Section. Our right of first refusal shall not apply to a Permitted Transfer.

21. TERMINATION

By You. You may terminate this Agreement if we commit a material breach and fail to cure within 90 days after receipt of a default notice specifying the nature of the breach. If you terminate pursuant to §0, you must still comply with your post-term obligations described in §22 (other than payment of liquidated damages) and all other obligations that survive the termination of this Agreement.

By Us. We may terminate this Agreement, effective upon delivery of a written notice of termination to you, for any of the following reasons, all of which constitute material events of default and "good cause" for termination, and without opportunity to cure except for any cure period expressly set forth below:

(i) if you become insolvent by reason of your inability to pay your debts as they become due;

(ii) if you file a voluntary petition in bankruptcy or any pleading seeking any

reorganization, liquidation, dissolution or composition or other settlement with creditors under any Law, or you are the subject of an involuntary bankruptcy (which may or may not be enforceable under the Bankruptcy Act of 1978);

- (iii) if your Store, or a substantial portion of the assets associated with your Store, are seized, taken over or foreclosed by a Government Official in the exercise of his or her duties, or seized, taken over or foreclosed by a creditor, lienholder or lessor;
- (iv) if a final judgment against you remains unsatisfied for 30 days unless a supersedes or other appeal bond has been filed;
- (v) if a levy of execution has been made upon the license granted by this Agreement or any property used in your Business and is not discharged within five (5) days of the levy;
- (vi) if the Managing Owner fails to satisfactorily complete initial training as required by §0;
- (vii) if you fail to secure a fully executed lease and Lease Addendum (or purchase contract) for a site we have approved within the time period required by §70;
- (viii) if you fail to open your Store within the time period required by §0;
- (ix) if you abandon or fail to operate your Store for three (3) consecutive business days, unless the failure is due to Force Majeure (in which case §0 governs) or another reason we approve;
- (x) if a Governmental Authority suspends or revokes a license or permit held by you or an Owner that is required to operate the Store even if you or the Owner have appeal rights;
- (xi) if you or an Owner (a) is convicted of or pleads no contest to a felony or other material crime, (b) is subject to a material administrative disciplinary action or (c) fails to comply with a material Law applicable to your Store;
- (xii) if you or an Owner commits an act that can reasonably be expected to materially and adversely affect the reputation of the System or the goodwill associated with the Marks;
- (xiii) if you manage or operate your Store in a manner that presents a health or safety hazard to your customers, employees or the public;
- (xiv) if you or an Owner makes any material misrepresentation to us, whether occurring before or after being granted the franchise;
- (xv) if you fail to pay any amount owed to us, our affiliate or an approved or designated supplier within 10 days after demand for payment;
- (xvi) if you underreport Gross Sales by at least 2% on two (2) or more occasions;
- (xvii) if you make an unauthorized Transfer;
- (xviii) if you use the Intellectual Property in an unauthorized manner;
- (xix) if you breach any brand protection covenants described in §15;
- (xx) if you or an Owner breaches any representations in §0;
- (xxi) if an Owner or the spouse of an Owner breaches a Franchise Owner Agreement;
- (xxii) if you fail to meet the minimum performance requirements described in §12;

(xxiii) if the lease for your premises is terminated due to your default;

(xxiv) if we send you three (3) or more valid default notices within any 12-month period, regardless of whether you cure the defaults;

(xxv) if we or our affiliate terminates any Definitive Agreement (other than an area development agreement) due to a default by you or your affiliate; or

(xxvi) if you or an Owner breaches any other provision of this Agreement (including any mandatory provision in the Manual) and fails to cure the breach within 30 days after receipt of a default notice from us.

If we send you a default notice pursuant to §0 we may cease to perform our obligations under this Agreement until you cure the breach.

Mutual Agreement to Terminate. You and we may mutually agree in writing to terminate this Agreement, in which case you and we are deemed to have waived any required notice period.

22. POST-TERM OBLIGATIONS.

Obligations of You and the Owners. After the termination, expiration or Transfer of this Agreement, you and the Owners agree to:

(i) immediately cease use of the Intellectual Property;

(ii) pay us all amounts you owe including, if applicable, liquidated damages pursuant to §0;

(iii) comply with all covenants in §15 that apply after the expiration, termination or Transfer of this Agreement or the disposal of an ownership interest by an Owner;

(iv) comply with our instructions to return or destroy all copies of the Manual, all Copyrighted Materials and all signs, advertising and promotional materials, forms and other materials bearing the Marks or containing Confidential Information;

(v) comply with our data retention policies pertaining to the Business Data;

(vi) cancel all fictitious or assumed name registrations relating to your use of the Marks;

(vii) provide us with a list of all of your current and former customers;

(viii) alter the interior and exterior of the premises to the extent necessary, or to the extent we require, to prevent any further resemblance to or connection with a Store or our System, including, without limitation, repainting the exterior and interior with new colors and removing trade dress, fixtures and décor items associated with a Store as well as exterior and interior signage (including window decals);

(ix) notify all telephone, listing and domain name registration companies of the termination or expiration of your right to use: (a) any telephone numbers and/or domain names associated with your Store; and (b) any regular, classified or other telephone directory listings associated with the Marks (you hereby authorize the foregoing companies to transfer such telephone numbers, domain names and listings to us and you authorize us, and appoint us and any officer we designate as your attorney-in-fact to direct these companies to transfer the telephone numbers, domain names and listings to us if you fail or refuse to do so); and

(x) provide us with satisfactory evidence of your compliance with the above obligations within 30 days after the effective date of the termination, expiration or Transfer of this

Agreement.

Subsections (iv), (viii) and (ix) above shall not apply if you Transfer your Store to an approved transferee or we exercise our right to purchase your Store.

Purchase Option.

Generally. Upon the termination or expiration of this Agreement we have the option to purchase your Store and/or its assets. If we choose to exercise our purchase option, we will notify you of the assets we wish to purchase (the "Acquired Assets") within 20 days after the termination or expiration date. If we exercise our purchase option, we may require that you assign your lease to us at no additional charge. The purchase price for the Acquired Assets will be: (i) the purchase price established by the parties (if mutually agreed upon); or (ii) the Appraised Value established in accordance with §0 below. We may, at our option, assign our purchase option to a designee of our choosing.

Appraisal Process. If the parties cannot agree on the purchase price, the purchase price shall be the Appraised Value established in accordance with this Section. "Appraised Value" means the fair market value of the Acquired Assets as of the date this Agreement is terminated or expires, as applicable; provided, however, that fair market value shall not include any value for goodwill and/or the franchise rights granted by this Agreement. The parties shall attempt to mutually agree upon a single independent appraiser. If they fail to do so, either party may demand the appointment of three (3) appraisers in accordance with the following: (i) no later than 15 days after the party demands the appointment of three (3) appraisers, each party shall appoint one (1) appraiser and notify the other party of appointed appraiser's name and contact information; and (ii) no later than than 30 days after the party demands the appointment of three (3) appraisers, the two (2) appraisers appointed by the parties will jointly appoint a third (3rd) appraiser. If either party fails to appoint an appraiser within the 15-day period, then the appraiser appointed by the other party shall be deemed the single appraiser approved by the parties. You must promptly provide any documents or information requested by the appraisers. If a single appraiser is appointed, the purchase price shall be the Appraised Value established by the appraiser. If three (3) appraisers are appointed, the purchase price shall be: (i) the Appraised Value agreed upon by at least two (2) of the appraisers; or (ii) the average of the two (2) Appraised Values that are closest to each other if none of the appraisers agreed upon the Appraised Value. Each party shall promptly pay 50% of the cost of the appraisal.

Closing. The parties shall memorialize the acquisition by executing an Asset Purchase Agreement, in a form reasonably prescribed by us. You agree to provide us with all customary representations and warranties given by you, as the seller of the Acquired Assets. At closing: (i) you must transfer good and clean title to the Acquired Assets, subject to any exceptions set forth in the Asset Purchase Agreement; and (ii) we must pay you the purchase price. We may deduct from the purchase price any amounts you owe to us or to our affiliates under any Definitive Agreements including, if applicable, liquidated damages imposed under this Agreement.

Liquidated Damages. You must pay us liquidated damages if either: (a) we terminate this Agreement due to your default; or (b) you terminate this Agreement without cause or in any manner other than as permitted by §0 or §0. Liquidated damages shall be calculated as the product of Average Monthly Fees multiplied by the lesser of (a) 24 or (b) the total number of full months remaining under the Term as of the termination effective date. Average Monthly Fees is determined as the combined average monthly royalty fee, brand fund fee and technology fees (without regard to any fee waivers or other reductions, and regardless of collection) imposed by this Agreement during the 12-month period preceding the termination date (or during the period of time you operated the Business if less than 12 months). Liquidated damages are due 30 days after

we send you an invoice detailing our calculation of liquidated damages. Liquidated damages are in addition to and not in lieu of: (a) any fees or other amounts incurred by you prior to the termination of this Agreement, all of which must be paid by you in accordance with the terms of this Agreement; or (b) any damages we or our affiliate incur as a result of your breach of this Agreement; provided, however, that we may not pursue a claim against you for recovery of lost future profits if you pay us all liquidated damages owed when due. The parties agree the amount of liquidated damages set forth in this Section is in proportion to, and is necessary to protect, our legitimate interests, including: (a) encouraging our franchisees to commit to the 10-year franchise relationship in which both parties have already invested time and expense to develop; (b) the time and expense we will incur to recruit a new franchisee to acquire franchise rights to the Territory; (c) the time and expense we will incur to ensure your timely and orderly departure from our franchise network; (d) protecting the reputation and goodwill associated with our Marks; and (e) partially compensating us for our financial loss cause by your breach and the early termination of this Agreement. If this liquidated damages clause is determined to be unenforceable under applicable Law, then we will be limited to pursuing actual damages we incur as a result of your default or improper termination.

23. DISPUTE RESOLUTION.

23.1. Negotiation and Mediation. Except as otherwise provided below with respect to Excluded Claims, the parties shall attempt in good faith to resolve any Dispute through informal discussions and negotiations. If these efforts are unsuccessful, the parties agree to submit the Dispute to mediation before a mutually-agreeable mediator prior to arbitration. All negotiations and mediation proceedings (including all discovery conducted therein and statements and settlement offers made by either party or the mediator in connection with the mediation) shall be strictly confidential, shall be considered as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence, and shall not be admissible or otherwise used in connection with any court or arbitration proceeding for any purpose (except evidence that would otherwise be discoverable or admissible shall not be excluded from discovery or made inadmissible simply because of its use in mediation). The mediator may not be called as a witness in any court or arbitration proceeding for any purpose. Any Dispute involving claims alleging a breach of §15 and/or §18 (referred to as “Excluded Claims”) will not be subject to mandatory negotiation or mediation.

Arbitration. If the Dispute is not resolved by mediation within 60 days after either party makes a demand for mediation, the parties will submit the Dispute to mandatory and binding arbitration conducted pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The party filing the arbitration must initially bear the cost of any arbitration fees or costs. The arbitrators will not have authority to award exemplary or punitive damages. Any Dispute involving an Excluded Claim will not be subject to mandatory arbitration.

Litigation. If a Dispute involves an Excluded Claim, then either party may file a lawsuit in any state or federal court of general jurisdiction in accordance the choice of venue provision set forth below. The parties hereby express their clear and unequivocal intent that a court, rather than a mediator or arbitrator, shall have exclusive jurisdiction to decide the threshold issue of whether a Dispute involves an alleged Excluded Claim (i.e., whether there are any claims alleging a breach of §15 and/or §18).

Venue. All mediation, arbitration and litigation shall take place in the county in which we maintain our principal place of business at the time the Dispute arises (currently, Leon County, Florida).The parties irrevocably waive any objection to such venue and, with respect to litigation proceedings, submit to the jurisdiction of such courts.

Attorney’s Fees and Costs. If either party must enforce this Agreement in a judicial or arbitration proceeding, the substantially prevailing party is entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees and arbitration costs. In addition, if you or an Owner breaches any term of a Definitive Agreement, you must reimburse us for all reasonable legal fees and other expenses we incur relating to such breach, regardless of whether the breach is cured prior to commencement of formal dispute resolution proceedings.

Waivers. UNLESS PROHIBITED BY APPLICABLE LAW, ANY DISPUTE (OTHER THAN FOR PAYMENT OF MONIES OWED OR A VIOLATION OF §15 OR §18) MUST BE BROUGHT BY FILING A WRITTEN DEMAND FOR MEDIATION WITHIN ONE (1) YEAR FOLLOWING THE CONDUCT, ACT OR OTHER EVENT OR OCCURRENCE GIVING RISE TO THE CLAIM, OR THE RIGHT TO ANY REMEDY WILL BE DEEMED FOREVER WAIVED AND BARRED. WE AND YOU IRREVOCABLY WAIVE: (a) TRIAL BY JURY; AND (b) THE RIGHT TO ARBITRATE OR LITIGATE ON A CLASS ACTION BASIS IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY A PARTY.

24. REPRESENTATIONS.

Corporate Representations. You and the Owners jointly and severally represent and warrant to us that the execution and delivery of this Agreement, and the performance of your obligations hereunder, does not: (a) conflict with, breach or constitute a default under any other agreement to which you are (or any affiliate of yours is) a party or by which your (or your affiliate's) assets may be bound; (b) violate any order, writ, injunction, decree, judgment or ruling of any Governmental Authority; or (c) violate any applicable Law. If the franchisee is an Entity, you and the Owners also jointly and severally represent and warrant to us that: (a) the Franchisee Entity is duly organized, validly existing and in good standing under the Laws of the state of its formation and has the requisite power and authority to enter into this Agreement and perform each of its obligations hereunder; and (b) the execution and delivery of this Agreement have been duly authorized by all requisite corporate action and this Agreement shall constitute the legal, valid and binding obligation of the Franchisee Entity and shall be enforceable against the Franchisee Entity in accordance with its terms.

Franchise Compliance Representations. You and the Owners jointly and severally represent and warrant to us that you received: (a) an exact copy of this Agreement and its attachments, with all material terms filled in, at least seven (7) calendar days before you signed this Agreement; and (b) our Franchise Disclosure Document at the earlier of (i) 14 calendar days before you signed a binding agreement or paid any money to us or our affiliates in connection with this franchise or (ii) such earlier time in the sales process that you requested a copy.

General Representations. You and the Owners jointly and severally represent and warrant to us that you and the Owners are aware that: (a) other franchisees may operate under different forms of agreement and our obligations and rights with respect to franchisees differs materially in certain circumstances; and (b) we may negotiate terms or offer concessions to other franchisees and we have no obligation to offer you the same or similar negotiated terms or concessions.

Anti-Terrorism Compliance. You and the Owners jointly and severally represent and warrant to us that, to the best of your and their knowledge: (a) no property or interest owned by you or any Owner is subject to being "blocked" under any Anti-Terrorism Law; (b) neither you nor any Owner, nor any of their respective funding sources (including any legal or beneficial owner of any Equity Interest in you) or related parties is, or has ever been: (i) a terrorist or suspected terrorist within the meaning of the Anti-Terrorism Law; or (ii) identified by name (or alias, pseudonym or nickname) or address on any Terrorist List, including on the list of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at www.home.treasury.gov); and (c) you and the Owners are in compliance with, and shall continue to comply with, the Anti-Terrorism Law and all other Laws (either currently in effect or enacted in the future) prohibiting corrupt business practices, money laundering or the aid or support of Persons who conspire to commit acts of terror against any Person or government that are in effect within the United States of America. The foregoing representations and warranties are 'continuing' representations and warranties for the duration of the franchise relationship. Accordingly, you agree to notify us immediately in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

25. GENERAL PROVISIONS.

Governing Law. Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, et seq.), this Agreement and the franchise relationship are governed by the Laws of the State of Florida without reference to its principles of conflicts of law, but any Law of the State of Florida that regulates the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

Relationship of the Parties. Nothing in this Agreement creates a fiduciary relationship between the parties or is intended to make either party a general or special agent, legal representative, joint venture, partner, employee or servant of the other for any purpose. Throughout the Term you must, in all dealings with third parties, conspicuously identify yourself as a franchisee and the independent owner of your Store. We may require that you display a written notice of independent ownership, in the form we prescribe, at any location within your Store that we specify. You must also include a written indication of independent ownership on all agreements, forms, letterhead, advertising materials, business cards and other materials that we specify. Neither party may: (a) make any express or implied agreement, warranty or representation, or incur any debt, in the name of or on behalf of the other; or (b) represent that our relationship is other than franchisor and franchisee. In addition, neither party will be obligated by any agreements or representations made by the other that are not expressly authorized by this Agreement.

Severability and Substitution. Each section of this Agreement, and any portion thereof, shall be considered severable. If applicable Law imposes mandatory non-waivable terms that conflict with a provision of this Agreement, the terms required by such Law shall govern to the extent of the inconsistency. If a court or arbitrator concludes that any promise or covenant in this Agreement is unreasonable or unenforceable: (a) the court or arbitrator may modify such promise or covenant to the minimum extent necessary to make it enforceable; or (b) we may unilaterally modify such promise or covenant to the minimum extent necessary to make it enforceable.

Waivers. Each party may waive any obligation imposed on the other party in writing. Neither party shall be deemed to have waived or impaired any of its contractual rights under this Agreement, including the right to require strict compliance with all terms of this Agreement or terminate this Agreement due to the other party's failure to comply with such terms, by virtue of: (a) any custom or practice of the parties at variance with the terms of this Agreement; (b) any failure, refusal or neglect by either party to exercise any right under this Agreement or require the other party to strictly comply with its obligations under this Agreement; (c) our waiver, failure or refusal to exercise any of our rights with respect to other franchisees; or (d) our acceptance of payments from you after your breach.

Approvals. Whenever this Agreement requires our approval, you must make a timely written request for approval. Our approval must be in writing in order to bind us. Except as otherwise expressly provided in this Agreement, if we fail to approve any request for approval within the required period of time, we shall be deemed to have disapproved your request.

Force Majeure. Neither party shall be liable for loss or damage or deemed to be in breach of this Agreement if such party's failure to perform its obligations results from an event of Force Majeure; *provided, however,* that an event of Force Majeure shall not excuse or permit any failure to perform for more than 180 days. If the period of non-performance exceeds 180 days from receipt of notice of the Force Majeure event, the party whose ability to perform has not been affected may immediately terminate this Agreement by giving written notice of termination to the other party.

Binding Effect. This Agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any Person not a party to this Agreement; *provided, however,*

that the additional insureds listed in §0 and the Indemnified Parties are intended third-party beneficiaries under this Agreement with respect to §0 and §19, respectively.

Integration. THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT, EXCEPT AS PERMITTED BY §0 AND §0, BE CHANGED EXCEPT BY A WRITTEN DOCUMENT SIGNED BY BOTH PARTIES. In addition, our issuance of the Site Approval Notice attached hereto as 0 shall be deemed to amend this Agreement to identify the approved site and Territory for your Store, regardless of whether you countersign and/or return the Site Approval Notice. Any email or other informal electronic communication shall not be deemed to modify this Agreement unless it is signed by both parties and specifically states it is intended to modify this Agreement. The attachment(s) are part of this Agreement, which, together with any Amendments or Addenda executed on or after the Effective Date, constitutes the entire understanding and agreement of the parties, and there are no other oral or written understandings or agreements between us and you about the subject matter of this Agreement. As referenced above, all mandatory provisions of the Manual are part of this Agreement. Any representations not specifically contained in this Agreement made before entering into this Agreement do not survive after the signing of this Agreement. Nothing in this Agreement is intended to disclaim any of the representations we made in the Franchise Disclosure Document. 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 (a) waiving any claims under any applicable state franchise law, including fraud in the inducement or (b) 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.

Covenant of Good Faith. If applicable Law implies into this Agreement a covenant of good faith and fair dealing, the covenant shall not imply any rights or obligations that are inconsistent with the express terms of this Agreement. This Agreement, and the relationship of the parties inherent in this Agreement, grants us discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may favorably or adversely affect your interests. We will use our judgment in exercising the discretion based on our assessment of our own interests and balancing those interests against the interests of our franchisees, but without considering the individual interests of you or any other particular franchisee.

Rights of Parties are Cumulative. The rights of the parties under this Agreement are cumulative and no exercise or enforcement by either party of any right or remedy under this Agreement will preclude any other right or remedy available under this Agreement or by Law.

Survival. All provisions that expressly or by their nature survive the termination, expiration or Transfer of this Agreement, or the Transfer of an ownership interest in the Store or Franchisee Entity, shall continue in full force and effect subsequent to and notwithstanding its termination, expiration or Transfer and until they are satisfied in full or by their nature expire, including, without limitation, §14, §15, §17, §19, §22, §23 and §25.

Construction. The headings in this Agreement are for convenience only and do not define, limit or construe the contents of the sections or subsections. All references to Sections refer to the Sections contained in this Agreement unless otherwise specified. All references to days in this Agreement refer to calendar days unless otherwise specified. The term “you” as used in this Agreement is applicable to one or more Persons, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine and the possessive.

Time of Essence. Time is of the essence in this Agreement and every term thereof.

Notice. All notices given under this Agreement must be in writing, delivered by hand, email (to the last email address provided by the recipient) or first class mail, to the following addresses (which may be

_____ a(n) _____

_____ Ownership Percentage: _____ %

_____ Name: _____

_____ Name: _____

By: _____

Name: _____

Title: _____

ATTACHMENT 1

~~a. DESCRIPTION OF PREMISES/RESERVED AREA~~

~~The location for the Franchised Business shall be: **ACCEPTED LOCATION AND ADDRESS TO BE DETERMINED AND INSERTED AFTER PREMISES IS IDENTIFIED BY FRANCHISEE AND APPROVED BY FRANCHISOR FOR THE NATURAL LIFE CBD/KRATOM/KAVA STORE, IN ACCORDANCE WITH SECTION 1 OF THE FRANCHISE AGREEMENT, IN THE SITE SEARCH AREA OF _____~~

~~The Reserved Area within which the Franchisee is permitted to select a location for the Franchised Business shall be:~~

~~The Protected Territory is: _____~~

~~b. ATTACHMENT 2~~

{WS099707v1 }

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Natural Life FA 2023i

TO FRANCHISE AGREEMENT

DEAL TERMS

A. Franchisee Details.

Name of Franchisee: [_____]

Is the franchisee one or more natural persons signing in their individual capacity? **Yes:** _____ **No:** _____

Type of Entity and State of Formation* (if applicable): [_____]

** If the franchisee is a business Entity, each natural person holding a direct or indirect ownership interest in the business Entity, and spouse of each such person, must sign the Franchise Owner Agreement concurrently with the execution of this Agreement.*

The following table includes the full name of each natural person holding a direct or indirect ownership interest in the franchise (or the franchisee business Entity if applicable) along with a description of their ownership interest.

<u>Owner's Name</u>	<u>% Ownership Interest</u>	<u>Direct or Indirect (if indirect, describe nature of interest)</u>

Notice Address: _____

Attention: _____

Email: _____

B. Initial Franchise Fee.

The amount of your initial franchise fee is as follows: (franchisor to check box by appropriate amount):

_____ Standard Initial Franchise Fee: \$40,000 (no discount)

_____ Veteran's Discount: \$36,000 (10% discount)

_____ First Responder Discount: \$36,000 (10% discount)

_____ Minority Discount: \$36,000 (10% discount)

_____ Multi-Unit Discount (Store #2): \$35,000 (\$5,000 discount)

_____ Multi-Unit Discount (Store #3 or higher): \$30,000 (\$10,000 discount)

C. Site Selection Area.

The Site Selection Area referenced in the Franchise Agreement consists of the following geographic area:

[

* *The Site Selection Area is not your territory and there are no protections associated with this area.*

D. Approved Site.

We hereby approve the site listed below for your Store.

Approved Address: [_____]

* If the site for your Store has not been approved by us at the time this Agreement is signed, we will send you a Site Approval Notice in accordance with §0 listing the address of your approved site.

E. Territory.

The Territory referenced in the Franchise Agreement shall consist of the following geographic area (as further depicted on the map attached on the following page):

[_____]

If any zip codes, municipalities, or other boundaries that define your Territory change during the Term of the Franchise Agreement, your Territory shall remain defined by the zip codes, municipalities or other boundaries that were in effect as of the Effective Date as depicted on the map below, unless otherwise agreed to by you and us in writing.

* If the site for your Store has not been approved by us at the time this Agreement is signed, we will send you a Site Approval Notice in accordance with §3 identifying the geographic area that comprises your Territory.

[Insert Map Below (if applicable)]

TO FRANCHISE AGREEMENT ~~WITH LANDLORD~~

FORM OF SITE APPROVAL NOTICE

[See Attached]

|

[\[Insert Territory Map Below\]](#)

TO FRANCHISE AGREEMENT

LEASE ADDENDUM

[See Attached]

Lease Addendum

~~This~~ dated this _____ day of _____, _____ Lease Addendum (this "Agreement") is executed as of _____, 202____ by and among Natural Life Franchise Corp. (~~the "Franchisor"~~), a Florida corporation, (~~"Franchisor"~~), [_____,] a(n) [_____,] with principal offices located at ~~1704 Capital Circle NE, Unit 103, Tallahassee, Florida 32308,~~ _____ (~~the "[_____,]" ("Landlord") a~~ _____), and [_____,] a(n) [_____,] with principal offices located at _____, _____, and _____ (the "[_____,]" ("Tenant/Franchisee"), a _____, with principal offices located at _____).

Introduction:

Background

- A. On _____, the [_____,], 202[_____,], Franchisor and Tenant/Franchisee ~~and the Franchisor entered a executed a Natural Life Franchise Agreement (the "Franchise Agreement"). Under the Franchise Agreement, the~~ pursuant to which Franchisor granted ~~the~~ Tenant/Franchisee the right— and the Tenant/Franchisee ~~undertook the duty~~ obligation to develop, open and operate a Natural Life ~~CBD/Kratom/Kava~~ Store business (the "~~Franchised Business~~") at the premises described in Exhibit "A" (the "Premises (defined below).").
- B. ~~Simultaneously~~ Concurrently with ~~entering~~ the execution of this Agreement, ~~the~~ Landlord and ~~the~~ Tenant/Franchisee are ~~entering~~ executing a lease agreement (the "~~Lease~~"). ~~Under the Lease, the Tenant/Franchisee leases the premises described in Exhibit "A" (the "Lease"), pursuant to which Landlord will lease the Premises).~~ to Tenant.
- A. ~~To ensure that a Natural Life CBD/Kratom/Kava business continues to operate at the Premises and to protect the Franchisor's Franchisor's rights and interests under the Franchise Agreement, the Landlord grants~~ agrees to grant certain rights to ~~the Franchisor under the Lease as set forth below.~~

The parties, therefore, agree as follows:

Agreement:

1. ~~Use of Premises.~~ During the term of the Franchise Agreement, the Tenant/Franchisee must use the Premises to operate the Franchised Business. It may not use the Premises for any other purpose.
- C. ~~2. Proprietary Marks.~~ The Landlord permits the Tenant/Franchisee to use and display all proprietary marks, signs, décor items, color schemes, graphic packages, trade dress, and related components of the Franchisor's system that the Franchisor may from time to time prescribe for the Franchised Business. Furthermore, Landlord agrees that Tenant/Franchisee shall have the right to remodel, equip, paint and decorate the interior of the Premises as Tenant/Franchisee is reasonably required to do pursuant to the Franchise Agreement and any successor Franchise Agreement under which Tenant/Franchisee may operate a Franchised Business as set forth below.

Agreement

1. Default Notices. ~~At the same time such notices are sent to the Tenant/Franchisee, the Landlord must~~ agrees to provide the Franchisor with copies of all written notices it sends to the Tenant/Franchisee (including, without limitation, all notices of default). The Landlord must notices sent to Tenant at the same time such notices are sent to Tenant. Landlord agrees to send such copies ~~by first class mail, postage prepaid, to the~~ to Franchisor ~~at its address by email and registered mail as set forth above or such other address as the below~~ (Franchisor may ~~notify the~~ change the notice email and address from time to time by sending written notice to Landlord in writing.);

Email: gabriel@shopnaturallife.com

Mail: Natural Life Franchise Corp.
1704 Capital Circle NE, Unit 103
Tallahassee, Florida 32308
Attention: President

2. Right to Cure. ~~Right to Cure.~~ If ~~the~~ Tenant/~~Franchisee~~ defaults under the Lease, ~~the~~ Franchisor has the right (but not the duty) to cure such default within 30~~15~~ days ~~after it receives written notice thereof from following~~ the Landlord (or such longer expiration of any applicable cure period of time if the default cannot reasonably be cured within 30 days and the Franchisor diligently proceeds to cure the default). Furthermore, in such event, ~~without the Landlord's or the Tenant/Franchisee's consent, the~~. In such event, Franchisor may immediately commence occupancy of the Premises as the tenant under the Lease. ~~The~~ without obtaining Landlord's or Tenant's consent. Franchisor may thereafter assign the Lease to another Natural Life ~~CBD/Kratom/Kava~~ franchisee or company to an entity owned ~~unit and/or controlled by~~ Franchisor. If it does, ~~the~~ Franchisor must first obtain ~~the Landlord's~~ Landlord's written approval of the assignee. ~~The~~ Landlord, however, must neither unreasonably withhold nor delay its approval thereof. Landlord will acknowledge any such assignment in writing. No assignment permitted under this Section is subject to any assignment or similar fee. ~~Nor will such an assignment~~ cause any rental acceleration.
3. Right to Assign. ~~At any time (, including, without limitation, upon the expiration or sooner termination of the Franchise Agreement), and~~ without ~~the~~ Landlord's prior consent, ~~the~~ Tenant/~~Franchisee~~ may assign the Lease to ~~the~~ Franchisor. ~~In such event, the~~ Franchisor may thereafter assign the Lease to another Natural Life ~~CBD/Kratom/Kava~~ franchisee or company to an entity owned ~~unit without obtaining the Landlord's and/or controlled by~~ Franchisor. If it does, Franchisor must first obtain Landlord's written approval of the assignee. Landlord, however, must neither unreasonably withhold nor delay its approval thereof. Landlord will acknowledge any such assignment in writing. No assignment permitted under this Section is subject to any assignment or similar fee. ~~Nor will such an assignment~~ cause any rental acceleration. ~~Nothing contained herein or in any other document (i) shall constitute acceptance of such assignment by Franchisor or its successor or designated affiliate, (ii) shall be deemed to render Franchisor or its successor or designated affiliate a party to the Lease, or guarantor thereof, or (iii) shall create any liability or obligation of~~
- 3.4. Right of First Refusal. Landlord hereby grants Franchisor ~~or its successor or designated affiliate, unless and until the Lease is assigned to, and accepted in writing by, Franchisor or its successor or designated affiliate,~~ the first right of refusal to lease the Premises as the new tenant upon the expiration or termination of the Lease. Franchisor shall have a period of 30 days after the expiration or termination of the Lease to decide whether to exercise its right of first refusal.
5. Expiration or Termination of Franchise Agreement. Landlord agrees that the expiration or termination of the Franchise Agreement shall constitute a default under the Lease, giving Franchisor the right, but not the obligation, to cure such default by succeeding to Tenant's interests under the Lease in accordance with §2 above.
3. ~~Acknowledgement of Rights.~~ Landlord acknowledges Franchisor's Acknowledgement of Rights. ~~The Landlord acknowledges the Franchisor's rights under the Franchise Agreement to enter the Premises to take such actions as needed to protect its rights and interests under the Franchise Agreement. Such actions include, without limitation, altering the Premises, removing any signs and other items displaying the Franchisor's proprietary marks, and curing defaults under the Franchise Agreement and the Lease. Upon the expiration or termination of either the Lease or the Franchise Agreement, Landlord will cooperate with and assist Franchisor in securing possession of the Premises and if Franchisor does not elect to take an assignment of the Tenant's/Franchisee's interest under the Lease, Landlord will allow Franchisor to~~

~~enter the Premises, without being guilty of trespass and without incurring any liability to Landlord, to remove all signs, awnings, and all other items identifying the Premises as a **Natural Life CBD/Kratom/Kava** Franchised Business and to make such other modifications (such as re-painting) as are reasonably necessary to protect the Proprietary Marks and system, and to distinguish the Premises from a Franchised Business. In the event Franchisor exercises its option under the Franchise Agreement to purchase the assets of Tenant/Franchisee, then Landlord shall permit Franchisor to remove all such assets being purchased by Franchisor. Franchisor will repair any damage to the Premises caused by Franchisor in removing the signs, awnings and other items identifying the Premises as a **Natural Life CBD/Kratom/Kava** Franchised Business within 30 days of Franchisor's removal.~~

~~4. **Subordination of Lien Rights.** The Landlord hereby subordinates its statutory lien rights, if any, to the security interest of Franchisor in the furniture, fixtures, equipment, and other assets of Tenant/Franchisee.~~

6. rights under the Franchise Agreement to enter the Premises, without being guilty of trespass or any other tort or crime, to: (a) make any modifications or alterations to the Premises that Franchisor deems necessary to protect its franchise system or trademarks; and (b) remove any trade fixtures, interior or exterior signs and other items bearing Franchisor's trademarks or service marks upon the expiration or termination of the Franchise Agreement.

~~4.7. **Modification of Lease.** Without the Franchisor's prior written consent, the Landlord and the Tenant/Franchisee may will not amend, modify, supplement, terminate, renew or extend the Lease. Nor, except as expressly provided otherwise in this Agreement, without the Franchisor's prior written consent, may the Landlord consent to any transfer of the Lease by the Tenant/Franchisee.~~

~~5.8. **Miscellaneous.**~~

- (a) In the event of any inconsistency between the terms of this Agreement and the terms of the Lease, the terms of this Agreement control.
- (b) All of the terms of this Agreement, whether so expressed or not, are binding upon, inure to the benefit of, and are enforceable by the parties and their respective personal and legal representatives, heirs, successors and permitted assigns.
- (c) ~~The provisions of this~~ This Agreement may be amended, supplemented, waived or changed only by a written document signed by all the parties to this Agreement and making specific reference to this Agreement.
- (d) This Agreement may be executed in one or more counterparts, each of which is an original, but all of which together constitute one and the same instrument. ~~Confirmation of execution by telex or by telecopy facsimile signature page is binding upon any party so confirming or telecopying.~~

~~**IN WITNESS WHEREOF**~~ In witness whereof, this Agreement has been executed the date and year first above written.

FRANCHISOR:

Natural Life Franchise Corp., a Florida corporation

By: _____

Name: _____

Date: _____

LANDLORD:

_____, (a)n

By: _____

Name: _____

Date: _____

TENANT:

_____, (a)n

By: _____ FRANCHISOR:

Natural Life Franchise Corp.

LANDLORD:

By: _____

By: _____

Print Name: _____

Print Name: _____

Its: _____

Its: _____

TENANT/FRANCHISEE:

By: _____

Print Name: _____

Its: _____

Name:

Date:

EXHIBIT "A" TO ~~Agreement with Landlord~~ LEASE ADDENDUM

DESCRIPTION OF PREMISES

TO FRANCHISE AGREEMENT

FRANCHISE OWNER AGREEMENT

[See Attached]

FRANCHISE OWNER AGREEMENT

This Franchise Owner Agreement (this “Agreement”) is entered into by: (a) each of the undersigned owners of Franchisee (defined below); and (b) the spouse of each such owner, in favor of Natural Life Franchise Corp., a Florida corporation, and its successors and assigns (“us”), upon the terms and conditions set forth in this Agreement. Each signatory to this Agreement is referred to as “you”.

- 1. Definitions.** Capitalized terms used in this Agreement shall have the meanings given to them below, or if not defined below, the meanings given to them in the Franchise Agreement:

“Franchise Agreement” means the Natural Life Franchise Agreement executed by Franchisee with an effective date of [_____], 202[____].

“Franchisee” means [_____].

“Restricted Period” means: the two (2) year period after the earliest to occur of the following: (a) the termination or expiration of the Franchise Agreement; (b) the date on which Franchisee assigns the Franchise Agreement to another person with respect to whom neither you nor your spouse holds any direct or indirect ownership interest; or (c) the date on which neither you nor your spouse holds any direct or indirect ownership interest in the Franchisee entity or the Store that it operates; *provided however*, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then Restricted Period means: the one (1) year period after the earliest to occur of the following: (a) the termination or expiration of the Franchise Agreement; (b) the date on which Franchisee assigns the Franchise Agreement to another person with respect to whom neither you nor your spouse holds any direct or indirect ownership interest; or (c) the date on which neither you nor your spouse holds any direct or indirect ownership interest in the Franchisee entity or the Store that it operates.

“Store” means a retail store that: (a) operates using our Marks and System; and (b) offers and sells the lifestyle and wellness products that we designate or approve from time to time. A Store may refer to a Natural Life Store operated by us, our affiliate, Franchisee or any other person.

- 2. Background.** In your capacity as an owner (or the spouse of an owner) of Franchisee, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our franchise system if you were to unfairly compete with us or misuse our Intellectual Property. In addition, you understand that certain terms of the Franchise Agreement apply to “owners” and not just Franchisee. You agree to comply with this Agreement to: (a) avoid damaging our System by engaging in unfair competition; and (b) bind yourself to the terms of the Franchise Agreement applicable to owners.

3. Brand Protection Covenants.

- (a) Intellectual Property and Confidential Information. You agree to: (i) refrain from using the Intellectual Property or Confidential Information in any capacity or for any purpose other than the operation of Franchisee’s Store in compliance with the Franchise Agreement and Manual; (ii) maintain the confidentiality of Confidential Information at all times; (iii) refrain from making unauthorized copies of documents containing Confidential Information; (iv) take all steps we reasonably require to prevent unauthorized use or disclosure of Confidential Information; and (v) immediately stop using the Intellectual Property and Confidential Information at such time that you are (or your spouse is) no longer an owner of Franchisee.

You agree to assign to us or our designee, without charge, all rights to any Improvement developed by you, including the right to grant sublicenses. If applicable law precludes you from assigning ownership of any Improvement to us, then such Improvement shall be perpetually licensed by you to us free of charge, with full rights to use, commercialize and sublicense the same.

- (b) Unfair Competition. You may not engage in any Prohibited Activities at any time: (i) that you are (or your spouse is) an owner of Franchisee; or (ii) during the Restricted Period. Notwithstanding the foregoing, you may have an interest in a Competing Business during the Restricted Period as long as the Competing Business is not located within, and does not use ecommerce or online channels of

distribution to sell competitive products within, the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period (other than having an interest in a Competing Business permitted by this Section), your Restricted Period will be extended by the period of time during which you engaged in the Prohibited Activity. Any such extension of time will not constitute a waiver of your breach or impair any of our rights or remedies relating to your breach.

- (c) Family Members. Because you could circumvent the purpose of §3 by disclosing Confidential Information to an immediate family member (i.e., parent, sibling, child, or grandchild) and it would be difficult for us to prove any such breach, you will be presumed to have breached this Agreement if a member of your immediate family (i) engages in any Prohibited Activities at any time that you are prohibited from engaging in the Prohibited Activities or (ii) uses or discloses Confidential Information. However, you may rebut this presumption with evidence conclusively showing you did not disclose Confidential Information to the family member.
- (d) Covenants Reasonable. You agree that: (i) the covenants in §3 are reasonable both in duration and geographic scope; and (ii) you have sufficient resources, business experience and opportunities to earn an adequate living while complying with these covenants. Although you and we both believe the covenants in §3 are reasonable we may, upon written notice to you, unilaterally modify the brand protection covenants in §3 of this Agreement by limiting the scope of the Prohibited Activities, narrowing the definition of a Competing Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under §3 of this Agreement to ensure the covenants are enforceable under applicable law.
- (e) Breach. You agree that: (i) any failure to comply with §3 is likely to cause substantial and irreparable damage to us and/or other franchisees for which there is no adequate remedy at law; and (ii) we are entitled to injunctive relief if you breach §3 together with any other relief available at equity or law. We will notify you if we intend to seek injunctive relief, but we need not post a bond. If a court requires that we post a bond despite our mutual agreement to the contrary, the required amount of the bond may not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

4. Transfer Restrictions. If you are an owner of Franchisee, you acknowledge that we must approve all persons who hold a direct or indirect ownership interest in the Franchisee entity. Accordingly, you agree that you will not directly or indirectly sell, assign, mortgage, pledge or in any manner transfer any direct or indirect ownership interest in the Franchisee entity except in accordance with §20 of the Franchise Agreement.

5. Financial Security. In order to secure Franchisee's financial obligations under the Franchise Agreement and all ancillary agreements executed by Franchisee in connection with the Franchise Agreement, including any agreement for the purchase of goods or services from us or our affiliate and any promissory note related to payments owed to us (collectively, the "Secured Agreements"), you, jointly and severally, personally and unconditionally: (a) guarantee to us and our successor and assigns, that Franchisee shall punctually fulfil all of its payment and other financial obligations under the Secured Agreements; and (b) agree to be personally bound by, and personally liable for, each and every monetary provision in the Secured Agreements. You waive:

- (i) acceptance and notice of acceptance by us of the foregoing undertakings;
- (ii) notice of demand for payment of any indebtedness guaranteed;
- (iii) protest and notice of default to any party with respect to the indebtedness guaranteed;
- (iv) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and
- (v) the defense of the statute of limitations in any action hereunder or for the collection of any

indebtedness hereby guaranteed.

You agree that: (a) your direct and immediate liability under this guaranty shall be joint and several with Franchisee and all other signatories to this Agreement; (b) you will render any payment required under the Secured Agreements upon demand if Franchisee fails to promptly do so; (c) your liability shall not be contingent or conditioned upon pursuit by us of any remedies against Franchisee or any other person; and (d) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that we may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guarantee, which shall be continuing and irrevocable during the term of each of the Secured Agreements and following the termination, expiration or transfer of each of the Secured Agreements to the extent any financial obligations under any such Secured Agreements survive such termination, expiration or transfer. This guaranty will continue unchanged by the occurrence of any bankruptcy of Franchisee or any assignee or successor of Franchisee or by any abandonment of one or more of the Secured Agreements by a trustee of Franchisee. Neither your obligation to make payment in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

6. Dispute Resolution. Any dispute between the parties relating to this Agreement shall be brought in accordance with the dispute resolution procedures in the Franchise Agreement. Notwithstanding the foregoing, if any dispute resolution procedures in the Franchise Agreement conflict with any terms of this Agreement, the terms of this Agreement shall prevail. You acknowledge and agree that your breach of this Agreement constitutes a material event of default under the Franchise Agreement, permitting us to terminate the Franchise Agreement in accordance with its terms.

7. Miscellaneous.

- (a) If either party hires an attorney or files suit against the other party for breach of this Agreement, the losing party must reimburse the prevailing party for its reasonable attorneys' fees and costs.
- (b) This Agreement will be governed by, construed and enforced under the laws of Florida and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.
- (c) Any claim, defense or cause of action you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.
- (d) Each section of this Agreement, including each subsection and portion thereof, is severable. If any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion. The parties agree that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.
- (e) You agree that we may deliver to you any notice or other communication contemplated by this Agreement in the same manner and to the same address listed in the notice provisions of the Franchise Agreement and any such delivery shall be deemed effective for purposes of this Agreement. You may change the address to which notices must be sent by sending us a written notice requesting such change, which notice shall be delivered in the manner and to the address listed in the Franchise Agreement.

In witness whereof, each of the undersigned has executed this Agreement as of the date or dates set forth below.

OWNER / SPOUSE

By: _____

Name: _____

Date: _____

OWNER / SPOUSE

By: _____

Name: _____

Date: _____

OWNER / SPOUSE

By: _____

Name: _____

Date: _____

OWNER / SPOUSE

By: _____

Name: _____

Date: _____

TO FRANCHISE AGREEMENT

ACH AUTHORIZATION FORM

[See Attached]

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)

Bank Account No. Checking Savings Bank Routing No. (9 digits)
(check one)

Bank Mailing Address (city, state, zip) Bank Phone No.

Authorization:

Franchisee hereby authorizes Natural Life Franchise Corp. ("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

~~e.~~ **ATTACHMENT 3**

Date: _____

Name: _____

Title: _____

Federal Tax ID Number: _____

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

TO FRANCHISE AGREEMENT

BRAND PROTECTION AGREEMENT

[See Attached]

BRAND PROTECTION AGREEMENT

This Agreement (this “Agreement”) is entered into by the undersigned (“you”) in favor of Natural Life Franchise Corp., a Florida corporation, and its successors and assigns (“us”), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement the following terms have the meanings given to them below:

“Business Data” means all data pertaining to Franchisee’s Store, customers and business operations, whether collected by you, Franchisee, us or any other person.

“Competing Business” means any business that meets at least one of the following criteria: (a) any business that derives, or is reasonably expected to derive, at least 20% of its revenue from the sale of competitive products that are the same as or similar to the lifestyle and wellness products sold in our Stores; (b) any business that solicits, offers or sells franchises or licenses for a business that meets the criteria in clause (a) of this definition; and/or (c) any business that services, trains, supports, consults with, advises or otherwise assists any Person with respect to the development, management and/or operation of a business that meets the criteria in clause (a) of this definition. A Competing Business does not include any Natural Life Store operated pursuant to a valid franchise agreement or license agreement with us or our affiliate.

“Confidential Information” means and includes: (a) the Know-How; (b) the Business Data; (c) the terms of the Franchise Agreement and all related agreements signed by Franchisee in connection with the Store, and all attachments thereto and amendments thereof; (d) the components of the System; (e) all information within or comprising the Manual; and (f) all other concepts, ideas, trade secrets, financial information, marketing strategies, expansion strategies, studies, supplier information, customer information, franchisee information, investor information, flow charts, inventions, mask works, improvements, discoveries, standards, specifications, formulae, recipes, designs, sketches, drawings, policies, processes, procedures, methodologies and techniques, together with analyses, compilations, studies or other documents that: (i) are designated as confidential; (ii) are known by you to be considered confidential by us; and/or (iii) are by their nature inherently or reasonably to be considered confidential. Confidential Information does not include any information that: (a) is now, or subsequently becomes, generally available to the public (except as a result of a breach of confidentiality obligations by you, Franchisee or Franchisee’s owners, employees or other constituents); (b) you can demonstrate was rightfully in your possession, without obligation of nondisclosure, before the information was disclosed to you by us or Franchisee (or any person associated with us or Franchisee); (c) is independently developed by you without any use of, or reference to, any Confidential Information; or (d) is rightfully obtained from a third party who has the right to transfer or disclose such information to you without breaching any obligation of confidentiality imposed on such third party.

“Copyrighted Materials” means all copyrightable materials for which we or our affiliate secure common law or registered copyright protection and that we allow franchisees to use, sell or display in connection with the marketing and/or operation of a Store.

“Franchisee” means the Natural Life franchisee for whom you are an officer, director, employee or independent contractor.

“Improvement” means any idea, addition, modification or improvement to the (a) goods or services offered or sold at a Store, (b) method of operation of a Store, (c) processes, systems or procedures utilized by a Store, (d) marketing, advertising or promotional materials, programs or strategies utilized by a Store or (e) trademarks, service marks, logos or other intellectual property utilized by a Store, whether developed by you, Franchisee, us or any other person.

“Intellectual Property” means, collectively or individually, the Business Data, Copyrighted Materials, Improvements, Know-how, Marks and System.

“Know-how” means and includes our (and our affiliates’) trade secrets and other proprietary information relating to the design, construction, development, marketing or operation of a Store including, but not limited to: architectural plans, drawings and specifications for a prototype Store; site selection criteria; methods and techniques; standards and specifications; policies and procedures; supplier lists and information; marketing strategies; merchandising strategies; financial information; and information

comprising the System or included in the Manual.

“Manual” means our confidential brand standards manual for the operation of a Store.

“Marks” means and includes all service marks, trademarks, trade names and logos that we designate from time to time and authorize Stores to use, including NATURAL LIFE WELLNESS BEGINS HERE and the associated logos. The Marks also include any distinctive trade dress used to identify a Store or the products it sells.

“Prohibited Activities” means and includes any of the following: (a) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in any Competing Business, other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competing Business; (b) disparaging or otherwise making negative comments about us, our affiliate, the System and/or any Store; (c) diverting or attempting to divert any business from us, our affiliate or another franchisee; and/or (d) inducing any Person to transfer their business from a Store to a competitor.

“Restricted Period” means: the two (2) year period after you cease to be an officer, director, employee or independent contractor of Franchisee; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then Restricted Period means: the one (1) year period after you cease to be an officer, director, employee or independent contractor of Franchisee.

“Restricted Territory” means: the geographic area within: (a) a 15-mile radius from Franchisee’s Store (and including the Store’s premises itself); and (b) a 15-mile radius from all other Stores that are operating or under construction as of the date of this Agreement and remain in operation or under construction during all or any part of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then Restricted Territory means: the geographic area within a 10-mile radius from Franchisee’s Store (and including the Store’s premises itself).

“Store” means a retail store that: (a) operates using our Marks and System; and (b) offers and sells the lifestyle and wellness products that we designate or approve from time to time. A Store may refer to a Natural Life Store operated by us, our affiliate, Franchisee or any other person.

“System” means our system developed for the operation of a Store, the distinctive characteristics of which include: distinctive interior and exterior design, décor, signage, color scheme and other trade dress elements; assortment of high-quality wellness products; training programs; advertising and marketing strategies; merchandising strategies; and operating system.

2. Background. You are an officer, director, employee or independent contractor of Franchisee. As a result of this association, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our franchise system if you were to unfairly compete with us or misuse our Intellectual Property. To avoid such damage, you agree to comply with the terms of this Agreement.

3. Brand Protection Covenants.

(a) Intellectual Property and Confidential Information. You agree to: (i) refrain from using the Intellectual Property or Confidential Information in any business or for any purpose other than the operation of Franchisee’s Store; (ii) maintain the confidentiality of all Confidential Information at all times; (iii) refrain from making unauthorized copies of documents containing Confidential Information; (iv) take all steps we reasonably require to prevent unauthorized use or disclosure of Confidential Information; and (v) immediately stop using the Intellectual Property and Confidential Information at such time that you are no longer an officer, director, employee or independent contractor of Franchisee. You agree to assign to us or our designee, without charge, all rights to any Improvement developed by you, including the right to grant sublicenses. If applicable law precludes you from assigning ownership of any Improvement to us, then such Improvement shall be perpetually

licensed by you to us free of charge, with full rights to use, commercialize and sublicense the same.

- (b) Unfair Competition. You may not engage in any Prohibited Activities at any time: (i) that you are an officer, director, employee or independent contractor of Franchisee; or (ii) during the Restricted Period. Notwithstanding the foregoing, you may have an interest in a Competing Business during the Restricted Period as long as the Competing Business is not located within, and does not use ecommerce or online channels of distribution to sell competitive products within, the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period (other than having an interest in a Competing Business permitted by this Section), your Restricted Period will be extended by the period of time during which you engaged in the Prohibited Activity. Any such extension of time will not be construed as a waiver of your breach or otherwise impair any of our rights or remedies relating to your breach.
- (c) Family Members. Because you could circumvent the purpose of this Agreement by disclosing Confidential Information to an immediate family member (i.e., parent, sibling, child, or grandchild) and it would be difficult for us to prove any such breach, you will be presumed to have breached this Agreement if a member of your immediate family engages in any Prohibited Activities at any time that you are prohibited from engaging in the Prohibited Activities or uses or discloses Confidential Information. However, you may rebut this presumption with evidence conclusively showing you did not disclose Confidential Information to the family member.
- (d) Covenants Reasonable. You agree that: (i) the covenants in this Agreement are reasonable both in duration and geographic scope; and (ii) you have sufficient resources, business experience and opportunities to earn an adequate living while complying with this Agreement. Although you and we both believe the covenants in this Agreement are reasonable, we may at any time unilaterally modify the terms of the brand protection covenants in §3 of this Agreement, upon written notice to you, by limiting the scope of the Prohibited Activities, narrowing the definition of a Competing Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under §3 of this Agreement to ensure that the covenants are enforceable under applicable law.
- (e) Breach. You agree that: (i) any failure to comply with §3 is likely to cause substantial and irreparable damage to us and/or other franchisees for which there is no adequate remedy at law; and (ii) we are entitled to injunctive relief if you breach §3 together with any other relief available at equity or law. We will notify you if we intend to seek injunctive relief, but we need not post a bond. If a court requires that we post a bond despite our mutual agreement to the contrary, the required amount of the bond may not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

4. Miscellaneous.

- (a) If we hire an attorney or file suit against you for breach of this Agreement and we prevail, you must reimburse us for our reasonable attorneys' fees and costs.
- (b) This Agreement will be governed by, construed and enforced under the laws of Florida and the courts in that state shall have exclusive jurisdiction over any legal proceedings arising out of this Agreement.
- (c) Each section of this Agreement, including each subsection and portion thereof, is severable. If any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion. The parties agree that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.
- (d) If you are a resident of Washington, D.C. as of the date you sign this Agreement, then the

noncompetition covenant set forth in this Agreement shall not be applicable to you and the definition of “Prohibited Activities” shall be deemed amended by deleting clause (a) from such definition.

This Brand Protection Agreement is executed as of the date or dates set forth below.

By: _____

Name: _____

Date: _____

TO FRANCHISE AGREEMENT

CONFIDENTIALITY AGREEMENT

[See Attached]

CONFIDENTIALITY AGREEMENT

~~CONFIDENTIALITY AND NONCOMPETITION AGREEMENT~~

~~THIS CONFIDENTIALITY AND NONCOMPETITION AGREEMENT~~ (the "Agreement") This Agreement (this "Agreement") is entered by _____ (the "COMPANY"), and the ~~RECIPIENT identified below ("RECIPIENT")~~ as into by the undersigned ("you") in favor of _____,
2_____.

Introduction:

~~COMPANY entered into a Franchise Agreement with~~ Natural Life Franchise Corp. ("~~Franchisor~~"), ~~pursuant to~~, a Florida corporation, and its successors and assigns ("us"), upon the terms and conditions set forth below.

1. Definitions. For purposes of this Agreement the following terms have the meanings given to ~~which COMPANY~~ them below:

"Business Data" means all data pertaining to Franchisee's Store, customers and business operations, whether collected by you, Franchisee, us or any other person.

"Confidential Information" means and includes: (a) the Know-How; (b) the Business Data; (c) the terms of the Franchise Agreement and all related agreements signed by Franchisee in connection with the Store, and all attachments thereto and amendments thereof; (d) the components of the System; (e) all information within or comprising the Manual; and (f) all other concepts, ideas, trade secrets, financial information, marketing strategies, expansion strategies, studies, supplier information, customer information, franchisee information, investor information, flow charts, inventions, mask works, improvements, discoveries, standards, specifications, formulae, recipes, designs, sketches, drawings, policies, processes, procedures, methodologies and techniques, together with analyses, compilations, studies or other documents that: (i) are designated as confidential; (ii) are known by you to be considered confidential by us; and/or (iii) are by their nature inherently or reasonably to be considered confidential. Confidential Information does not include any information that: (a) is now, or subsequently becomes, generally available to the public (except as a result of a breach of confidentiality obligations by you, Franchisee or Franchisee's owners, employees or other constituents); (b) you can demonstrate was ~~granted~~ rightfully in your possession, without obligation of nondisclosure, before the information was disclosed to you by us or Franchisee (or any person associated with us or Franchisee); (c) is independently developed by you without any use of, or reference to, any Confidential Information; or (d) is rightfully obtained from a third party who has the right to ~~operate a~~ transfer or disclose such information to you without breaching any obligation of confidentiality imposed on such third party.

"Copyrighted Materials" means all copyrightable materials for which we or our affiliate secure common law or registered copyright protection and that we allow franchisees to use, sell or display in connection with the marketing and/or operation of a Store.

“Franchisee” means the Natural Life ~~CBD/Kratom/Kava~~ franchisee for whom you are an officer, director, employee or independent contractor.

“Improvement” means any idea, addition, modification or improvement to the (a) goods or services offered or sold at a Store, (b) method of operation of a Store, (c) processes, systems or procedures utilized by a Store, (d) marketing, advertising or promotional materials, programs or strategies utilized by a Store or (e) trademarks, service marks, logos or other intellectual property utilized by a Store, whether developed by you, Franchisee, us or any other person.

“Intellectual Property” means, collectively or individually, the Business Data, Copyrighted Materials, Improvements, Know-how, Marks and System.

“Know-how” means and includes our (and our affiliates’) trade secrets and other proprietary information relating to the design, construction, development, marketing or operation of a Store including, but not limited to: architectural plans, drawings and specifications for a prototype Store; site selection criteria; methods and techniques; standards and specifications; policies and procedures; supplier lists and information; marketing strategies; merchandising strategies; financial information; and information comprising the System or included in the Manual.

“Manual” means our confidential brand standards manual for the operation of a Store.

“Marks” means and includes all service marks, trademarks, trade names and logos that we designate from time to time and authorize Stores to use, including NATURAL LIFE WELLNESS BEGINS HERE and the associated logos. The Marks also include any distinctive trade dress used to identify a Store or the products it sells.

“Store” means a retail store ~~(the “Franchise”)~~ that: (a) operates using our Marks and System; and (b) offers and sells the lifestyle and wellness products that we designate or approve from time to time. A Store may refer to a Natural Life Store operated by us, our affiliate, Franchisee or any other person.

- ~~A. RECIPIENT is or may become a franchise owner, a manager, or an employee of COMPANY, or a supplier, consultant, or any person with access to Confidential Information (hereinafter defined).~~
- ~~B. RECIPIENT may have access to or may receive from COMPANY or Franchisor confidential business information owned by COMPANY or Franchisor.~~
- ~~C. COMPANY has agreed to provide or make available such information only if RECIPIENT strictly maintains its confidentiality in accordance with this Agreement.~~

~~The parties therefore agree as follows:~~

~~Agreement:~~

- ~~1. Any information and material not readily available to the general public or that the COMPANY or Franchisor designates as confidential that the COMPANY or Franchisor, their respective agents or representatives discloses or makes available to RECIPIENT, its agents or representatives, is confidential and proprietary property of the COMPANY or Franchisor (collectively, "Confidential Information"). Confidential Information includes, but is not limited to, any non-public information (whether or not in written form and whether or not expressly designated as confidential) relating directly or indirectly to COMPANY or Franchisor’s business operations, financial affairs, performance,~~

~~assets, investments, technology, processes, positioning, customers, products, product design, formulae, contracts, licensees, sublicensees, suppliers, standards, operations procedures, personnel, plans or prospects of the COMPANY or Franchisor, or any of their respective subsidiaries or affiliates, including such information consisting of or otherwise relating directly or indirectly to trade secrets, know-how, technology, designs, drawings, processes, license or sublicense arrangements, formulae, proposals, customer lists or preference, pricing lists, referral sources, marketing or sales techniques or plans, operation manuals, service manuals, financial information, projections, lists of suppliers or distributors or sources of supply. Information is considered disclosed by the COMPANY or Franchisor to the extent it is learned or derived by RECIPIENT (including its agents and representatives):~~

- ~~a. from any inspection, examination or other review of the COMPANY's or Franchisor's books, records, contracts or operations;~~
- ~~b. from communications with the COMPANY's or Franchisor's employees, agents, attorneys, independent contractors, or representatives; or~~
- ~~c. during visits to COMPANY's or Franchisor's premises.~~

~~2. Pursuant to the Franchise Agreement between COMPANY and Franchisor, the Franchisor has granted to COMPANY a nonexclusive license to utilize the Confidential Information only in connection with the operation of a Franchised Business (as that term is defined in the Franchise Agreement). During and after the term of the Franchise Agreement, the RECIPIENT must maintain the strict confidentiality of all Confidential Information. Without the COMPANY's and Franchisor's prior written consent, RECIPIENT must not:~~

- ~~a. disclose or distribute any Confidential Information to any third party; nor~~
- ~~b. use any such information for its own purposes or in any manner not authorized under this Agreement or the Franchise Agreement.~~

~~3. Confidential Information does not include any information which RECIPIENT demonstrates:~~

- ~~a. is generally known in the public domain;~~
- ~~b. was available to or known by RECIPIENT on a non-confidential basis prior to disclosure by the COMPANY or Franchisor;~~
- ~~c. was independently developed by RECIPIENT or by persons who were not given access, directly or indirectly, to the information disclosed to RECIPIENT by the COMPANY or Franchisor; or~~

- ~~d. becomes generally known in the public domain after the date of this Agreement through no breach of duty by the RECIPIENT. If RECIPIENT is requested or required as part of a legal process (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigation, demand, or similar process) to disclose any Confidential Information, RECIPIENT must promptly provide the COMPANY and Franchisor written notice of such request so an appropriate protective order may be sought. RECIPIENT may disclose Confidential Information to a court, administrative agency, or governmental authority without liability under this Agreement if: (i) RECIPIENT is, in the reasonable opinion of his or her legal counsel, compelled under law to disclose such information to the court, administrative agency, or governmental authority or else be subject to contempt, censure, or other penalty; and (ii) RECIPIENT has provided the COMPANY and Franchisor with notice of the request or requirement to disclose in accordance with Section 3.d. above.~~
- ~~4. RECIPIENT must ensure that all its employees, agents, representatives, and affiliates abide by the terms of this Agreement. RECIPIENT may disclose Confidential Information to such of the parties mentioned in the preceding sentence only on a need to know basis and after each such person has been advised of the confidential nature of the Confidential Information. If any of the parties referred to in this paragraph breach any of the terms of this Agreement, RECIPIENT is considered to have committed such breach.~~
- ~~5. If the COMPANY or Franchisor requests, the RECIPIENT must immediately return to the COMPANY or Franchisor, as the case may be, all Confidential Information including copies, notes, memoranda, writings and other documents regarding the Confidential Information.~~
- ~~6. Upon termination or expiration of RECIPIENT'S ownership in Franchisee, or employment by Franchisee, RECIPIENT must surrender to COMPANY all materials considered proprietary by COMPANY or Franchisor, technical or non-technical, whether or not copyrighted, that relate to Confidential Information.~~
- ~~7. During the term of RECIPIENT'S relationship with COMPANY, and for a period of two (2) years after the termination thereof, RECIPIENT agrees that he or she will not, directly or indirectly or by action in concert with others, solicit, induce or influence or seek to solicit, induce or influence any customer, prospective customer, supplier, franchisee, area developer or other third party doing business with COMPANY or Franchisor to cease doing business with COMPANY or Franchisor.~~
- ~~8. During the term of RECIPIENT'S relationship with COMPANY, and for a period of two (2) years after the termination thereof, RECIPIENT agrees that he or she will not, directly or indirectly, engage in,~~

~~own an interest in, or serve as an officer, director, employee, agent, independent contractor, partner, shareholder, manager, member or principal, in any company or business that owns, manages, or operates a business that sells or offers for sale hemp based products including CBD, hemp flower and hemp flower derived products, Kratom extract and Kratom infused products, Kava extract and Kava infused products, and related or competitive products.~~

~~9. The parties may modify this Agreement only by a written agreement signed by both of them. This Agreement is the entire agreement between the parties regarding the subject matter hereof.~~

~~10. Except as provided below, if any dispute arises out of this Agreement, such dispute must be resolved exclusively in the state and federal courts in Leon County, Florida, which have jurisdiction over the parties. The parties waive any right to object to jurisdiction and venue in these courts. Florida law governs this Agreement without regard to its principles of conflicts of law.~~

~~11. The obligations in this Agreement are severable. If any obligation is not fully enforceable, the parties may seek its enforcement to the fullest extent permitted by law. A waiver of any breach of this Agreement is not considered a waiver of any subsequent breaches. A waiver is only effective if in writing by the party waiving the breach and may not be effected orally or by conduct of the parties.~~

~~12. The COMPANY or Franchisor may seek and obtain injunctive relief against threatened or actual conduct that is or will be a breach of this Agreement and need not establish any actual or irreparable damage nor post any bond or other security. If the COMPANY or Franchisor incurs any costs to enforce its rights under this Agreement, including reasonable attorney fees, RECIPIENT must promptly reimburse the COMPANY or Franchisor for such costs. Franchisor is a third party beneficiary of this Agreement with the independent right to enforce the terms hereof.~~

~~13. If any court finally holds that the time or territory or any other provision contained in this Agreement constitutes an unreasonable restriction on RECIPIENT, the provisions of this Agreement are not thereby rendered void but apply as to time and territory or to such other extent as that court determines to be a reasonable restriction under the circumstances. In its sole discretion, the COMPANY or Franchisor may reduce the scope of any covenant in this Agreement without RECIPIENT's consent, effective immediately upon RECIPIENT's receipt of written notice. RECIPIENT must immediately comply with any covenant as so modified, which is fully enforceable to the extent permitted by applicable law.~~

~~14. The parties may sign this Agreement in counterparts, each of which is considered an original, but all of which together are considered one and the same instrument. Each RECIPIENT below signs and is bound in his or her personal capacity, as well as in a representative capacity on behalf of any company~~

~~designated below as a RECIPIENT. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties hereto and their respective personal representatives, other legal representatives, heirs, successors, and permitted assigns. Nothing in this Agreement is intended to relieve or discharge the obligations or liability of any third person to any party to this Agreement, nor does any provision give any third person any right of subrogation or action over or against any party to this Agreement.~~

THE COMPANY:

RECIPIENT:

By: _____

By: _____

Print Name: _____

Print Name: _____

Its: _____

Its: _____

~~(1) — ATTACHMENT 4~~

~~d. — GENERAL RELEASE~~

—“System” means our system developed for the operation of a Store, the distinctive characteristics of which include: distinctive interior and exterior design, décor, signage, color scheme and other trade dress elements; assortment of high-quality wellness products; training programs; advertising and marketing strategies; merchandising strategies; and operating system.

2. **Background.** You are an officer, director, employee or independent contractor of Franchisee. As a result of this association, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our franchise system if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. **Intellectual Property and Confidential Information.** You agree to: (a) refrain from using the Intellectual Property or Confidential Information in any business or for any purpose other than the operation of Franchisee’s Store; (b) maintain the confidentiality of all Confidential Information at all times; (c) refrain from making unauthorized copies of documents containing any Confidential Information; (d) take all steps we reasonably require to prevent unauthorized use or disclosure of Confidential Information; and (e) immediately stop using the Intellectual Property and Confidential Information at such time that you are no longer an officer, director, employee or independent contractor of Franchisee. You agree to assign to us or our designee, without charge, all rights to any Improvement developed by you, including the right to grant sublicenses. If applicable law precludes you from assigning ownership of any Improvement to us, then such Improvement shall be perpetually licensed by you to us free of charge, with full rights to use, commercialize and sublicense the same.

4. **Family Members.** Because you could circumvent the purpose of this Agreement by disclosing Confidential Information to an immediate family member (i.e., parent, sibling, child, or grandchild) and it would be difficult for us to prove any such breach, you will be presumed to have breached this Agreement if a member of your immediate family uses or discloses Confidential Information. You may rebut this presumption with evidence conclusively showing you did not disclose Confidential Information to the family member.

5. **Breach.** You agree that: (a) any failure to comply with this Agreement is likely to cause substantial and irreparable damage to us and/or other franchisees for which there is no adequate remedy at law; and (b) we are entitled to injunctive relief if you breach this Agreement together with any other relief available at equity or law. We will notify you if we intend to seek injunctive relief, but we need not post a bond. If a court requires that we post a bond despite our mutual agreement to the contrary, the required amount of the bond may not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

6. **Miscellaneous.**

(a) If we hire an attorney or file suit against you for breach of this Agreement and we prevail, you

must reimburse us for our reasonable attorneys' fees and costs.

(b) This Agreement will be governed by, construed and enforced under the laws of Florida and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

(c) Each section of this Agreement, including each subsection and portion thereof, is severable. If any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion. The parties agree that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

This ~~General Release~~Confidentiality Agreement is executed as of the ___ day of _____, 2___ by _____ (“Releasor”) in favor of **Natural Life Franchise Corp.** (“Franchisor”).

~~_____ WHEREAS, Releasor and Franchisor are parties to a Franchise Agreement dated as of _____ (the “Franchise Agreement”); and~~

~~_____ WHEREAS, Releasor desires to enter into a successor Franchise Agreement, or Releasor desires to transfer its interest in the Franchisee, the Franchised Business, or the Franchise Agreement; and~~

~~_____ WHEREAS, Franchisor has agreed to enter into a Successor Franchise Agreement with Releasor, or to permit Releasor to transfer its interest in the Franchisee, the Franchised Business, or the Franchise Agreement on condition that the Releasor sign a release of claims in favor of Franchisor as hereinafter provided.~~

~~NOW, THEREFORE, in consideration of the foregoing, and other good and valuable considerations, the Releasor agrees as follows:~~

~~Releasor hereby for himself or herself, their respective heirs, successors, assigns, agents and representatives, fully and forever unconditionally releases and discharges Franchisor, its owners, managers, officers, directors, employees and agents, from any and all claims, demands, obligations, losses, expenses, actions, liabilities and damages of every kind and nature whatsoever, in law or in equity, whether known or unknown to them, or which they may now have against Franchisor, its owners, managers, officers, directors, employees and agents, or which may hereafter be discovered, in connection with, as a result of, or in any way arising from, any relationship or transaction with the Franchisor, however characterized or described, which relates in any way to the Franchise Agreement or the former franchise relationship, from the beginning of time until the date of this Agreement. This Release shall not apply to those claims, if any, which may not be waived in advance under applicable law.~~

~~This Release extends to and includes any and all claims, demands, obligations, losses, expenses, actions, liabilities, and damages that the parties do not presently anticipate, know or suspect to exist, but that may~~

~~develop, accrue, or be discovered in the future. RELEASOR EXPRESSLY WAIVES ALL RIGHTS UNDER CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of signing the release, which if known by him must have materially affected his settlement with the debtor". Releasor represents and warrants that Releasor has considered the possibility that claims, demands, obligations, losses, expenses, actions, liabilities, and damages that Releasor does not presently know or suspect to exist in Releasor's favor may develop, accrue, or be discovered in the future, and that Releasor voluntarily assumes that risk as part of the consideration received for this Release.~~

~~Claims arising from the Franchise Investment Protection Act of Washington, chapter 19.100 RCW, and any rule or order adopted thereunder, are not waived in accordance with RCW 19.100.220.~~

~~IN WITNESS WHEREOF, Releasor has voluntarily executed this General Release with full knowledge of its contents as of the date indicated below its signature.~~

(signatures on following page)

By: _____ By: _____

Print ~~date~~ Name: _____ Print Name: _____

Date: _____ Date: _____

e. ATTACHMENT 5

**INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND
TELEPHONE ACCOUNT AGREEMENT**

~~THIS INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE ACCOUNT AGREEMENT~~ (the “Agreement”) is made and entered into this day of _____ (the “Effective Date”) by and between ~~Natural Life Franchise Corp.~~, a Florida corporation with its principal place of business at 1704 Capital Circle NE, Unit 103, Tallahassee, Florida 32308 (the “Franchisor”), and _____, a(n) _____, with its principal place of business located at _____ and _____’s principal(s) _____, an individual residing at _____ and _____, an individual residing at _____ (“Principal(s)”). _____ and Principal(s) shall be collectively referred to in this Agreement as the “Franchisee”.

~~WHEREAS~~, Franchisee desires to enter into a franchise agreement with Franchisor for a Natural Life CBD/Kratom/Kava business (“Franchise Agreement”) which will allow Franchisee to conduct internet based advertising, maintain social media and software accounts, and use telephone listings linked to the Natural Life CBD/Kratom/Kava brand.

~~WHEREAS~~, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

~~NOW, THEREFORE~~, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions**

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

~~2. Internet Advertising and Telephone Accounts~~

~~2.1 Interest in Websites, Social Media and Software Accounts and Other Electronic Listings. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain domain names, social media accounts, software accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet websites, and the right to hyperlink to certain websites and listings on various internet search engines (collectively, “Electronic Advertising”) related to the Franchised Business or the Marks.~~

~~2.2 Interest in Telephone Numbers and Listings. Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the “Telephone Listings”) related to the Franchised Business or the Marks.~~

~~2.3 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:~~

~~2.3.1 direct all internet service providers, domain name registries, internet search engines, social media and software companies, and other listing agencies (collectively, the “Internet Companies”) with which Franchisee has Electronic Advertising: (i) to transfer all of Franchisee’s interest in such Electronic Advertising to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Electronic Advertising, Franchisee will immediately direct the Internet Companies to terminate such Electronic Advertising or will take such other actions with respect to the Electronic Advertising as Franchisor directs; and~~

~~2.3.2 direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the “Telephone Companies”) with which Franchisee has Telephone Listings: (i) to transfer all Franchisee’s interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.~~

~~2.4 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor’s benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee’s true and lawful attorney in fact with full power and authority in Franchisee’s place and stead, and in Franchisee’s name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor~~

~~and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:~~

~~2.4.1 Direct the Internet Companies to transfer all Franchisee's interest in and to the Electronic Advertising to Franchisor, or alternatively, to direct the Internet Companies to terminate any or all of the Electronic Advertising;~~

~~2.4.2 Direct the Telephone Companies to transfer all Franchisee's interest in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and~~

~~2.4.3 Execute such standard assignment forms or other documents as the Internet Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee's interest.~~

~~2.5 Certification of Termination. Franchisee hereby directs the Internet Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.~~

~~2.6 Cessation of Obligations. After the Internet Companies and the Telephone Companies have duly transferred all Franchisee's interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Electronic Advertising and/or Telephone Listing. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.~~

~~3. Miscellaneous~~

~~3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.~~

~~3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Agreement.~~

~~3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's interest in any matter hereunder.~~

~~3.4 Further Assurances. Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.~~

~~3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.~~

~~3.6 Effect on Other Agreements. Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and attachments and schedules thereto shall remain in effect as set forth therein~~[below](#).

~~3.7 Survival. This Agreement shall survive the Termination of the Franchise Agreement.~~

~~3.8 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Florida, without regard to the application of Florida conflict of law rules.~~

~~Remainder of Page Intentionally Blank~~

~~The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.~~

FRANCHISOR:

~~Natural Life Franchise Corp.~~

By: _____

_____, _____

(Print Name, Title): _____

FRANCHISEE:

Date: _____

By: _____

_____, _____

(Print Name, Title)

PRINCIPAL:

(Print Name)

GUARANTY

~~This Guaranty and Covenant (this “Guaranty”) is given by the undersigned (“Guarantor”) on _____ to Natural Life Franchise Corp. a Florida corporation (“Franchisor”), in order to induce Franchisor to enter into that certain Franchise Agreement dated of even date herewith (the “Franchise Agreement”) with _____, a(n) _____, _____ and _____ (collectively “Franchisee”).~~

~~Guarantor acknowledges that Guarantor is the spouse of Franchisee’s Principal, as that term is used in the Franchise Agreement.~~

~~Guarantor acknowledges that Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty are in partial consideration for, and a condition to the granting of, the rights granted in the Franchise Agreement to Franchisee, and that Franchisor would not have granted these rights without the execution of this Guaranty by Guarantor.~~

~~Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the monetary obligations and non-competition covenants and agreements of the Franchisee as set forth in the Franchise Agreement, including but not limited to, the covenants set forth in Sections 13.5 and 14.1 of the Franchise Agreement (“Guaranteed Obligations”). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.~~

~~This Guaranty is an absolute and unconditional continuing guaranty of payment and performance of the Guaranteed Obligations. This Guaranty shall not be discharged by renewal of any claims guaranteed by this instrument, change in ownership or control of the Franchisee entity, transfer of the Franchise Agreement, the suffering of any indulgence to any debtor, extension of time of payment thereof, nor the discharge of Franchisee by bankruptcy, operation of law or otherwise. Presentment, demand, protest, notice of protest and dishonor, notice of default or nonpayment and diligence in collecting any obligation under any agreement between Franchisee and Franchisor are each and all waived by Guarantor and/or acknowledged as inapplicable. Guarantor waives notice of amendment of any agreement between Franchisee and Franchisor and notice of demand for payment by Franchisee. Guarantor further agrees to be bound by any and all amendments and changes to any agreement between Franchisee and Franchisor.~~

~~Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no~~

~~single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.~~

~~If other guarantors have guaranteed any and or all of the Guaranteed Obligations, their liability shall be joint and several to that of Guarantor.~~

~~Until all of the Guaranteed Obligations have been paid in full and/or performed in full, Guarantor shall not have any right of subrogation, unless expressly given to Guarantor in writing by Franchisor.~~

~~All Franchisor's rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between Franchisor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Franchisor by law.~~

~~Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.~~

~~This Guaranty shall extend to and inure to the benefit of Franchisor and its successors and assigns and shall be binding on Guarantor and its successors and assigns.~~

~~Guarantor has signed this Guaranty as of the date set forth above.~~

~~GUARANTOR – SPOUSE OF FRANCHISEE'S PRINCIPAL:~~

_____ Print Name: _____

ATTACHMENT 7

FRANCHISEE ACKNOWLEDGMENT STATEMENT

Franchisee hereby acknowledges the following:

- ~~1. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in our Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by us and Franchisee and any and all Principals hereby waive any claim against us for any business failure Franchisee may experience as a franchisee under this Agreement.~~

Initial

- ~~2. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.~~

Initial

~~3. Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement and that it/she/he understands all the terms and conditions of the Franchise Agreement. Franchisee further acknowledges that the Franchise Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.~~

Initial

~~4. Franchisee has no knowledge of any representations by us or our officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. Franchisee represents, as an inducement to our entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement.~~

Initial

~~5. We expressly disclaim the making of, and Franchisee acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.~~

Initial

~~6. Franchisee acknowledges that our approval or acceptance of Franchisee's outlet location does not constitute a warranty, recommendation or endorsement of the location for the Franchised Business, nor any assurance by us that the operation of the Franchised Business at the premises will be successful or profitable.~~

Initial

~~7. Franchisee acknowledges that it has received the Natural Life Franchise Corp. Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. Franchisee further acknowledges that he/she/it has read such Franchise Disclosure Document and understands its contents.~~

Initial

~~8. Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants and other advisors and that our attorneys have not advised or represented Franchisee with respect to the Franchise Agreement or the relationship thereby created.~~

Initial

~~9. Franchisee, together with Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.~~

Initial

~~10. Franchisee is aware of the fact that other present or future franchisees of us may operate under different forms of agreement(s), and consequently that our obligations and rights with respect to its various franchisees may differ materially in certain circumstances.~~

Initial

~~11. It is recognized by the parties that we are also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that we do not warrant that such products will not be sold within the Franchisee's Designated Territory by others who may have purchased such products from us.~~

Initial

~~12. BY EXECUTING THE FRANCHISE AGREEMENT, FRANCHISEE AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE NATURAL LIFE FRANCHISE CORP., NL FULFILLMENT CORP., AND ANY OF THE ABOVE'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT,~~

~~INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY FRANCHISEE.~~

Initial

Acknowledged this day of _____.

PRINCIPAL: _____

FRANCHISEE:

Signature

By: _____

Name: _____

Name: _____

Title: _____

Exhibit D
Multi-Unit [\[See Attached\]](#)

By: _____

Signature

Title: _____

Print Name

EXHIBIT "D"

TO DISCLOSURE DOCUMENT

AREA DEVELOPMENT AGREEMENT

~~MULTI-~~


NATURAL LIFE

~~UNIT~~

WELLNESS BEGINS HERE

AREA DEVELOPMENT AGREEMENT

AREA DEVELOPER:

DATE:

TABLE OF CONTENTS

1. DEFINITIONS.....1
2. GRANT OF DEVELOPMENT RIGHTS.....2
3. TERRITORIAL PROTECTIONS AND LIMITATIONS.....2
4. DEVELOPMENT OBLIGATIONS3
5. DEVELOPMENT FEE.1
6. AREA DEVELOPER AS ENTITY1
7. TRANSFERS1
8. TERMINATION OF DEVELOPMENT RIGHTS3
9. DISPUTE RESOLUTION3
10. YOUR REPRESENTATIONS..3
11. GENERAL PROVISIONS.....4

ATTACHMENTS

ATTACHMENT "A" Deal Terms

AREA DEVELOPMENT AGREEMENT

This ~~Multi-Unit~~Area Development Agreement (~~“(this “Agreement”)~~ is entered into as of ~~the day~~ _____, 202_ (the ~~“Effective Date”~~), ~~among~~) between Natural Life Franchise Corp., a Florida corporation, ~~with its principal business address at 1704 Capital Circle NE, Unit 103, Tallahassee, Florida 32308 (hereafter “Franchisor”); (“we” or “us”)~~ and _____ whose address is _____ (hereinafter ~~“Developer”~~).

Background

~~By expending time, skill, effort, and money, Franchisor and its affiliates have developed and own _____, a special system for the operation of retail stores offering CBD, Kratom, Kava, and related items approved by the franchisor, under the Natural Life CBD/Kratom/Kava[®] trademark and system of operating procedures (the ~~“System(n)”~~ (“you”).~~

1. DEFINITIONS. Capitalized terms used in this Agreement shall have the meanings given to them below, or if not defined below, the meanings given to them in the Initial Franchise Agreement.

“Developer Entity” means the Entity that: (a) signs this Agreement as the area developer (if this Agreement is signed by an Entity); or (b) assumes this Agreement subsequent to its execution by the original Owners.

“Development Business” means the franchised business you conduct pursuant to this Agreement consisting of developing and opening Stores within the Development Territory.

“Development Schedule” means the schedule described in §A and Part C of ATTACHMENT "A" for the development of the Stores within the Development Territory.

“Development Territory” means the geographic area described in Part D of ATTACHMENT "A".

“Dispute” means any Claim, dispute or disagreement between the parties, including any matter pertaining to: (a) the interpretation or enforcement of this Agreement; (b) the offer or sale of the area development rights; or (c) the relationship between the parties.

“Franchise Agreement” means a Natural Life Franchise Agreement executed by us and you (or your affiliate) for the development and operation of a Store pursuant to this Agreement.

“General Release” means our then-current form of Waiver and Release of Claims that you and your Owners must sign pursuant to §7.2 in connection with a Transfer.

“Initial Franchise Agreement” means the Franchise Agreement you execute for the first Store to be developed pursuant to this Agreement.

“Initial Franchise Fee” means the initial franchise fee you pay for each Store as set forth in §5 of this Agreement.

“Owner” means a Person who meets any of the following criteria: (a) the Person directly signs this Agreement as the area developer, either alone or in conjunction with one or more other Persons; (b) the Person directly or indirectly through one or more intermediaries owns any Equity Interest in the Developer Entity (if the area developer under this Agreement is an Entity); (c) the Person directly signs a Franchise Agreement as the franchisee, either alone or in conjunction with one or more other Persons; and/or (d) the Person directly or indirectly through one or more intermediaries owns any Equity Interest in any affiliate of yours that executes a Franchise Agreement as authorized by §6.

“Permitted Transfer” means: (a) a Transfer from one Owner to another Owner who was an approved Owner prior to such Transfer, other than a Transfer that results in the Managing Owner owning less than 10% of the ownership interests in the Development Business or Developer Entity, as applicable; and/or (b) a Transfer by the Owners to a newly established Developer Entity for which such Owners collectively own and control 100% of the Equity Interests.

“Store” means a retail store that: (a) operates using our Marks and System; and (b) offers and sells the lifestyle and wellness products that we designate or approve from time to time. A Store may refer to a Natural Life Store operated by us, our affiliate, you or any other Person.

“Term” means the period of time beginning on the Effective Date of this Agreement and expiring on the earlier to occur of: (a) the opening date listed in the Development Schedule for the last Store you are required to open; or (b) the date this Agreement is effectively terminated.

“Transfer” means any direct or indirect, voluntary or involuntary, assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of:

- (a) this Agreement (or any interest therein);
- (b) the area development rights granted by this Agreement (or any interest therein);
- (c) the Development Business you conduct pursuant to this Agreement (or any interest therein);
- (d) the right to manage a Store or occupy the Store’s premises; or
- (e) an Equity Interest in the Developer Entity, including public and private offerings;

including by: merger or consolidation; judicial award, order or decree; issuance of additional Equity Interests in the Developer Entity; foreclosure of a security interest by a lender; or operation of Law, will or a trust upon the death of an Owner of the Developer Entity, including the Laws of intestate succession.

2. GRANT OF DEVELOPMENT RIGHTS. Subject to the terms of this Agreement, we hereby grant you the right and obligation to develop, open and operate each of the Stores referred to in the Development Schedule. Each Store must be located within the Development Territory. This Agreement does not grant you any right or license to use our Intellectual Property.

3. TERRITORIAL PROTECTIONS AND LIMITATIONS. During the Term we will not develop or operate, or license a third party to develop or operate, a Store that is physically located within the Development Territory other than: (a) any Store that is operating, under development, or for which a franchise agreement has been executed, in each case as of the Effective Date, and that is (or will be) located within the Development Territory; and (b) any Store otherwise permitted by this Section. At any time during the Term we reserve the right to: (a) develop and operate, and license third parties to develop and operate, Stores in Captive Venues located within the Development Territory; and (b) engage in Acquisitions even if, as a result of an Acquisition, one or more competitive businesses of the acquired or acquiring company begin using our Intellectual Property (including our Marks) and are located within the Development Territory. We reserve the right to sell, and license third parties to sell, competitive or identical goods and services (including under the Marks) within the Development Territory through Alternative Channels of Distribution, subject to any obligation to pay you a Revenue Share in accordance with the terms of a

4. DEVELOPMENT OBLIGATIONS

- ~~A. — Development Schedule The distinguishing characteristics of the System include, but are not limited to, proprietary products; uniform standards and procedures for business operations; appealing and efficient layout and decor; training in the operation, management, and promotion of the Franchised Business; advertising and promotional programs; customer development and service techniques; and other technical assistance, all of which may be changed, improved or further developed by the Franchisor.~~
- ~~B. — The stores operate under the principal service mark **Natural Life CBD/Kratom/Kava**[®] (collectively, with the related marks, logos, insignias, slogans, emblems, symbols and designs Franchisor authorizes for use under the System, the “**Marks**”).~~
- ~~C. — Developer desires to be granted the opportunity, subject to the terms and conditions of this Agreement, to open and operate multiple **Natural Life CBD/Kratom/Kava** stores (“**Franchised Businesses**”) within a certain geographic area described in Attachment 1 attached (the “**Development Area**”).~~
- ~~D. — Developer understands and acknowledges the importance of Franchisor’s high standards of quality, operations and service and the necessity of developing and operating Franchised Businesses in strict conformity with this Agreement, the applicable franchise agreement, and Franchisor’s confidential Brand Standards Manuals (collectively, the “**Manual**”).~~
- ~~E. — Franchisor is willing to grant Developer the opportunity to open and operate multiple Franchised Businesses in the Development Area, subject to the terms and conditions of this Agreement.~~

~~NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:~~

~~1. — **Development Area.** Franchisor grants Developer the right, and Developer undertakes the obligation, to develop and establish _____ Franchised Businesses within the Development Area defined in Attachment 1 hereto, provided Developer opens and commences operations of such Franchised Businesses in strict accordance with the mandatory development schedule also set forth in Attachment 1 (the “Development Schedule”) and otherwise subject to the terms and conditions set forth herein. During the term of this Agreement and, except as provided herein, Franchisor will not open or operate, or license any third party the right to open or operate, any Natural Life CBD/Kratom/Kava stores within the Development Area.~~

~~2. — **Development Fee.** Upon execution of this Agreement, Developer must pay Franchisor a development fee equal to \$ _____ (the “Development Fee”), for the right to open and operate the foregoing Franchised Businesses within the Development Area under this Agreement. The Development Fee is deemed fully earned upon payment and is not refundable under any circumstances. The parties agree and acknowledge that, upon payment of the Development Fee required by this Section, Developer will not be required to pay Franchisor an additional “Initial Franchise Fee” pursuant to any Franchise Agreement that Developer enters into to fulfill its development obligations under this Agreement within the Development Area.~~

~~3. — **Initial Franchise Agreement.** Contemporaneous with the execution of this Agreement, Developer must enter into Franchisor’s current form of Franchise Agreement for the first Franchised Business that Developer is required to open within the Development Area. In the event Developer is a business entity of any kind, then Developer’s principals/owners must each execute the form of personal guaranty attached to the foregoing Franchise Agreement, as well as any additional Franchise Agreements described in Section 4 of this Agreement.~~

4.1. **Additional Franchise Agreements.** Developer agrees and acknowledges that it must: (i) enter into Franchisor’s then-current form of Franchise Agreement for each additional Franchised Business that Developer is required to open under this Agreement and comply with the same; and (ii) enter into such Franchise Agreements at such times that are required for Developer to timely meet, and strictly adhere to, its obligations under the agreed upon Development Schedule. Developer may not enter into a new Franchise Agreement if it is in default under any other franchise agreement between Developer or its affiliates and Franchisor. You must develop, open and operate all Stores listed in the Development Schedule. You must develop and open each Store in strict compliance with the opening dates set forth in the Development Schedule. We may, in our sole discretion, extend one or more opening dates listed in the Development Schedule if you demonstrate to our satisfaction that you used best efforts to comply with the opening date and the need for the extension is due to unforeseeable delays rather than your lack diligence or funding. The opening date listed in the Development Schedule for a given Store may be earlier than the opening date required under the terms of the associated Franchise Agreement. In order to comply with the Development Schedule you must open each Store by the opening date listed in the Development Schedule even if such date is earlier than the opening date required by the associated Franchise Agreement.

4.2. **Site Selection.** You must select a specific site within the Development Territory for each Store in compliance with our then-current site selection criteria. Each site you select is subject to our prior approval in accordance with the applicable Franchise Agreement.

4.3. **Franchise Agreements.** You must sign a separate Franchise Agreement for each Store. You must

sign the Initial Franchise Agreement for your first (1st) Store at the time you sign this Agreement. We will not review proposed sites for a Store until you sign the applicable Franchise Agreement for that Store. Each Franchise Agreement shall be our then-current form of Natural Life Franchise Agreement (modified to reflect the Discounted Initial Franchise Fee), the terms of which may vary materially and substantially from the terms of the Initial Franchise Agreement. The development fee paid pursuant to §5 shall be deemed to include and satisfy the Initial Franchise Fee imposed under each Franchise Agreement you sign for a Store identified in the Development Schedule. You have no right to construct or operate a Store until the parties have signed the Franchise Agreement and all ancillary agreements for that Store. You must develop, open and operate each Store in compliance with the Franchise Agreement and the Manual.

~~4.4. **Additional Stores.** You may not develop any Store other than the Stores listed in the ~~Franchise Agreement~~. ~~The location and lease for each successive franchise agreement is subject to the approval of Franchisor.~~~~

~~5. **Development Obligations.** Developer must open and commence operations of each new Franchised Business within the time frames indicated on the Development Schedule and must maintain the minimum cumulative number of Franchised Businesses open and operating as described on the Development Schedule. ~~The parties agree and acknowledge that time is of the essence with respect to the foregoing development obligations, and that Developer's failure to comply with the Development Schedule is grounds for immediate termination of this Agreement (and any future development rights granted hereunder).~~~~

~~6. **Term and Termination.**~~

~~A. This Agreement will commence as of the Effective Date it is fully~~

~~executed and, unless earlier terminated by Franchisor, will end on the last day of the calendar month that the final Franchised Business is required to be opened and operating under the Development Schedule. Upon expiration or termination of this Agreement for any reason, Developer will not have any rights within the Development Area other than the territorial rights granted in connection with any Franchised Businesses that Developer has opened and commenced operating as of the date this Agreement is terminated or expires (under the respective Franchise Agreement(s) that Developer entered into for such Franchised Business(es)).~~

~~B. Franchisor will have the right, at its option, to terminate this Agreement and all rights granted to Developer hereunder, without affording Developer any opportunity to cure such default, effective upon written notice to Developer, upon the occurrence of any of the following events: (i) if Developer becomes insolvent or is adjudicated bankrupt, or if any action is taken by Developer, or by others against the Developer, under any insolvency, bankruptcy or reorganization act, or if Developer makes an assignment for the benefit of creditors or a receiver is appointed by the Developer; (ii) if Developer fails to meet its development obligations under the Development Schedule, and fails to cure such default within 30 days of receiving notice thereof; and (iii) if any Franchise Agreement that is entered into in order to fulfill Developer's development obligations under this Agreement is terminated or subject to termination by Franchisor, pursuant to the terms of that Franchise Agreement.~~

~~**7. — Reservation of Rights.** Except as provided in Section 1 of this Agreement, the parties agree and acknowledge that the rights granted in this Agreement are nonexclusive and that Franchisor and its affiliates reserve all other rights not expressly granted to Developer herein.~~

~~**8. — Sale or Assignment.** Developer's rights under this Agreement are personal and Developer may not sell, transfer, or assign any right granted herein without Franchisor's prior written consent, which may be withheld in its sole discretion. Notwithstanding, if Developer is an individual or a partnership, Developer has the right to assign its rights under this Agreement to a corporation or limited liability company that is wholly owned by Developer according to the same terms and conditions as provided in Developer's initial Franchise Agreement. Franchisor has the right to assign this Agreement in whole or in part in its sole discretion.~~

~~**9. — Acknowledgment.** Developer acknowledges that this Agreement is not a Franchise Agreement and does not confer upon Developer any rights to use the Franchisor's Marks or System.~~

~~**10. — Notices.** All notices, requests, demands, consents and other communications required or permitted under this Agreement shall be in writing (including facsimile and electronic communication) and shall be (as elected by the person giving such notice) hand delivered by messenger or courier service, faxed, e-mailed, or mailed (airmail if international) by registered or certified mail (postage prepaid), return receipt requested, addressed to the appropriate party at its address set forth above or to such other address as that party may designate by notice complying with the terms of this Section. Each such notice is deemed delivered: (a) on the date delivered if by personal delivery; (b) on the date~~

of transmission, if by facsimile or e-mail; or (c) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities or courier service as not deliverable, as the case may be, if mailed or couriered.

11. — Choice of Law. ~~This Agreement will be governed by the laws of the State of Florida (without reference to its conflict of laws principals). The parties agree and acknowledge that Franchisor awarded the development rights hereunder only after timely disclosing Developer with its then current form of Franchise Disclosure Document (“FDD”) effective for use in the state(s), if any, where required.~~

12. — Mediation and Arbitration. ~~In connection with any dispute arising under this Agreement, before any arbitration proceeding takes place, either party may, at its option, submit the controversy or claim to nonbinding mediation before CPR Institute for Dispute Resolution (“CPR”) in accordance with its National Franchise Mediation Program. If CPR is unable to conduct the mediation, the controversy or claim may be submitted to the American Arbitration Association or any other mutually agreeable mediator. In the event of any such mediation, both parties shall execute a confidentiality agreement reasonably satisfactory to the Franchisor. Once the controversy or claim is submitted to mediation, the obligation to attend mediation is binding on both parties. Each party bears its own costs with respect to the mediation. The fee for the mediation, however, will be split equally. Except as provided in Section F.12 below, any controversy or claim relating to this Agreement—including any claim that this Agreement, or any part thereof, is invalid, illegal, or otherwise voidable or void—shall be submitted to arbitration before the American Arbitration Association (or any other mutually agreeable arbitration association) in accordance with its commercial arbitration rules. The provisions of this Section shall be construed as independent of any other covenant or provision of this Agreement. But if a court of competent jurisdiction determines that any such provisions are unlawful in any way, such court shall modify or interpret such provisions to the minimum extent necessary to have them comply with the law. Notwithstanding any provision of this Agreement relating to the state laws by and under which this Agreement shall be governed and construed, all issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Agreement shall be governed by the United States Arbitration Act (9 U.S.C. § 1 et seq.) and the Federal common law of arbitration. Judgment upon an arbitration award may be entered in any court of competent jurisdiction. Such judgment is binding, final, and non-appealable. To the fullest extent permitted by law, the Franchisor and the Developer (and their respective owners) waive any right to, or claim for, any punitive or exemplary damages against the other. In the event of a dispute between the Franchisor and Developer, each is limited to recovering the actual damages it sustains. This arbitration provision is self-executing and remains in full force and effect after the expiration or sooner termination of this Agreement. If either party fails to appear at any properly noticed arbitration proceeding, notwithstanding such failure to appear, an award may be entered against such party by default or otherwise. Mediation and/or arbitration shall take place in Leon County, Florida, or at the mediator’s or arbitrator’s office closest to the Franchisor’s home office. Mediation or arbitration between the Franchisor and Developer shall be of the Franchisor’s and Developer’s individual claims. None of Developer’s claims may be mediated or arbitrated on a class-wide basis.~~

13. — Equitable Relief. ~~Notwithstanding anything in this Agreement to the contrary, the obligation to mediate or arbitrate is not binding upon the Franchisor, and Developer need not mediate or arbitrate any of the following matters: (a) claims relating to the Marks; (b) claims relating to any lease or sublease of real property between the parties or their related~~

~~entities; (c) claims relating to Developer's obligations upon termination or expiration of this Agreement; (d) claims relating to any transfer of an interest in the Developer in any Franchised Business or its assets, or this Agreement; (e) claims relating to actions that may impair the good will associated with the Marks; (f) matters involving danger, health, or safety involving a Franchised Business owned by Developer, Developer, its employees or customers, or the public; or (g) requests for restraining orders, injunctions, or other procedures to obtain specific performance in a court of competent jurisdiction when such court considers the restraining order, injunction, or specific performance necessary to preserve the status quo or prevent irreparable injury pending resolution of the actual dispute between the parties by mediation or arbitration.~~

~~**14. Jurisdiction and Venue.** A substantial portion of the negotiations, anticipated performance, and execution of this Agreement occurred or will occur in Leon County, Florida. Therefore, each of the parties irrevocably and unconditionally: (a) agrees that any suit, action or legal proceeding arising out of or relating to this Agreement must be brought only in the courts of record of the State of Florida in Leon County or the District Court of the United States, Northern District of Florida; (b) consents to the jurisdiction of each such court in any suit, action, or proceeding; (c) waives any objection that he, she or it may have to the laying of venue of any such suit, action, or proceeding in any of such courts; and (d) agrees that service of any court paper may be effected on such party by mail, as provided in this Agreement, or in such other manner as may be provided under applicable laws or court rules in the State of Florida.~~

~~**15. Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of this Agreement and the dispute resolution procedures contained herein, each having authority to specifically enforce the right to mediate claims asserted against such person(s) by Developer.~~

~~**16. Jury Trial Waiver.** With respect to any proceeding not subject to mediation, the parties hereby agree to waive trial by jury in any action, proceeding or counterclaim, whether at law or equity, regardless of which party brings suit. This waiver will apply to any matter whatsoever between the parties hereto which arises out of or is related in any way to this Agreement, the performance of either party, and/or Developer's purchase from Franchisor of the development rights described herein.~~

~~**17. Waiver of Punitive Damages.** Developer waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which Developer may have against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, Developer's recovery will be limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.~~

~~**18. Enforcement Costs.** If any arbitration, legal action, or other proceeding is instituted for the enforcement of this Agreement, or because of an alleged dispute, default, or misrepresentation in connection with any provision of this Agreement, the successful or prevailing party or parties is entitled to recover reasonable pre-institution and post-institution attorneys' fees, arbitration costs, court costs and all expenses even if not taxable as arbitration or court costs (including all such fees, costs and expenses incident to arbitration, appellate, bankruptcy and post-judgment proceedings), incurred in connection with such~~

~~action or proceeding, in addition to any other relief to which such party or parties may be entitled. Attorneys' fees include paralegal fees, administrative costs, investigative costs, costs of expert witnesses, court reporter fees, sales and use taxes, if any, and all other charges billed by the attorneys to the prevailing party. If the Franchisor is required to engage legal counsel in connection with any failure by Developer to pay when due any monies owed under this Agreement or submit when due any reports, information or supporting records, or in connection with any failure otherwise to comply with this Agreement, the Developer must reimburse the Franchisor on demand for all of the above-listed costs and expenses it incurs, whether or not arbitration, a legal action, or other proceeding is initiated.~~

~~**19. Non-Waiver.** Franchisor's failure to insist upon strict compliance with any provision of this Agreement will not be a waiver of Franchisor's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default will not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Agreement will be cumulative. Franchisor's election to exercise any remedy available by law or contract will not be deemed a waiver or preclude exercise of any other remedy.~~

~~**20. Severability.** The parties agree that if any provisions of this Agreement may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision will have the meaning, which renders it valid and enforceable. The provisions of this Agreement are severable, and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions will be enforced to the extent that they are valid and enforceable. If any material provision of this Agreement will be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Agreement.~~

~~**21. Construction of Language.** The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as Developer, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.~~

~~**22. Successors.** References to "Franchisor" or "Developer" include the respective parties' successors, assigns or transferees, subject to the limitations of Section 8 of this Agreement.~~

~~**23. Cooperation.** Each party agrees to execute such further documents and take such further action as the other party may reasonably request in order to effectuate the intent and purposes of this Agreement.~~

~~**24. No Right to Offset.** Developer may not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of the alleged nonperformance of Franchisor or any of its affiliates or as an offset against any amount Franchisor or any of its affiliates may owe or allegedly owe Developer under this Agreement or any related agreements.~~

~~**25. Entire Agreement.** This Agreement (together with its Attachments, and all other written agreements related to this Agreement that are expressly referenced herein) represents the entire understanding and agreement between the parties with respect to the subject matter of this Agreement, and supersedes all other negotiations, understandings,~~

~~and representations, if any, made by and between the parties. No representation, inducement, promise, or agreement, oral or otherwise, if any, not embodied in this Agreement, its Attachments, or any other written agreement related to this Agreement and expressly referenced herein is of any force and effect. Franchisor reserves the right to change Franchisor's policies, procedures, standards, specifications or manuals at Franchisor's discretion. In the event of a conflict between this Agreement and any Franchise Agreement(s), the terms, conditions and intent of this Agreement will control. Notwithstanding the foregoing, nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Franchisor in its Franchise Disclosure Document.~~

~~IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED EFFECTIVE THE DATE FIRST SET FORTH ABOVE.~~

~~FRANCHISOR _____ DEVELOPER
NATURAL LIFE FRANCHISE CORP.~~

~~By: _____
Gabriel Suarez, President~~

~~By: (Signature Above) _____
Print Name: _____~~

~~Date: _____~~

~~Spouse Signature: _____
Spouse Name: _____~~

~~**IF A PARTNERSHIP,
CORPORATION, OR OTHER
ENTITY:**~~

~~By: _____
Print Name: _____~~

~~Date:~~

ATTACHMENT 1 TO DEVELOPMENT AGREEMENT
DEVELOPMENT AREA AND DEVELOPMENT SCHEDULE

~~4. — Development Area. The Development Area, as referred to in Section 1 of the Development Agreement, is described below (or an attached map) by geographic boundaries and will consist of the following area or areas:~~

~~Development Schedule. The unless we, in our sole discretion, permit you to enter into a new area development agreement, which will be upon such terms that we specify, after you develop all Stores listed in the Development Schedule referred to in Section 1 of the in accordance with this Agreement.~~

~~1.5. DEVELOPMENT AGREEMENT IS AS FOLLOWS:FEE. At the time you sign this Agreement you must pay us the development fee set forth in Part B of ATTACHMENT "A", which is calculated as the sum of the Initial Franchise Fees imposed for all Stores you are required to develop under this Agreement. The amount of the Initial Franchise Fee is: (a) \$40,000 for the first (1st) Store; (b) \$35,000 for the second (2nd) Store; and (c) \$30,000 per Store for each additional Store you develop pursuant to this Agreement. The development fee is fully earned and nonrefundable upon execution of this Agreement.~~

~~6. AREA DEVELOPER AS ENTITY. You represent that Part A of ATTACHMENT "A" includes a complete and accurate list of your Owners. Upon request, you must send us a resolution of the Developer Entity authorizing the execution of this Agreement, a copy of the Developer Entity's organizational documents and a current Certificate of Good Standing (or the functional equivalent thereof). You may form a separate Entity to enter into each Franchise Agreement provided that: (a) the Person or Persons owning the Equity Interests (and the percentage of the Equity Interests owned) in each such Entity must be the same Person or Persons owning the Equity Interests (with the same percentage of the Equity Interests owned) in the Developer Entity; and (b) each such Entity guarantees the performance of all other Entities formed under the authority of this §6. Each Owner, and the spouse of each Owner, must sign a Franchise Owner Agreement.~~

7. TRANSFERS

~~7.1. By Us. This Agreement is fully assignable by us, without prior notice to you, and shall inure to the benefit of any assignee(s) or other legal successor(s) to our interest in this Agreement, provided that we shall, subsequent to any such assignment, remain liable for the performance of our obligations under this Agreement up to the effective date of the assignment.~~

~~7.2. By You. The rights and duties created by this Agreement are personal to you and the Owners. We are granting you area development rights in reliance upon the character, skill, attitude, business ability and financial resources of you and your Owners. Because this Agreement is a personal services contract, neither you nor any Owner may engage in a Transfer (other than a Permitted Transfer) without our prior approval. Any Transfer (other than a Permitted Transfer) without our approval shall be void and constitute a breach of this Agreement. We will not unreasonably withhold approval if all of the following conditions are satisfied:~~

- ~~(i) we believe the proposed transferee has sufficient business experience, aptitude and financial resources to develop, own and operate all of the remaining Stores to be developed under this Agreement and meets our minimum criteria for area developers;~~
- ~~(ii) you and your Owners and affiliates are in full compliance with all Definitive Agreements;~~
- ~~(iii) the transferee's owners successfully complete, or make arrangements to attend, the initial training program and the transferee pays us any applicable training fee;~~

- (iv) the transferee and its owners sign our then-current form of area development agreement (unless we, in our sole discretion, instruct you to assign this Agreement to the transferee), except that: (a) the Term shall be the Term remaining under this Agreement; (b) the transferee need not pay a separate development fee; and (c) the Development Schedule and Development Territory shall be the same Development Schedule and Development Territory specified in this Agreement (modified to reflect the development obligations satisfied prior to the Transfer);
- (v) you or the transferee pay us a \$10,000 transfer fee (if the transferee is found by a broker we engage, you must also reimburse us for all commissions we pay to the broker, which amount shall be in addition to the transfer fee);
- (vi) you assign all Franchise Agreements to the transferee in accordance with the transfer provisions under each such Franchise Agreement, including payment of any transfer fee imposed under each such Franchise Agreement;
- (vii) you and your Owners sign a General Release;
- (viii) we choose not to exercise our right of first refusal described in §7.5; and
- (ix) you or the transferring Owner, as applicable, and the transferee satisfy all other conditions we reasonably require as a condition to our approval of the Transfer.

You may not: (a) transfer less than all area development rights remaining under this Agreement (i.e., you may not retain the right to develop any Store); or (b) transfer your area development rights to multiple transferees. Our consent to a Transfer shall not constitute a waiver of: (a) any Claims we may have against the transferor; or (b) our right to demand the transferee comply with all terms of the area development agreement.

7.3. Permitted Transfers. You may engage in a Permitted Transfer without our prior approval, but you must: (a) give us at least 10 days' prior written notice; and (b) upon our request, cause any Entity that was the Developer Entity immediately prior to the Permitted Transfer to sign a corporate guarantee in the format we require to secure performance of the new Developer Entity's financial obligations under all Definitive Agreements. You and the Owners (and the transferee) agree to sign all documents we reasonably request to effectuate and document the Permitted Transfer.

7.4. Owner Death or Disability. Within 180 days after the death or permanent disability of an Owner, the Owner's ownership interest in the Development Business or Developer Entity, as applicable, must be assigned to another Owner or to a third party we approve. Any assignment to a third party will be subject to all terms and conditions of §7.2 unless the assignment qualifies as a Permitted Transfer. An Owner is deemed to have a "permanent disability" only if he/she has a medical or mental problem that prevents him/her from substantially complying with his/her obligations under this Agreement for a continuous period of at least three (3) months.

7.5. Our Right of First Refusal. If you or an Owner desires to engage in a Transfer, you or the Owner, as applicable, must obtain and send us a bona-fide offer executed by the purchaser after completion of due diligence. We have 30 days after receipt of the offer to decide whether to purchase the interest for the same price and upon the same terms contained in the offer, except we may substitute cash for any non-cash form of payment proposed in the offer. If we notify you within the 30-day period that we intend to purchase the interest, you or the Owner, as applicable, must sell the interest to us. We will have an additional 30 days to prepare for closing. We will be entitled to receive from you or the Owner, as applicable, all customary representations and warranties given by you (as the seller of the assets) or the Owner (as the seller of the ownership interest) or, at our election, the representations and warranties contained in the offer. If we do not exercise our right of first refusal, you or the Owner, as applicable, may complete the Transfer to the purchaser pursuant to the terms of the offer, subject to the requirements of §7.2, including our approval of the transferee. However, if the sale is not completed within 120 days after delivery of the offer to us, or

there is a material change to the terms of sale, we will again have the right of first refusal specified in this Section. Our right of first refusal shall not apply to a Permitted Transfer.

8. TERMINATION OF DEVELOPMENT RIGHTS

8.1. Reasonableness. You represent that you: (a) have conducted your own independent investigation and analysis of the prospects for the development of the Stores within the Development Territory; (b) approve the Development Schedule as being reasonable and viable; and (c) recognize that any breach of the Development Schedule is a material breach of this Agreement.

8.2. Termination By Us. We may terminate this Agreement, effective upon delivery of a written notice of termination to you, for any of the following reasons, all of which constitute material events of default and “good cause” for termination, and without opportunity to cure except for any cure period expressly set forth below:

(i) if we terminate any Definitive Agreement due to a default committed by you or one of your Owners or affiliates; or

(ii) if you or one of your Owners of affiliates breaches any provision of this Agreement or any other Definitive Agreement and fails to cure the breach within 30 days after receipt of a default notice from us.

8.3. Effect of Termination. The termination of this Agreement will end all of your rights and development obligations under this Agreement, including without limitation, your interests in the Development Territory and right to sign new Franchise Agreements or open additional Stores. We will not refund any portion of the development fee.

9. DISPUTE RESOLUTION. Any Dispute between the parties relating to this Agreement shall be resolved pursuant to the dispute resolution provisions in the Initial Franchise Agreement. All such dispute resolution provisions are incorporated herein by reference as if fully set forth in this Agreement.

10. REPRESENTATIONS.

10.1. Corporate Representations. You and your Owners jointly and severally represent and warrant to us that the execution and delivery of this Agreement, and the performance of your obligations hereunder, does not: (a) conflict with, breach or constitute a default under any other agreement to which you are (or any affiliate of yours is) a party or by which your (or your affiliate’s) assets may be bound; (b) violate any order, writ, injunction, decree, judgment or ruling of any Governmental Authority; or (c) violate any applicable Law. If the developer is an Entity, then you and your Owners also jointly and severally represent and warrant to us that: (a) the Developer Entity is duly organized, validly existing and in good standing under the Laws of the state of its formation and has the requisite power and authority to enter into this Agreement and to perform each of its obligations hereunder; and (b) the execution and delivery of this Agreement have been duly authorized by all requisite corporate action and this Agreement shall constitute the legal, valid and binding obligation of the Developer Entity and shall be enforceable against the Developer Entity in accordance with its terms.

10.2. Franchise Compliance Representations. You and your Owners jointly and severally represent and warrant to us that you received: (a) an exact copy of this Agreement and its attachments, with all material terms filled in, at least seven (7) calendar days before you signed this Agreement; and (b) our Franchise Disclosure Document at the earlier of (i) 14 calendar days before you signed a binding agreement or paid any money to us or our affiliates in connection with this franchise or (ii) such earlier time in the sales process that you requested a copy.

10.3. General Representations. You and your Owners jointly and severally represent and warrant to us that: (a) other area developers may operate under different forms of agreement and our obligations and rights with respect to area developers differs materially in certain circumstances; and (b) we

may negotiate terms or offer concessions to other area developers and we have no obligation to offer you the same or similar negotiated terms or concessions.

10.4. Anti-Terrorism Compliance. You and your Owners jointly and severally represent and warrant to us that, to the best of your knowledge: (a) no property or interest owned by you or any Owner is subject to being “blocked” under any Anti-Terrorism Law; (b) neither you nor any Owner, nor any of their respective funding sources (including any legal or beneficial owner of any Equity Interest in you) or related parties is, or has ever been: (i) a terrorist or suspected terrorist within the meaning of the Anti-Terrorism Law; or (ii) identified by name (or alias, pseudonym or nickname) or address on any Terrorist List, including on the list of “Specially Designated Nationals” or “Blocked Persons” maintained by the U.S. Treasury Department’s Office of Foreign Assets Control (texts currently available at www.home.treasury.gov); and (c) you and the Owners are in compliance with, and shall continue to comply with, the Anti-Terrorism Law and all other Laws (either currently in effect or enacted in the future) prohibiting corrupt business practices, money laundering or the aid or support of Persons who conspire to commit acts of terror against any Person or government that are in effect within the United States of America. The foregoing representations and warranties are ‘continuing’ representations and warranties for the duration of the franchise relationship. Accordingly, you agree to notify us immediately in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

11. GENERAL PROVISIONS

11.1. Governing Law. This Agreement and the franchise relationship are governed by the Laws of the State of Florida without reference to its principles of conflicts of law, but any Law of the State of Florida that regulates the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

11.2. Severability. Each section and subsection of this Agreement, and any portion thereof, shall be considered severable.

11.3. Waivers. Each party may waive any obligation imposed on the other party in writing. Neither party shall be deemed to have waived or impaired any of its contractual rights under this Agreement (including the right to require strict compliance with all terms of this Agreement or terminate this Agreement due to the other party’s failure to comply with such terms) by virtue of: (a) any custom or practice of the parties at variance with the terms of this Agreement; (b) any failure, refusal or neglect by either party to exercise any right under this Agreement or require the other party to strictly comply with its obligations under this Agreement; (c) our waiver, failure or refusal to exercise any of our rights with respect to other area developers; or (d) our acceptance of payments from you after your breach.

11.4. Approvals. Whenever this Agreement requires our approval, you must make a timely written request for approval. Our approval must be in writing in order to bind us. Except as otherwise expressly provided in this Agreement, if we fail to approve any request for approval within the required period of time, we shall be deemed to have disapproved your request.

11.5. Force Majeure. Neither party shall be liable for loss or damage or deemed to be in breach of this Agreement if such party’s failure to perform its obligations results from an event of Force Majeure; provided, however, that an event of Force Majeure shall not excuse or permit any failure to perform for more than 180 days. If the period of non-performance exceeds 180 days from receipt of notice of the Force Majeure event, the party whose ability to perform has not been affected may immediately terminate this Agreement by giving written notice of termination to the other party.

11.6. Binding Effect. This Agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Agreement is intended, nor

shall be deemed, to confer any rights or remedies upon any Person not a party to this Agreement.

11.7. Integration. THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CHANGED EXCEPT BY A WRITTEN DOCUMENT SIGNED BY BOTH PARTIES. Any email or other informal electronic communication shall not be deemed to modify this Agreement unless it is signed by both parties and specifically states it is intended to modify this Agreement. The attachment(s) are part of this Agreement, which, together with any Amendments or Addenda executed on or after the Effective Date, constitutes the entire understanding and agreement of the parties, and there are no other oral or written understandings or agreements between us and you about the subject matter of this Agreement. Any representations not specifically contained in this Agreement made before entering into this Agreement do not survive after the signing of this Agreement. Nothing in this Agreement is intended to disclaim any of the representations we made in the Franchise Disclosure Document. 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 (a) waiving any claims under any applicable state franchise law, including fraud in the inducement or (b) 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.

11.8. Covenant of Good Faith. If applicable Law implies into this Agreement a covenant of good faith and fair dealing, the covenant shall not imply any rights or obligations that are inconsistent with the express terms of this Agreement. This Agreement, and the relationship of the parties inherent in this Agreement, grants us discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may favorably or adversely affect your interests. We will use our judgment in exercising the discretion based on our assessment of our own interests and balancing those interests against the interests of our franchisees, but without considering the individual interests of you or any other particular franchisee.

11.9. Rights of Parties are Cumulative. The rights of the parties under this Agreement are cumulative and no exercise or enforcement by either party of any right or remedy under this Agreement will preclude any other right or remedy available under this Agreement or by Law.

11.10. Survival. All provisions that expressly or by their nature survive the termination, expiration or Transfer of this Agreement, or the Transfer of an ownership interest in the Development Business or Developer Entity, shall continue in full force and effect subsequent to and notwithstanding its termination, expiration or Transfer and until they are satisfied in full or by their nature expire.

11.11. Construction. The headings in this Agreement are for convenience only and do not define, limit or construe the contents of the sections or subsections. All references to Sections refer to the Sections contained in this Agreement unless otherwise specified. All references to days in this Agreement refer to calendar days unless otherwise specified. The term “you” as used in this Agreement is applicable to one or more Persons, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine and the possessive.

11.12. Time of Essence. Time is of the essence in this Agreement and every term thereof.

11.13. Notice. All notices given under this Agreement must be provided in accordance with the Notice Provision of the Initial Franchise Agreement.

11.14. Counterparts. This Agreement may be signed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

[Signature Page Follows]

The parties below have executed this Agreement effective as of the Effective Date first above written.

Development
Period **FRANCHISOR:**

Expiration Date

Number of
New
Franchised
Businesses
Developer
Must
Open in
Developm
ent
Area

Cumulativ
e-Number
of
Franchise
&
Businesse
s
Developer
Must
Have
Open
Within
Developm
ent
Area

Natural Life Franchise Corp., a Florida
corporation

By: _____
Name: **First** _____
Title: _____

6 Months
from
Effective
Date

Second **YOU (If you are an Entity):**

16 _____ Months
from
Effective
Date **YOU (If you are not an Entity):**

a(n) _____

Name: _____

Name: _____

Name: _____

Name: _____

Third By: _____
Name: _____
Title: _____

26 _____ Months
from
Effective
Date

	36 Months from Effective		
Fifth	46 Months from Effective Date		

ATTACHMENT "A"
TO AREA DEVELOPMENT AGREEMENT
DEAL TERMS

A. Area Developer Details.

Name of area developer: [_____]

Is the area developer one or more natural Persons signing in their individual capacity? Yes: _____ No: _____

Type of Entity and State of Formation* (if applicable): [_____]

** If the area developer is a business Entity, each Person holding a direct or indirect Equity Interest in the Developer Entity, and spouse of each such Person who is a natural Person, must sign a Franchise Owner Agreement concurrently with the execution of this Agreement.*

The following table includes the full name of each Person holding a direct or indirect ownership interest in the Business (or the Developer Entity if applicable) along with a description of their ownership interest.

<u>Owner's Name</u>	<u>% Ownership Interest</u>	<u>Direct or Indirect</u> <u>(if indirect, describe nature of interest)</u>

Notice Address: _____

 Attention: _____
 Email: _____

B. Development Fee.

Your development fee is \$ _____.

C. Development Schedule.

You must comply with the following minimum development obligations as specified in §4 of the Agreement:

<u>DEVELOPMENT PERIOD ENDING</u>	<u>NUMBER OF STORES OPENED DURING DEVELOPMENT PERIOD</u>	<u>CUMULATIVE NUMBER OF STORES OPENED AND IN OPERATION</u>
<u>1 year after Effective Date</u>		
<u>2 years after Effective Date</u>		
<u>3 years after Effective Date</u>		
<u>4 years after Effective Date</u>		
<u>5 years after Effective Date</u>		
<u>6 years after Effective Date</u>		
<u>7 years after Effective Date</u>		
<u>8 years after Effective Date</u>		
<u>9 years after Effective Date</u>		
<u>10 years after Effective Date</u>		
<u>Total Number of Stores to be Developed: [_____]</u>		

D. Development Territory.

The Development Territory consists of, and shall be limited to, the following geographic area, as may be further depicted on a map attached below:

[_____]

If any zip codes, municipalities, or other boundaries that define your Development Territory change during the Term of the ADA, your Development Territory shall remain defined by the zip codes, municipalities or other boundaries that were in effect as of the Effective Date as depicted on the map below, unless otherwise agreed to by you and us in writing.

[Insert Map Below, if Applicable]

Exhibit E

Financial Statements

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

Exhibit F
[See Attached]

EXHIBIT "E"
TO DISCLOSURE DOCUMENT
TABLE OF CONTENTS OF BRAND STANDARDS MANUAL

[See Attached]

TABLE OF CONTENTS

Chapter 1: General Information.....	1
1. The Purpose of the Manual.....	1
2. The Franchise.....	2
3. How to Use This Manual.....	3
4. The Natural Life CBD, Kratom, Kava Story.....	6
5. The Brand	7
5.1. Mission	7
5.2. Vision	7
5.3. Values.....	7
Chapter 2: Franchise Agreement Compliance Processes	1
1. Overview	2
2. The Franchisee/Franchisor Relationship.....	3
2.1. Independent Contractor	3
2.2. Independently Owned and Operated.....	3
2.3. You Are the CEO of Your Business.....	4
3. Our Responsibilities as Franchisor	5
3.1. Pre-opening Obligations	5
3.2. For Continuing Obligations	5
3.3. Training	7
3.3.1. Initial Training	7
3.3.2. Additional Training	7
3.4. Pricing.....	8
3.5. Price Fixing.....	9
4. Your Obligations as Franchisee.....	10
4.1. Participation in the Business.....	10
4.2. Compliance	10
4.2.1. Natural Life Standards	10
4.2.2. Compliance with the Law	11
4.2.3. Data Security.....	11
4.2.4. PCI DSS & GDPR Compliance.....	12
4.2.5. Payment of Fees & Taxes.....	12
4.3. Training Completion	12
4.4. Meetings	13
4.5. Use of Marks & Proprietary Information	13
4.6. Insurance.....	13
4.7. Approved Products, Services & Vendors	15
4.8. Books, Records & Reports	17
4.9. Audits & Inspections	18
4.9.1. Inspections.....	18
4.9.2. Financial Audits	19
4.10. Maintenance, Appearance & Remodeling	19
4.11. Loyalty & Gift Card Programs	19
Chapter 3: Onboarding	1
1. Overview.....	2
2. Creating Your Business	3

2.1. Establishing a Business Identity.....	3
2.2. Allowable Use of Our Name.....	3
2.3. Sample Business Names.....	3
2.4. Restrictions Using Name on Internet.....	4
2.5. Tax Identification Numbers.....	4
3. Licensing, Certificates & Permits.....	6
3.1. Sales Tax Certificates/Resellers License.....	6
3.2. Local Requirements.....	6
4. Online and Email Access.....	7
4.1. Email.....	7
4.2. Online Access.....	7
5. Site Development.....	8
6. Grand Opening.....	9
Chapter 4: Operational Standards.....	1
1. The Importance of Standards.....	2
1.1. Objectivity & Measurement.....	2
2. The Operations Standards.....	4
2.1. Hours of Operations.....	4
2.1.1. <i>Minimum Hours of Operation</i>	4
2.1.2. <i>Holiday Hours</i>	4
2.2. Customer Restrictions.....	4
2.3. Uniform.....	4
2.4. Personal Appearance.....	6
2.5. General Behavior.....	6
2.6. Minimum Staff.....	7
2.7. Price Boards, Music & TV.....	7
2.8. Merchandising Standards.....	7
2.8.1. <i>Cold Case/ Refrigerator</i>	8
2.9. Front Counter.....	8
2.9.1. <i>Scale</i>	8
2.10. Back Counter.....	9
2.11. Glass, Mirrors, Doors, Windows & Walls.....	10
2.12. Flooring.....	10
2.12.1. <i>Hard Surfaces</i>	10
2.12.2. <i>Mats & Rugs</i>	11
2.13. Lighting.....	11
2.14. Ceilings.....	11
2.14.1. <i>Open Ceilings</i>	11
2.14.2. <i>Drop Ceilings</i>	12
2.15. Sample Area.....	12
2.16. Plants.....	12
2.17. Restrooms.....	13
2.18. HVAC & Climate Control.....	13
2.19. Exterior Signs.....	14
2.20. Interior Signs and Marketing.....	14
2.21. Holiday Décor.....	14
1.	Variances 16
3.1. How to Request a Variance.....	16
Chapter 5: Staffing Best Practices.....	1
1.Overview and Disclaimer.....	2

2.Laws and Requirements	3
3.@ Our Franchise	4
4.General Note	6
5.Suggested Job Descriptions	7
5.1. Elements of a Job Description.....	7
5.2. Certified Manager	8
5.3. Manager	9
5.4. Sales Floor.....	10
6.Employment Disclosure	11
7.Lead Sources for Hiring	13
8.Employee Handbook.....	14
Chapter 6: Product Knowledge.....	1
1.Overview	2
2.What is CBD.....	3
3.What is Kratom.....	4
4.What is Kava	5
5.Labeling.....	6
Chapter 7: Operations Best Practices.....	1
1.What are Best Practices?.....	2
2.Sales Introduction	3
2.1. Sell Not Recommend	3
3.Customer Care	5
3.1. Greeting.....	5
3.2. Assess Their Needs	5
3.3. Fulfilling the Order	5
3.4. Ringing the Sale	6
3.5. Send Off	6
3.6. Phone/Internet Orders	6
3.7. Client Complaints	7
3.8. Returns, Exchanges and Refunds	7
4.Daily Best Practices - Operations	8
4.1. General Best Practices.....	8
4.2. Opening Checklist.....	8
4.3. Mid Day Checklist	9
4.4. Closing Checklist	10
Chapter 8: Crisis Management	1
1.Defining a Crisis	2
2.Closing a Facility.....	3
3.Incident/Accident Reports.....	4
4.Crisis Communication	5
4.1. First Responders.....	5
4.2. Spokesperson	6
4.3. Dealing with the Press.....	6
4.3.1. <i>Who May Talk to the Public</i>	6
4.3.2. <i>What Not to Say</i>	7
Chapter 9: Business Administration	1
1. Overview	2
2.Planning, Forecasting & Ordering	3

2.1. Price Increase Strategies.....	3
2.2. Inventory Control.....	3
2.2.1. Ordering.....	3
3. Risk Management	4
3.1. Crime.....	4
3.2. Cash on Hand.....	5
3.3. Security & Alarms.....	5
3.4. Locked Doors.....	5
3.5. General Safety.....	5
3.5.1. Spills & Water.....	6
3.5.2. Fire, Earthquake & Sever Weather Safety.....	6
3.5.3. Emergency Care.....	6
3.5.4. Incident Reports.....	7

The total number of pages in the Manual is 95.

EXHIBIT "F"
TO DISCLOSURE DOCUMENT
LIST OF FRANCHISEES

Part A (Current Franchisees)

(The following table lists franchisees that were open as of December 31, 2022)3.

<u>FRANCHISEES OPEN AS OF DECEMBER 31, 2023</u>				
<u>State</u>	<u>City</u>	<u>Address</u>	<u>Phone</u>	<u>Owner Name(s)</u>
<u>Arizona</u>	<u>Tempe</u>	<u>2240 N. Scottsdale Rd. Tempe, Arizona 85281</u>	<u>(480) 912-1945</u>	<u>Megan Joseph</u>
<u>Florida</u>	<u>Ocala</u>	<u>221 SW 10th St. Ocala, Florida 34471</u>	<u>(352) 421-5010</u>	<u>Noorusaba Charania</u>
<u>Florida</u>	<u>Ocala</u>	<u>5400 SW College Rd., # 110 Ocala, Florida 34474</u>	<u>(352) 355-3040</u>	<u>Noorusaba Charania</u>
<u>Florida</u>	<u>Riverview</u>	<u>11268 Boyette Rd. Riverview, Florida 33569</u>	<u>(813) 392-2442</u>	<u>Brie Baker</u>
<u>Georgia</u>	<u>Atlanta</u>	<u>830 Glenwood Ave. SE, Ste. 520 Atlanta, Georgia 30316</u>	<u>(770) 758-0989</u>	<u>Dave Alford</u>
<u>Georgia</u>	<u>Alpharetta</u>	<u>4620 Kimball Bridge Rd. Alpharetta, Georgia 30005</u>	<u>(470) 275-6928</u>	<u>Lisa Hernet</u>
<u>Ohio</u>	<u>Columbus</u>	<u>1376 Polaris Pkwy. Columbus, Ohio 43240</u>	<u>(614) 396-8555</u>	<u>Kelley Ebert</u>
<u>Massachusetts</u>	<u>Boston</u>	<u>585 Massachusetts Ave. Boston, Massachusetts 02118</u>	<u>(857) 350-4069</u>	<u>Bill Schloth</u>
<u>Massachusetts</u>	<u>Newton</u>	<u>807 Washington St. Newton, Massachusetts 02460</u>	<u>(617) 702-1065</u>	<u>Noel Samu</u>
<u>Missouri</u>	<u>Florissant</u>	<u>2660 N. Highway 67 Florissant, Missouri 60333</u>	<u>(314) 475-3371</u>	<u>Kenneth K. Keys</u>
<u>Nevada</u>	<u>Las Vegas</u>	<u>10624 S. Eastern Ave., Ste. O Las Vegas, Nevada 89052</u>	<u>(725) 272-0069</u>	<u>Anja Wenzel</u>
<u>Tennessee</u>	<u>Brentwood</u>	<u>5006 Thoroughbred Lane Brentwood, Tennessee 37027</u>	<u>(615) 854-7038</u>	<u>Chris Pilato</u>
<u>Texas</u>	<u>Frisco</u>	<u>7151 Preston Rd., Ste. 111A Frisco, Texas 75034</u>	<u>(469) 888-4045</u>	<u>Arthur Solomon</u>

* These franchisees are also area developers that committed to open multiple franchised businesses under the terms of an area development agreement.

The following table lists franchisees with signed franchise agreements that were not open

<p>Harper's NL of St Louis Inc Kenneth K Keys 2660 N Hwy 67, Florissant, MO 63033 314-630-8643</p> <p>Franchise Agreement signed 6/07/21; store opened 11/01/21</p>	
<p>Mrs. Noorusaba Charania 4235 SW 45th Court Ocala, FL 34474 (409) 550-4218 Franchise Agreement signed 3/28/20; store opened 8/22/20</p>	<p>Mrs. Noorusaba Charania 5400 SW College Rd #110 Ocala, FL, 34474 Phone: (409) 550-4218 Store opened 2021</p>
<p>Mr. Gerald Favis NL Orlando LLC 505 Fillmore Ave, #12 Cape Canaveral, FL 32920 (407) 451-9495 Franchise Agreement signed 11/18/20; store opened 6/04/21</p>	<p>Thomas NL 1006 Atlantic Beach FL 763 Atlantic Blvd Atlantic Beach, FL, 32233 Phone: (904) 853-5990 Opened 2/1/21</p>
<p>Thomas NL 1016 Orange Park FL 26 Blanding Blvd. Orange Park, FL 32073 Phone: 904 375-8156 Opened 2/1/21</p>	<p>Thomas NL 1002 Jacksonville FL 3503 Kernan Blvd S Jacksonville, FL, 32224 Phone: (904) 367-2138 Opened 2/1/19</p>
<p>Gerald Favis NL 1014 UCF 12226 Corporate Blvd, # 136 Orlando, FL 32817 Phone : (407) 286-1095 Opened 3/10/22</p>	

Missouri:

Nevada:

<p>Anja Wenzel NL1019 10624 Eastern Ave, Suite O Las Vegas, Nevada, 89052 702-205-9021 Opened 5/8/22</p>	
--	--

Ohio:

<p>Kelley Ebert NL1017 1376 Polaris Pkwy Columbus, Ohio, 43240 (614) 578-5634 Opened 10/22/22</p>	
---	--

Signed, Not Opened (as of December 31, 202~~2~~3).

Arizona:

<p>NL-1023 Megan Joseph 2240 North Scottsdale Rd Tempe, Arizona, 85281 (602) 303-8425</p>	
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FRANCHISEES NOT OPEN AS OF DECEMBER 31, 2023

<u>State</u>	<u>City</u>	<u>Address</u>	<u>Phone</u>	<u>Owner Name(s)</u>
Florida	Gainesville	TBD	(404) 662-1464	Sadie Jourdain
Georgia	Atlanta	TBD	(508) 816-1136	Sean Reynolds & Anthony Baker*
New Jersey	Voorhees	TBD	(609) 206-2985	Ron Arculeo*
North Carolina	Durham	3511 Witherspoon Blvd., Ste. 101 Durham, North Carolina 27707	(914) 316-7948	Daniel Berlin
Oklahoma	Tulsa	TBD	(918) 625-7433	John Eakle

* [These franchisees are also area developers that have committed to open multiple franchised businesses under the terms of an area development agreement. Sean Reynolds and Anthony Baker signed an area development agreement for 5 units and Ron Arculeo signed an area development agreement for 3 units.](#)

Part B (Florida:

NL 1028—Live Wright Life Inc. Brie Baker 1268 Boyette Rd, Riverview, FL 33569 (813)-647-0907	
---	--

—Massachusetts:

NL 1021 Noel Samu (West Boston Territory) 276 north avenue Weston MA 02493 (617)-599-4435	NL 1029 Bill Schloth (East Boston Territory) 80 Mountain Laurel Rd Fairfield Connecticut 06824 (203) 851-3551
--	--

—Ohio:

NL CBUS LIMITED Kelley Lewis 684 S Cassingham Rd Bexley Ohio 43209	
---	--

—Georgia:

NL 1020—Danalla Enterprise LLC Lisa Hernet 4620 Kimball Bridge Rd Alpharetta, GA 30005 (678)-463-5260	NL 1022 Dave Alford 800 Glenwood Avenue (404)-931-1918 Atlanta, GA 30316
--	---

Tennessee:

NL 1024— Highly Conscious LLC Chris Pilato 5006 Thoroughbred Ln Brentwood, TN 37027 (954) 573-0433	
--	--

Texas:

NL 1025— Tofy Natural LLC Arthur Solomon 108 Paradise Way Red Oak, TX (757) 358-1907	
--	--

List of Former Franchisees (as of December 31, 2022 Who Left System During Prior Fiscal Year)

Illinois:

NL1012— NL Joliet LLC Jamal Thompson 2410 W Jefferson St, Joliet, IL 60435 815-557-8812	
---	--

<u>State</u>	<u>City</u>	<u>Current Business Phone or Last Known Home Phone</u>	<u>Owner Name(s)</u>
		<u>None</u>	

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

EXHIBIT "G"
TO DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS

Exhibit G

Table of Contents of Manual

TABLE OF CONTENTS

Chapter 1: General Information.....	1
1.	The Purpose
of the Manual.....	1
2.	The
Franchise.....	2
3.	How to Use
This Manual.....	3
4.	The Natural
Life CBD, Kratom, Kava Story	6
5.	The Brand
5.1. Mission	7
5.2. Vision	7
5.3. Values	7
 Chapter 2: Franchise Agreement Compliance Processes	 1
1. Overview	2
2. The Franchisee/Franchisor Relationship.....	3
2.1. Independent Contractor	3
2.2. Independently Owned and Operated	3
2.3. You Are the CEO of Your Business	4
3. Our Responsibilities as Franchisor	5
3.1. Pre-opening Obligations	5
3.2. For Continuing Obligations	5
3.3. Training	7
3.3.1. Initial Training	7
3.3.2. Additional Training	7
3.4. Pricing	8
3.5. Price Fixing	9
4. Your Obligations as Franchisee.....	10
4.1. Participation in the Business	10
4.2. Compliance	10
4.2.1. Natural Life Standards	10
4.2.2. Compliance with the Law	11
4.2.3. Data Security	11
4.2.4. PCI DSS & GDPR Compliance	12
4.2.5. Payment of Fees & Taxes	12
4.3. Training Completion	12
4.4. Meetings	13
4.5. Use of Marks & Proprietary Information	13
4.6. Insurance	13
4.7. Approved Products, Services & Vendors	15
4.8. Books, Records & Reports	17
4.9. Audits & Inspections	18
4.9.1. Inspections	18
4.9.2. Financial Audits	19
4.10. Maintenance, Appearance & Remodeling	19
4.11. Loyalty & Gift Card Programs	19
 Chapter 3: Onboarding	 1
1.	Overview
2.	2
Your Business	3

2.1. Establishing a Business Identity	3
2.2. Allowable Use of Our Name.....	3
2.3. Sample Business Names	3
2.4. Restrictions Using Name on Internet.....	4
2.5. Tax Identification Numbers	4
3.....	Licensing, Certificates &
Permits	6
3.1. Sales Tax Certificates/Resellers License	6
3.2. Local Requirements	6
4.....	Online and Email Access
.....	7
4.1. Email	7
4.2. Online Access	7
5.....	Site Development 8
6.....	Grand Opening 9

Chapter 4: Operational Standards..... 1

1.....	The Importance of
Standards.....	2
1.1. Objectivity & Measurement.....	2
2.....	The Operations
Standards.....	4
2.1. Hours of Operations.....	4
2.1.1. <i>Minimum Hours of Operation</i>	4
2.1.2. <i>Holiday Hours</i>	4
2.2. Customer Restrictions	4
2.3. Uniform.....	4
2.4. Personal Appearance.....	6
2.5. General Behavior	6
2.6. Minimum Staff.....	7
2.7. Price Boards, Music & TV.....	7
2.8. Merchandising Standards.....	7
2.8.1. <i>Cold Case/ Refrigerator</i>	8
2.9. Front Counter	8
2.9.1. <i>Scale</i>	8
2.10. Back Counter	9
2.11. Glass, Mirrors, Doors, Windows & Walls.....	10
2.12. Flooring.....	10
2.12.1. <i>Hard Surfaces</i>	10
2.12.2. <i>Mats & Rugs</i>	11
2.13. Lighting.....	11

2-[\[See Attached\]](#)

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NATURAL LIFE FRANCHISE CORP

Financial Statements
December 31, 2023
(With independent auditors' report)

NATURAL LIFE FRANCHISE CORP
Table of Contents
December 31, 2023

	<u>Page</u>
Independent Auditors' Report	1-2
Financial Statement	
Balance sheets	3
Statements of income and changes in retained earnings	4
Other general and administrative expenses	5
Statements of changes in stock and paid in capital	6
Statements of Cash Flows	7
Notes to Financial Statements	8-12



1760 N. Jog Road, Suite 150
West Palm Beach, FL 33411
Phone: (561) 659-1177
Fax: (561) 659-1197
www.d-acpa.com

Independent Auditors' Report

To the Board of Directors
Natural Life Franchise Corp

Opinion

We have audited the financial statements of Natural Life Franchise Corp (the "Company"), which comprise the balance sheets as of December 31, 2023 and December 31, 2022 and the related statements of income and changes in retained earnings and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company 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 Opinion

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 the Company 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 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 the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

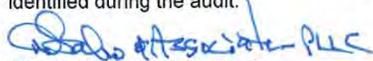
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 the Company'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 the Company'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 that we identified during the audit.



DiSalvo & Associates, PLLC
West Palm Beach, FL
April 18, 2023

Natural Life Franchise Corp
Balance Sheets
As of December 31,

	<u>2023</u>	<u>2022</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 15,749	\$ 88,716
Accounts receivable	866	32,500
Advances to affiliates	5,528	8,901
Total current assets	<u>22,143</u>	<u>130,117</u>
Fixed assets-net	2,580	3,114
Intangible assets-net	<u>25,452</u>	<u>27,976</u>
Total assets	<u>\$ 50,175</u>	<u>\$ 161,207</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 17,250	\$ 3,061
Credit card payable	44,733	32,354
Accrued expense	47,348	45,229
Due to affiliates	16,032	88,686
Unearned income	113,400	248,161
Total current liabilities	<u>238,763</u>	<u>417,491</u>
Long-term liabilities:		
Notes payable	<u>325,000</u>	<u>200,000</u>
Total long-term liabilities	<u>325,000</u>	<u>200,000</u>
Total Liabilities	<u>563,763</u>	<u>617,491</u>
Stockholders' equity:		
Common Stock 30.000 shares authorized, 13,310 and 11,136 issued and outstanding respectively par value \$0.001 per share	16	13
Preferred Stock 10.000 shares authorized 0 issued and outstanding par value \$0.001 per share	-	-
Paid in capital in excess of par	986,146	598,323
Retained Earnings (Deficit)	<u>(1,499,750)</u>	<u>(1,054,620)</u>
Total stockholders' equity	<u>(513,588)</u>	<u>(456,284)</u>
Total liabilities and stockholders' equity	<u>\$ 50,175</u>	<u>\$ 161,207</u>

READ INDEPENDENT ACCOUNTANTS' AUDIT REPORT AND NOTES TO THE FINANCIAL STATEMENTS

Natural Life Franchise Corp
Statements of Income and Changes in Retained Earnings
For the years ended December 31,

	<u>2023</u>	<u>2022</u>
Revenue:		
Franchise fee revenue	\$ 252,261	\$ 85,539
Leafly Fee	5,600	-
Marketing royalty income	62,425	45,451
Non-Sufficient-Funds	43	-
POS system fee	35,314	15,786
Sales royalty income	166,245	138,934
Technology Fee	480	-
	<u>522,368</u>	<u>285,710</u>
Expenses:		
Dues and subscriptions	69,871	47,681
Franchise brokerage fee	60,000	113,700
Payroll expenses	379,972	421,491
Other general and administrative expenses	457,655	307,041
	<u>967,498</u>	<u>889,912</u>
Net Income (loss) from operations	(445,130)	(604,203)
Other income - Payroll Protection Program	-	-
Net Income (loss)	(445,130)	(604,203)
Beginning Retained Earnings	<u>(1,054,620)</u>	<u>(450,417)</u>
Ending Retained Earnings	<u>\$ (1,499,750)</u>	<u>\$ (1,054,620)</u>

READ INDEPENDENT ACCOUNTANTS' AUDIT REPORT AND NOTES TO FINANCIAL STATEMENTS

Natural Life Franchise Corp
Other General and Administrative Expenses
For the years ended December 31,

	<u>2023</u>	<u>2022</u>
Other general and administrative expenses:		
Accounting	\$ 37,363	\$ 32,779
Amortization	2,524	2,524
Annual Audit	11,200	-
Advertising and marketing	87,816	34,986
Bad debt expense	-	13,381
Bank charges and fees	2,719	2,481
Broker subscriptions	28,667	42,037
Car and truck	-	12,422
Contractors	91,270	42,572
Commissions	32,100	-
Consulting expense	3,975	5,000
Depreciation expense	534	534
Insurance	226	-
Interest	31,062	3,219
Legal and professional Services	58,001	66,965
Meals and entertainment	16,798	6,621
Office supplies and software	10,915	11,802
Postage & shipping	791	141
Rent	-	481
Repairs and maintenance	-	964
Taxes and licenses	3,711	2,741
Telecommunications	895	1,018
Trade shows	-	4,619
Travel expenses	37,089	19,395
Uniforms	-	358
	<u>\$ 457,655</u>	<u>\$ 307,041</u>
Total other general and administrative expenses		

READ INDEPENDENT ACCOUNTANTS' AUDIT REPORT AND NOTES TO FINANCIAL STATEMENTS

Natural Life Franchise Corp
 Statements of Changes in Stock and Paid in Capital
 For the years ended December 31,

	2021		Additions		Reductions		2022		
	\$	#	\$	#	\$	#	\$	#	
Common Stock par value of \$0.001 per share	\$ 11	11,136		2	2,174	-	-	\$ 13	13,310
Total	\$ 11	11,136		2	2,174	-	-	\$ 13	13,310
Paid in capital in excess of par	\$ 381,325	-	\$ 216,998	-	-	-	-	\$ 598,323	-
Total	381,325	-	216,998	-	-	-	-	598,323	-
Total Stock and Paid in Capital	\$ 381,336	\$ -	\$ 217,000	-	\$ -	-	-	\$ 598,336	-

	2022		Additions		Reductions		2023		
	\$	#	\$	#	\$	#	\$	#	
Common Stock par value of \$0.001 per share	\$ 13	13,310		3	4,087	-	500.00	\$ 16	16,897
Total	\$ 13	13,310		3	4,087	-	500.00	\$ 16	16,897
Paid in capital in excess of par	\$ 598,323	-	\$ 387,823	-	-	-	-	\$ 986,146	-
Total	598,323	-	387,823	-	-	-	-	986,146	-
Total Stock and Paid in Capital	\$ 598,336	\$ -	\$ 387,826	-	\$ -	-	-	\$ 986,162	-

READ INDEPENDENT ACCOUNTANTS' AUDIT REPORT AND NOTES TO FINANCIAL STATEMENTS

Natural Life Franchise Corp
Statements of Cash Flows
For the year ended December 31,

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Net loss	\$ (445,130)	\$ (604,203)
Adjustments to reconcile net income to net cash provided (used) by operating activities		
Depreciation and amortization	3,058	3,058
(Increase) decrease in:		
Accounts receivable	31,634	(16,489)
Loans receivable	3,374	(1,032)
Increase (decrease) in:		
Accounts payable	14,189	2,383
Credit card payable	12,379	-21038
Accrued expense	2,120	45229
Unearned income	(134,761)	184,461
Net cash provided (used) by operating activities	(513,138)	(407,631)
Cash flows from investing activities:		
Purchase of fixed assets	-	-
Net cash provided (used) by investing activities	-	-
Cash flows from financing activities:		
Notes payable	125,000	200,000
Due to affiliates	(72,654)	69,673
Common stock par value of \$0.001 per share	3	2
Additional paid-in-capital	387,823	216,998
Net cash provided (used) by financing activities	440,171	486,673
Net increase (decrease) in cash	(72,967)	79,042
Cash, Beginning of year	88,716	9,674
Cash, End of year	\$ 15,749	\$ 88,716

READ INDEPENDENT ACCOUNTANTS' AUDIT REPORT AND NOTES TO FINANCIAL STATEMENTS

NATURAL LIFE FRANCHISE CORP
Notes to the Financial Statement
December 31, 2023

NOTE A – Organization

Natural Life Franchise Corp (The "Company") was organized on May 10, 2019, under the laws of the State of Florida. The company sells franchises for the operation of a retail business offering CBD, Kratom, Kava, and related products under the name "Natural Life CBD/Kratom/Kava" trademark. The Company has 22 franchises in good standing as of December 31, 2023 in 8 states.

Note B - Summary of significant accounting policies

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Revenue recognition

The Company adopted FASB ASU No 2020-05 Revenue from Contracts with Customers (Topic 606) for recognizing revenue for contracts with its customers.

The company enters into franchise agreements with its customers which covers services to be provided by the Company and charges and fees to be paid by the customers.

Franchisees pay an initial franchise fee that covers certain aspects of initial services to be provided by the Company including site selection assistance, lease assistance, plans and specifications, inventory control systems, lists, forms and schedules, employee information and assistance, basic management training, loan of manuals, pre-opening inspections, pre-opening on site training, opening supervisor, grand opening assistance, continued assistance and support.

The Company measures the percentage of obligations under each franchise agreement by category and recognizes franchise fee income based on the percentage of services provided in each reporting period to each franchisee.

In addition to the initial franchise fee franchisees pay royalty fees, marketing fund contributions, technology fees, secret shopper fees, convention fee, design fees, re-inspection fees and mentor fees.

The additional fees are recorded as invoiced mostly on a weekly based on the sales of each franchise location for the royalties and marketing fees which are based on sales of each franchisee.

NATURAL LIFE FRANCHISE CORP
Notes to the Financial Statement
December 31, 2023

Cash and cash equivalents

For purposes of the statement of cash flows, the Company defines cash and cash equivalents as cash and all short-term investments with an original maturity of three months or less to be cash equivalents.

Fixed Assets

The company recorded fixed and intangible assets at cost. Depreciation and amortization are provided over the estimated useful lives of the assets using the straight-line method. As of December 31, 2023 and 2022 net fixed and intangible assets were \$32,032 and \$31,090 respectively.

Income taxes

The Company is organized as a Corporation and has elected to be taxed as a S Corporation starting January 1, 2020 under the provisions of the Internal Revenue Code section whereby the members report their proportionate share of the Company's income, losses and tax credits on their individual tax returns. The Company revoked the S Corp election in August of 2022 and is now treated as a C Corporation for the balance of 2022 and future years. The Company will file its final return for the period ended August 28, 2022 as a S Corporation for the short period.

The Company's income tax returns are subject to examination by the Internal Revenue Service for a period of three years from the date they are required to be filed. The Company's tax returns for the years ended December 31, 2020 through 2023 remain subject to examination by major tax jurisdictions.

Pervasiveness of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Advertising and marketing

Advertising costs are expensed when incurred. Advertising costs were \$87,816 and \$34,986 for the years ended December 31, 2023 and 2022 respectively.

Interest

Interest is expensed as incurred. Interest expense was \$31,062 and \$3,219 for the years ended December 31, 2023 and 2022 respectively.

NATURAL LIFE FRANCHISE CORP
Notes to the Financial Statement
December 31, 2023

NOTE C - Accounts receivable

Accounts receivable consist of balances due from franchise fees and are reflected at their net realizable value. Management closely monitors outstanding accounts receivable and charges off to expense any balances that are determined to be uncollectible. Management determines the allowance for doubtful accounts by evaluating individual customer accounts by considering the customer's financial condition, credit history and the current economic conditions. At December 31, 2023 and December 31, 2022, the allowance for doubtful accounts was \$0. For the year ended December 31, 2023 and 2022 accounts receivable were \$866 and \$32,500 respectively. Bad debt expense for 2023 and 2022 were \$0 and \$13,381 respectively.

NOTE D - Fixed Assets

The fixed assets are summarized by major classifications as follows:

	<u>2023</u>	<u>2022</u>
Fixed Assets		
Classroom	3,737	3,737
Less Accumulated Depreciation	<u>(1,157)</u>	<u>(623)</u>
Total Fixed Assets	<u>2,580</u>	<u>3,114</u>
Intangible Assets		
Start Up Costs	30,361	30,361
Website	7,500	7,500
Less Accumulated Amortization	<u>(12,409)</u>	<u>(9,885)</u>
Total Intangible Assets	<u>25,452</u>	<u>27,976</u>
Total Fixed and Intangible Assets	<u>\$ 28,032</u>	<u>\$ 31,090</u>

NOTE E - Loans receivable - affiliate

The Company makes advances from time to time to its various affiliates. The advances are used to fund working capital needs of the affiliate and are unsecured and non-interest bearing with no predetermined maturity dates.

NOTE F - Franchises

The Company's activity regarding its franchises for the year ended December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Franchises January 1	21	14
New Franchises sold	3	8
Franchises closed	<u>-2</u>	<u>-1</u>
Franchises December 31	<u>22</u>	<u>21</u>

NATURAL LIFE FRANCHISE CORP
Notes to the Financial Statement
December 31, 2023

The company as of December 31, 2023, has signed a total of 25 franchises, less 3 closures for a net of 22 franchisees that are in good standing.

NOTE G - Income Taxes

As noted above the company became a C Corporation for income tax reporting purposes in August 2022 and is subject to federal and state income taxes on its income. Since the Company incurred a net operating loss for the period after the S Corp election was revoked there is no provision made for federal and state income taxes for the year. Further since the likelihood of future profitability cannot be determined at this time there is no income tax benefit recorded for the potential future tax benefit for the net operating loss carry forward.

NOTE H - Notes Payable

The Company has notes payable in the amount of \$325,000 and \$200,000 as of December 31, 2023 and 2022 respectively. The notes carry an interest rate of 15%, interest only, and the maturity date is January 1, 2026.

NOTE I - Related Parties

During the years ended December 31, 2023 and 2022, the Company had transactions with entities related through common ownership and also with its members. Following is a summary of transactions with these related entities:

1. Multiple franchises were owned by related parties and its members. Royalties earned from these entities were \$94,001 in 2023 and \$103,356 in 2022.
2. The Company charges weekly advertising and marketing contribution of 2% of gross revenue to related parties totaling \$37,600 for 2023, and \$36,817 for 2022.
3. The Company has made non-interest-bearing loans to related parties. The balances due of the loans receivable from affiliates at December 31, 2023 were \$5,528 and \$8,901 at December 31, 2022.
4. The Company has received non-interest-bearing loans from related parties. The balances due of the loans payable to affiliates at December 31, 2023 were \$15,251 and \$24,714 at December 31, 2022.
5. The Company uses facilities owned by related parties for meetings or training, the company is not charged for the use of this space.

NOTE J - Commitments and Contingencies

One of the Company's affiliates provides products for resale to the Company's franchisees. Should the affiliate not be able to supply these products to franchisees due to non-availability of the products, the Company's franchisees would need to source these products from alternate sources. If the franchisees are not able to source these products from another source, or at

NATURAL LIFE FRANCHISE CORP
Notes to the Financial Statement
December 31, 2023

prices similar to those offered by the Company's affiliate, the revenues of the Company's future revenue may be negatively impacted.

NOTE K - Subsequent Events

The company has evaluated events and transactions for potential recognition and disclosures through April 18, 2024, the date the audit report was available to be issued. Per management there are no subsequent events that need to be disclosed.

NATURAL LIFE FRANCHISE CORP

**Financial Statements
December 31, 2022
(With independent auditors' report)**

NATURAL LIFE FRANCHISE CORP
Table of Contents
December 31, 2022

	<u>Page</u>
Independent Auditors' Report	1-2
Financial Statement	
Balance sheets	3
Statements of income and changes in retained earnings	4
Other general and administrative expenses	5
Statements of changes in stock and paid in capital	6
Statements of Cash Flows	7
Notes to Financial Statements	8-12



DISALVO & ASSOCIATES, PLLC

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Independent Auditors' Report

To the Board of Directors
Natural Life Franchise Corp

Opinion

We have audited the financial statements of Natural Life Franchise Corp (the "Company"), which comprise the balance sheets as of December 31, 2022 and December 31, 2021 and the related statements of income and changes in retained earnings and cash flows for the years then ended. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, 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.

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 the Company's ability to continue as a going concern as of December 31, 2022.

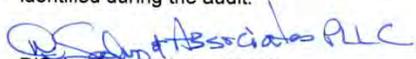
Auditor's Responsibilities for the Audit of the Financial Statements

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 GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, 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 the Company'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 the Company'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 that we identified during the audit.



DiSalvo & Associates, PLLC
West Palm Beach, FL
February 28, 2023

Natural Life Franchise Corp
Balance Sheets
As of December 31,

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 88,716	\$ 9,674
Accounts receivable	32,500	16,010
Advances to affiliates	8,901	7,869
Total current assets	<u>130,118</u>	<u>33,553</u>
Fixed assets-net	3,114	3,648
Intangible assets-net	<u>27,976</u>	<u>30,500</u>
Total other assets	<u>31,090</u>	<u>34,147</u>
Total assets	<u>\$ 161,207</u>	<u>\$ 67,701</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 3,061	\$ 678
Credit card payable	32,354	53,392
Accrued expense	45,229	-
Due to affiliates	88,686	19,012
Unearned income	248,161	63,700
Total current liabilities	<u>417,491</u>	<u>136,782</u>
Long-term liabilities:		
Loan advances payable	<u>200,000</u>	-
Total long-term liabilities	<u>200,000</u>	-
Total Liabilities	<u>617,491</u>	<u>136,782</u>
Stockholders' equity:		
Common Stock 30.000 shares authorized, 13,310 and 11,136 issued and outstanding repectively par value \$0.001 per share	13	11
Preferred Stock 10.000 shares authorized 0 issued and outstanding par value \$0.001 per share	-	-
Paid in capital in excess of par	598,323	381,325
Retained Earnings (Deficit)	<u>(1,054,620)</u>	<u>(450,417)</u>
Total stockholders' equity	<u>(456,284)</u>	<u>(69,081)</u>
Total liabilities and stockholders' equity	<u>\$ 161,207</u>	<u>\$ 67,701</u>

READ INDEPENDENT ACCOUNTANTS' AUDIT REPORT AND NOTES TO THE FINANCIAL STATEMENTS

Natural Life Franchise Corp
 Statements of Income and Changes in Retained Earnings
 For the years ended December 31,

	<u>2022</u>	<u>2021</u>
Revenue:		
Franchise fee revenue	\$ 85,539	\$ 131,500
Marketing royalty income	45,451	44,197
POS system fee	15,786	-
Sales royalty income	<u>138,934</u>	<u>69,411</u>
Total Revenue	<u>285,710</u>	<u>245,108</u>
Expenses:		
Dues and subscriptions	47,681	2,017
Franchise brokerage fee	113,700	41,750
Payroll expenses	421,491	104,189
Other general and administrative expenses	307,041	195,584
Total general and administrative expenses	<u>889,912</u>	<u>343,540</u>
Net income (loss) from operations	<u>(604,203)</u>	<u>(98,432)</u>
Other income - Payroll Protection Program	<u>-</u>	<u>14,700</u>
Net income (loss)	<u>(604,203)</u>	<u>(83,732)</u>
Beginning Retained Earnings	<u>(450,417)</u>	<u>(366,685)</u>
Ending Retained Earnings	<u>\$ (1,054,620)</u>	<u>\$ (450,417)</u>

READ INDEPENDENT ACCOUNTANTS' AUDIT REPORT AND NOTES TO FINANCIAL STATEMENTS

Natural Life Franchise Corp
Other General and Administrative Expenses
For the years ended December 31,

	<u>2022</u>	<u>2021</u>
Other general and administrative expenses:		
Accounting	\$ 32,779	\$ 14,950
Amortization	2,524	2,524
Advertising and marketing	34,986	28,567
Bad debt expense	13,381	-
Bank charges and fees	2,481	860
Broker subscriptions	42,037	-
Car and truck	12,422	172
Contractors	42,572	523
Commissions	-	2,500
Consulting expense	5,000	-
Depreciation expense	534	89
Employee leasing	-	33,973
Insurance	-	368
Interest	3,219	1,000
Legal and professional Services	66,965	71,921
Meals and entertainment	6,621	7,261
Office supplies and software	11,802	14,626
Postage & shipping	141	-
Rent	481	658
Repairs and maintenance	964	1,704
Reimbursements	-	1,458
Taxes and licenses	2,741	2,225
Telecommunications	1,018	-
Trade shows	4,619	-
Travel expenses	19,395	9,385
Uniforms	358	643
Utilities	-	175
	<u> </u>	<u> </u>
Total other general and administrative expenses	\$ 307,041	\$ 195,584

READ INDEPENDENT ACCOUNTANTS' AUDIT REPORT AND NOTES TO FINANCIAL STATEMENTS

Natural Life Franchise Corp
Statements of Changes in Stock and Paid in Capital
For the years ended December 31,

	2021		Additions		Reductions		2022	
	\$	#	\$	#	\$	#	\$	#
Common Stock par value	\$ 11.14	11,136	2.17	2,174	-	-	\$ 13.31	13,310
of \$0.001 per share	\$ 11.14	11,136	\$ 2.17	2,174	\$ -	-	\$ 13.31	13,310
Total	\$ 381,325	-	\$ 216,998	-	\$ -	-	\$ 598,323	-
Paid in capital in excess of par	381,325	-	216,998	-	-	-	598,323	-
Total	\$ 381,336	\$ -	\$ 217,000	\$ -	\$ -	\$ -	\$ 598,336	-

READ INDEPENDENT ACCOUNTANTS' AUDIT REPORT AND NOTES TO FINANCIAL STATEMENTS

Natural Life Franchise Corp
Statements of Cash Flows
For the year ended December 31,

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Net loss	\$ (604,203)	\$ (83,732)
Adjustments to reconcile net income to net cash provided (used) by operating activities		
Depreciation and amortization	3,058	2,613
(Increase) decrease in:		
Accounts receivable	(16,489)	(15,953)
Loans receivable	(1,032)	(7,869)
Increase (decrease) in:		
Accounts payable	2,383	40,130
Credit card payable	(21,038)	
Accrued expense	45,229	
Unearned income	184,461	-
Net cash provided (used) by operating activities	<u>(407,631)</u>	<u>(64,812)</u>
Cash flows from investing activities:		
Purchase of fixed assets	-	(3,737)
Net cash provided (used) by investing activities	<u>-</u>	<u>(3,737)</u>
Cash flows from financing activities:		
Loan advances payable	200,000	-
Due to affiliates	69,673	(54,954)
Common stock par value of \$0.001 per share	2	11
Additional paid-in-capital	216,998	130,589
Net cash provided (used) by financing activities	<u>486,673</u>	<u>75,646</u>
Net increase (decrease) in cash	79,042	7,098
Cash, Beginning of year	<u>9,674</u>	<u>2,576</u>
Cash, End of year	<u>\$ 88,716</u>	<u>\$ 9,674</u>

READ INDEPENDENT ACCOUNTANTS' AUDIT REPORT AND NOTES TO FINANCIAL STATEMENTS

NATURAL LIFE FRANCHISE CORP
Notes to the Financial Statement
December 31, 2022

NOTE A – Organization

Natural Life Franchise Corp (The "Company") was organized on May 10, 2019, under the laws of the State of Florida. The company sells franchises for the operation of a retail business offering CBD, Kratom, Kava, and related products under the name "Natural Life CBD/Kratom/Kava" trademark. The Company has sold 21 franchises as of December 31, 2022 in 8 states.

Note B - Summary of significant accounting policies

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Revenue recognition

Franchisees pay an initial franchise fee for a license to operate a Natural Life CBD/Kratom/Kava franchise at a specific site within a protected geographic territory. Payment must be made in a lump sum at the time of signing the deposit receipt, the franchise fee is fully refundable for a period of 30 calendar days from the date of the deposit receipt, if the company and the franchisee do not enter into a franchise agreement acceptable to both parties within such 30-day period is considered earned and nonrefundable at that time. The initial term of the franchise is for ten years with an additional renewable term of ten years if the franchisee is in good standing.

Pursuant to the various franchise agreements, franchisees are required to pay the Company royalties, advertising and marketing fee and a technology fee.

Royalties are based on a percentage of sales ranging from the greater of 5% of Gross Revenues or \$200 per week for the first year; the greater of 5% of Gross Revenues or \$300 per week for the second year; and the greater of 5% of Gross Revenues or \$400 per week thereafter.

Advertising and Marketing Contribution of 2% of Gross Revenues.

Technology Fee of \$40.00 per week.

Royalties, advertising and marketing fees are based on a percentage of each franchisee's gross revenue. These are recognized directly as revenue, on a monthly basis.

Franchise fees are recorded as income upon completion of the significant obligations of the Company under the franchise license agreement. These obligations consist of assistance in the leasing process and issuance of licenses and permits required for the opening, advice with the construction, remodeling and decoration of the physical location, provision of a classroom for training and support and guidance of a representative in the first two days of opening.

NATURAL LIFE FRANCHISE CORP
Notes to the Financial Statement
December 31, 2022

Cash and cash equivalents

For purposes of the statement of cash flows, the Company defines cash and cash equivalents as cash and all short-term investments with an original maturity of three months or less to be cash equivalents.

Fixed Assets

The company recorded fixed and intangible assets at cost. Depreciation and amortization are provided over the estimated useful lives of the assets using the straight-line method. As of December 31, 2022 and 2021 net fixed assets were \$31,090 and \$34,147 respectively.

Income taxes

The Company is organized as a Corporation and has elected to be taxed as a S Corporation starting January 1, 2020 under the provisions of the Internal Revenue Code section whereby the members report their proportionate share of the Company's income, losses and tax credits on their individual tax returns. The Company revoked the S Corp election in August of 2022 and is now treated as a C Corporation for the balance of 2022 and future years. The Company will file its final return for the period ended August 28, 2022 as a S Corporation for the short period.

The Company's income tax returns are subject to examination by the Internal Revenue Service for a period of three years from the date they are required to be filed. The Company's tax returns for the years ended December 31, 2019 through 2022 remain subject to examination by major tax jurisdictions.

Pervasiveness of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Advertising and marketing

Advertising costs are expensed when incurred. Advertising costs were \$34,986 and \$28,267 for the years ended December 31, 2022 and 2021 respectively.

Interest

Interest is expensed as incurred. Interest expense was \$3,219 and \$1,000 for the years ended December 31, 2022 and 2021 respectively.

NOTE C - Restatement of 2021 Financial Statements

The 2021 financial statements in this report have been restated to correct an error that was discovered after the original audit report was issued. The error was related to the amount of revenue recognized for franchise fee income. The correction resulted in reducing

NATURAL LIFE FRANCHISE CORP
Notes to the Financial Statement
December 31, 2022

retained earnings by \$63,700 and increasing unearned income due to certain obligations of the franchisor that still needed to be provided by the franchisor to the franchisees under signed franchise agreements as of December 31, 2021.

NOTE D - Accounts receivable

Accounts receivable consist of balances due from franchise fees and are reflected at their net realizable value. Management closely monitors outstanding accounts receivable and charges off to expense any balances that are determined to be uncollectible. Management determines the allowance for doubtful accounts by evaluating individual customer accounts by considering the customer's financial condition, credit history and the current economic conditions. At December 31, 2021 and December 31, 2022, the allowance for doubtful accounts was \$0. For the year ended December 31, 2022 and 2021 accounts receivable were \$32,500 and \$16,010 respectively. Bad debt expense for 2022 and 2021 were \$13,381 and \$0 respectively.

NOTE E – Fixed Assets

The fixed assets are summarized by major classifications as follows:

	2022	2021
Fixed Assets		
Classroom	3,737	3,737
Less Accumulated Depreciation	<u>(623)</u>	<u>(89)</u>
Total Fixed Assets	<u>3,114</u>	<u>3,648</u>
Intangible Assets		
Start Up Costs	30,361	30,361
Website	7,500	7,500
Less Accumulated Amortization	<u>(9,885)</u>	<u>(7,361)</u>
Total Intangible Assets	<u>27,976</u>	<u>30,500</u>
Total Fixed and Intangible Assets	<u>\$ 31,090</u>	<u>\$ 34,147</u>

NOTE F - Loans receivable – affiliate

The Company makes advances from time to time to its various affiliates. The advances are used to fund working capital needs of the affiliate and are unsecured and non-interest bearing with no predetermined maturity dates.

NOTE G - Franchises

The Company's activity regarding its franchises for the year ended December 31, 2022 is as follows:

Franchises at December 31, 2021	14
New Franchises sold in 2022	8
Franchises closed	<u>(1)</u>
Franchises sold at December 31, 2022	<u>21</u>

NATURAL LIFE FRANCHISE CORP
Notes to the Financial Statement
December 31, 2022

NOTE H - Income Taxes

As noted above the company became a C Corporation for income tax reporting purposes in August 2022 and is subject to federal and state income taxes on its income. Since the Company incurred a net operating loss for the period after the S Corp election was revoked there is no provision made for federal and state income taxes for the year. Further since the likelihood of future profitability cannot be determined at this time there is no income tax benefit recorded for the potential future tax benefit for the net operating loss carry forward.

NOTE I - Loan Advances Payable

The Company received advances in the amount of \$200,000 as of December 31, 2022. The advances were from third parties as part of negotiations for a more long term credit relationship. The advances do not bear interest and have no definite due date. The understanding with the potential creditors is that the advances will be repaid once the longer term credit facility is finalized. See subsequent Events footnote for further details.

NOTE J - Related Parties

During the years ended December 31, 2022 and 2021, the Company had transactions with entities related through common ownership and also with its members. Following is a summary of transactions with these related entities:

1. Multiple franchises were owned by related parties and its members. Royalties earned from these entities were \$103,356 in 2022 and \$48,419 in 2021.
2. The Company charges weekly advertising and marketing contribution of 2% of gross revenue to related parties totaling \$36,817 for 2022, and \$43,129 for 2021.
3. The Company has made non-interest-bearing loans to related parties. The balances due of the loans receivable from affiliates at December 31, 2022 were \$8,901 and \$7,869 at December 31, 2021.
4. The Company has received non-interest-bearing loans from related parties. The balances due of the loans payable to affiliates at December 31, 2022 were \$24,714 and \$4,137 at December 31, 2021.
5. The Company uses facilities owned by related parties for meetings or training, the company is not charged for the use of this space.

NOTE K - Commitments and Contingencies

One of the Company's affiliates provides products for resale to the Company's franchisees. Should the affiliate not be able to supply these products to franchisees due to non-availability of the products, the Company's franchisees would need to source these products from alternate sources. If the franchisees are not able to source these products from another source, or at prices similar to those offered by the Company's affiliate, the revenues of the Company's future revenue may be negatively impacted.

NATURAL LIFE FRANCHISE CORP
Notes to the Financial Statement
December 31, 2022

NOTE L - Subsequent Events

The company has evaluated events and transactions for potential recognition and disclosures through February 24, 2022, the date the audit report was available to be issued. Following are subsequent events management believes need to be disclosed:

1. Debt issuance: On January 1, 2023 the company obtained funding on promissory notes in the aggregate amount of \$325,000 at an annual interest rate of 15% maturing in 2026. The promissory notes require payments of interest only on a monthly basis. The funds will be used for working capital needed to fund the Company's expansion plans.
2. Warrants issued: On January 1, 2023 the Company entered into warrant agreements with three parties for the issuance equity interests in the Company equal to 13% of the outstanding shares the Company at the time of the exercise of the warrants. The warrants may be exercised at the option of the warrant holder for an indefinite period of time.



**DISALVO &
ASSOCIATES, PLLC**

CERTIFIED PUBLIC ACCOUNTANTS - BUSINESS ADVISORS

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West Palm Beach, FL 33411
Phone: (561) 659-1177
Fax: (561) 659-1197
www.d-acpa.com

Accountants' Compilation Report

To the Board of Directors
Natural Life Franchise Corp

Management is responsible for the accompanying financial statements of Natural Life Franchise Corp, which comprise the balance sheet as of September 30, 2023, and the related statement of income and changes in retained earnings for the nine months then ended. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Management has elected to omit the statement of cash flows and substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

DiSalvo & Associates, PLLC
West Palm Beach, Florida
Oct 26, 2023

Natural Life Franchise Corp
Balance Sheet
As of September 30, 2023

Assets

Current assets:

Cash and cash equivalents	\$ 11,774
Accounts receivable	241
Advances to affiliates	4,456
Total current assets	<u>16,471</u>

Fixed assets-net	3,114
Intangible assets-net	27,976
Total other assets	<u>31,090</u>

Expenses: **\$ 47,561**

Liabilities and Stockholders' Equity

Current liabilities:

Accounts payable	\$ 19,716
Credit card payable	43,493
Accrued expense	54,252
Due to affiliates	6,805
Unearned income	37,250
Other current liabilities	147,000
Total current liabilities	<u>308,516</u>

Long-term liabilities:

Loan advances payable	<u>325,000</u>
Total long-term liabilities	<u>325,000</u>

Total Liabilities **633,516**

Stockholders' equity:

Common Stock 30,000 shares authorized, 16,482 issued and outstanding par value \$0.001 per share	16
Preferred Stock 10,000 shares authorized 0 issued and outstanding par value \$0.001 per share	-
Paid in capital in excess of par	822,335
Retained Earnings (Deficit)	<u>(1,408,306)</u>

Total stockholders' equity **(585,955)**

Total liabilities and stockholders' equity **\$ 47,561**

Natural Life Franchise Corp
Statements of Income and Changes in Retained Earnings
For the nine months ended September 30, 2023

Revenue:

Franchise fee revenue	\$ 229,911
Marketing royalty income	45,432
POS system fee	25,460
Sales royalty income	118,901
Leafly Fee	4,200
Technology Fee	440
	<hr/>
Total Revenue	424,344

Expenses:

Dues and subscriptions	51,396
Franchise brokerage fee	20,000
Payroll expenses	337,262
Other general and administrative expenses	369,372
	<hr/>
Total general and administrative expenses	778,031

Net income (loss)	(353,686)
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Beginning Retained Earnings (Deficit)	<hr/> (1,054,620)
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Ending Retained Earnings (Deficit)	<u><u>\$ (1,408,306)</u></u>
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NATURAL LIFE FRANCHISE CORP

**Financial Statements
December 31, 2022
(With independent auditors' report)**

NATURAL LIFE FRANCHISE CORP
Table of Contents
December 31, 2022

	<u>Page</u>
Independent Auditors' Report	1-2
Financial Statement	
Balance sheets	3
Statements of income and changes in retained earnings	4
Other general and administrative expenses	5
Statements of changes in stock and paid in capital	6
Statements of Cash Flows	7
Notes to Financial Statements	8-12

Independent Auditors' Report

To the Board of Directors
Natural Life Franchise Corp

Opinion

We have audited the financial statements of Natural Life Franchise Corp (the "Company"), which comprise the balance sheets as of December 31, 2022 and December 31, 2021 and the related statements of income and changes in retained earnings and cash flows for the years then ended. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, 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.

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 the Company's ability to continue as a going concern as of December 31, 2022.

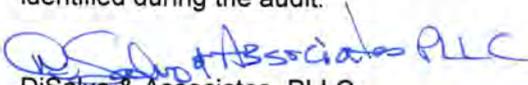
Auditor's Responsibilities for the Audit of the Financial Statements

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 GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, 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 the Company'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 the Company'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 that we identified during the audit.

Handwritten signature in blue ink, appearing to read "DiSalvo & Associates PLLC".

DiSalvo & Associates, PLLC

West Palm Beach, FL

February 28, 2023

Natural Life Franchise Corp
Balance Sheets
As of December 31,

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 88,716	\$ 9,674
Accounts receivable	32,500	16,010
Advances to affiliates	8,901	7,869
Total current assets	<u>130,118</u>	<u>33,553</u>
Fixed assets-net	3,114	3,648
Intangible assets-net	27,976	30,500
Total other assets	<u>31,090</u>	<u>34,147</u>
Total assets	<u>\$ 161,207</u>	<u>\$ 67,701</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 3,061	\$ 678
Credit card payable	32,354	53,392
Accrued expense	45,229	-
Due to affiliates	88,686	19,012
Unearned income	248,161	63,700
Total current liabilities	<u>417,491</u>	<u>136,782</u>
Long-term liabilities:		
Loan advances payable	200,000	-
Total long-term liabilities	<u>200,000</u>	<u>-</u>
Total Liabilities	<u>617,491</u>	<u>136,782</u>
Stockholders' equity:		
Common Stock 30.000 shares authorized, 13,310 and 11,136 issued and outstanding repectively par value \$0.001 per share	13	11
Preferred Stock 10.000 shares authorized 0 issued and outstanding par value \$0.001 per share	-	-
Paid in capital in excess of par	598,323	381,325
Retained Earnings (Deficit)	<u>(1,054,620)</u>	<u>(450,417)</u>
Total stockholders' equity	<u>(456,284)</u>	<u>(69,081)</u>
Total liabilities and stockholders' equity	<u>\$ 161,207</u>	<u>\$ 67,701</u>

Natural Life Franchise Corp
 Statements of Income and Changes in Retained Earnings
 For the years ended December 31,

	<u>2022</u>	<u>2021</u>
Revenue:		
Franchise fee revenue	\$ 85,539	\$ 131,500
Marketing royalty income	45,451	44,197
POS system fee	15,786	-
Sales royalty income	138,934	69,411
	<u>285,710</u>	<u>245,108</u>
Total Revenue		
Expenses:		
Dues and subscriptions	47,681	2,017
Franchise brokerage fee	113,700	41,750
Payroll expenses	421,491	104,189
Other general and administrative expenses	307,041	195,584
	<u>889,912</u>	<u>343,540</u>
Total general and administrative expenses		
Net income (loss) from operations	(604,203)	(98,432)
Other income - Payroll Protection Program	-	14,700
	<u>-</u>	<u>14,700</u>
Net income (loss)	(604,203)	(83,732)
Beginning Retained Earnings	(450,417)	(366,685)
	<u>(450,417)</u>	<u>(366,685)</u>
Ending Retained Earnings	\$ (1,054,620)	\$ (450,417)
	<u>\$ (1,054,620)</u>	<u>\$ (450,417)</u>

Natural Life Franchise Corp
Other General and Administrative Expenses
For the years ended December 31,

	<u>2022</u>	<u>2021</u>
Other general and administrative expenses:		
Accounting	\$ 32,779	\$ 14,950
Amortization	2,524	2,524
Advertising and marketing	34,986	28,567
Bad debt expense	13,381	-
Bank charges and fees	2,481	860
Broker subscriptions	42,037	-
Car and truck	12,422	172
Contractors	42,572	523
Commissions	-	2,500
Consulting expense	5,000	-
Depreciation expense	534	89
Employee leasing	-	33,973
Insurance	-	368
Interest	3,219	1,000
Legal and professional Services	66,965	71,921
Meals and entertainment	6,621	7,261
Office supplies and software	11,802	14,626
Postage & shipping	141	-
Rent	481	658
Repairs and maintenance	964	1,704
Reimbursements	-	1,458
Taxes and licenses	2,741	2,225
Telecommunications	1,018	-
Trade shows	4,619	-
Travel expenses	19,395	9,385
Uniforms	358	643
Utilities	-	175
	<hr/>	<hr/>
Total other general and administrative expenses	\$ 307,041	\$ 195,584

Natural Life Franchise Corp
Statements of Changes in Stock and Paid in Capital
For the years ended December 31,

	2021		Additions		Reductions		2022	
	\$	#	\$	#	\$	#	\$	#
Common Stock par value of \$0.001 per share	\$ 11.14	11,136	2.17	2,174	-	-	\$ 13.31	13,310
Total	\$ 11.14	11,136	\$ 2.17	2,174	\$ -	-	13.31	13,310
Paid in capital in excess of par	\$ 381,325	-	\$ 216,998	-	-	-	\$ 598,323	-
Total	381,325	-	216,998	-	\$ -	-	598,323	-
Total Stock and Paid in Capital	\$ 381,336	\$ -	\$ 217,000	-	\$ -	-	\$ 598,336	-

READ INDEPENDENT ACCOUNTANTS' AUDIT REPORT AND NOTES TO FINANCIAL STATEMENTS

Natural Life Franchise Corp
Statements of Cash Flows
For the year ended December 31,

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Net loss	\$ (604,203)	\$ (83,732)
Adjustments to reconcile net income to net cash provided (used) by operating activities		
Depreciation and amortization	3,058	2,613
(Increase) decrease in:		
Accounts receivable	(16,489)	(15,953)
Loans receivable	(1,032)	(7,869)
Increase (decrease) in:		
Accounts payable	2,383	40,130
Credit card payable	(21,038)	
Accrued expense	45,229	
Unearned income	184,461	-
Net cash provided (used) by operating activities	<u>(407,631)</u>	<u>(64,812)</u>
Cash flows from investing activities:		
Purchase of fixed assets	-	(3,737)
Net cash provided (used) by investing activities	<u>-</u>	<u>(3,737)</u>
Cash flows from financing activities:		
Loan advances payable	200,000	-
Due to affiliates	69,673	(54,954)
Common stock par value of \$0.001 per share	2	11
Additional paid-in-capital	216,998	130,589
Net cash provided (used) by financing activities	<u>486,673</u>	<u>75,646</u>
Net increase (decrease) in cash	79,042	7,098
Cash, Beginning of year	<u>9,674</u>	<u>2,576</u>
Cash, End of year	<u>\$ 88,716</u>	<u>\$ 9,674</u>

NATURAL LIFE FRANCHISE CORP
Notes to the Financial Statement
December 31, 2022

NOTE A – Organization

Natural Life Franchise Corp (The “Company”) was organized on May 10, 2019, under the laws of the State of Florida. The company sells franchises for the operation of a retail business offering CBD, Kratom, Kava, and related products under the name “Natural Life CBD/Kratom/Kava” trademark. The Company has sold 21 franchises as of December 31, 2022 in 8 states.

Note B - Summary of significant accounting policies

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Revenue recognition

Franchisees pay an initial franchise fee for a license to operate a Natural Life CBD/Kratom/Kava franchise at a specific site within a protected geographic territory. Payment must be made in a lump sum at the time of signing the deposit receipt, the franchise fee is fully refundable for a period of 30 calendar days from the date of the deposit receipt, if the company and the franchisee do not enter into a franchise agreement acceptable to both parties within such 30-day period is considered earned and nonrefundable at that time. The initial term of the franchise is for ten years with an additional renewable term of ten years if the franchisee is in good standing.

Pursuant to the various franchise agreements, franchisees are required to pay the Company royalties, advertising and marketing fee and a technology fee.

Royalties are based on a percentage of sales ranging from the greater of 5% of Gross Revenues or \$200 per week for the first year; the greater of 5% of Gross Revenues or \$300 per week for the second year; and the greater of 5% of Gross Revenues or \$400 per week thereafter.

Advertising and Marketing Contribution of 2% of Gross Revenues.

Technology Fee of \$40.00 per week.

Royalties, advertising and marketing fees are based on a percentage of each franchisee's gross revenue. These are recognized directly as revenue, on a monthly basis.

Franchise fees are recorded as income upon completion of the significant obligations of the Company under the franchise license agreement. These obligations consist of assistance in the leasing process and issuance of licenses and permits required for the opening, advice with the construction, remodeling and decoration of the physical location, provision of a classroom for training and support and guidance of a representative in the first two days of opening.

NATURAL LIFE FRANCHISE CORP
Notes to the Financial Statement
December 31, 2022

Cash and cash equivalents

For purposes of the statement of cash flows, the Company defines cash and cash equivalents as cash and all short-term investments with an original maturity of three months or less to be cash equivalents.

Fixed Assets

The company recorded fixed and intangible assets at cost. Depreciation and amortization are provided over the estimated useful lives of the assets using the straight-line method. As of December 31, 2022 and 2021 net fixed assets were \$31,090 and \$34,147 respectively.

Income taxes

The Company is organized as a Corporation and has elected to be taxed as a S Corporation starting January 1, 2020 under the provisions of the Internal Revenue Code section whereby the members report their proportionate share of the Company's income, losses and tax credits on their individual tax returns. The Company revoked the S Corp election in August of 2022 and is now treated as a C Corporation for the balance of 2022 and future years. The Company will file its final return for the period ended August 28, 2022 as a S Corporation for the short period.

The Company's income tax returns are subject to examination by the Internal Revenue Service for a period of three years from the date they are required to be filed. The Company's tax returns for the years ended December 31, 2019 through 2022 remain subject to examination by major tax jurisdictions.

Pervasiveness of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Advertising and marketing

Advertising costs are expensed when incurred. Advertising costs were \$34,986 and \$28,267 for the years ended December 31, 2022 and 2021 respectively.

Interest

Interest is expensed as incurred. Interest expense was \$3,219 and \$1,000 for the years ended December 31, 2022 and 2021 respectively.

NOTE C - Restatement of 2021 Financial Statements

The 2021 financial statements in this report have been restated to correct an error that was discovered after the original audit report was issued. The error was related to the amount of revenue recognized for franchise fee income. The correction resulted in reducing

NATURAL LIFE FRANCHISE CORP
Notes to the Financial Statement
December 31, 2022

retained earnings by \$63,700 and increasing unearned income due to certain obligations of the franchisor that still needed to be provided by the franchisor to the franchisees under signed franchise agreements as of December 31, 2021.

NOTE D - Accounts receivable

Accounts receivable consist of balances due from franchise fees and are reflected at their net realizable value. Management closely monitors outstanding accounts receivable and charges off to expense any balances that are determined to be uncollectible. Management determines the allowance for doubtful accounts by evaluating individual customer accounts by considering the customer's financial condition, credit history and the current economic conditions. At December 31, 2021 and December 31, 2022, the allowance for doubtful accounts was \$0. For the year ended December 31, 2022 and 2021 accounts receivable were \$32,500 and \$16,010 respectively. Bad debt expense for 2022 and 2021 were \$13,381 and \$0 respectively.

NOTE E – Fixed Assets

The fixed assets are summarized by major classifications as follows:

	2022	2021
Fixed Assets		
Classroom	3,737	3,737
Less Accumulated Depreciation	<u>(623)</u>	<u>(89)</u>
Total Fixed Assets	<u>3,114</u>	<u>3,648</u>
Intangible Assets		
Start Up Costs	30,361	30,361
Website	7,500	7,500
Less Accumulated Amortization	<u>(9,885)</u>	<u>(7,361)</u>
Total Intangible Assets	<u>27,976</u>	<u>30,500</u>
Total Fixed and Intangible Assets	<u>\$ 31,090</u>	<u>\$ 34,147</u>

NOTE F - Loans receivable – affiliate

The Company makes advances from time to time to its various affiliates. The advances are used to fund working capital needs of the affiliate and are unsecured and non-interest bearing with no predetermined maturity dates.

NOTE G - Franchises

The Company's activity regarding its franchises for the year ended December 31, 2022 is as follows:

Franchises at December 31, 2021	14
New Franchises sold in 2022	8
Franchises closed	<u>(1)</u>
Franchises sold at December 31, 2022	<u>21</u>

NATURAL LIFE FRANCHISE CORP
Notes to the Financial Statement
December 31, 2022

NOTE H - Income Taxes

As noted above the company became a C Corporation for income tax reporting purposes in August 2022 and is subject to federal and state income taxes on its income. Since the Company incurred a net operating loss for the period after the S Corp election was revoked there is no provision made for federal and state income taxes for the year. Further since the likelihood of future profitability cannot be determined at this time there is no income tax benefit recorded for the potential future tax benefit for the net operating loss carry forward.

NOTE I - Loan Advances Payable

The Company received advances in the amount of \$200,000 as of December 31, 2022. The advances were from third parties as part of negotiations for a more long term credit relationship. The advances do not bear interest and have no definite due date. The understanding with the potential creditors is that the advances will be repaid once the longer term credit facility is finalized. See subsequent Events footnote for further details.

NOTE J - Related Parties

During the years ended December 31, 2022 and 2021, the Company had transactions with entities related through common ownership and also with its members. Following is a summary of transactions with these related entities:

1. Multiple franchises were owned by related parties and its members. Royalties earned from these entities were \$103,356 in 2022 and \$48,419 in 2021.
2. The Company charges weekly advertising and marketing contribution of 2% of gross revenue to related parties totaling \$36,817 for 2022, and \$43,129 for 2021.
3. The Company has made non-interest-bearing loans to related parties. The balances due of the loans receivable from affiliates at December 31, 2022 were \$8,901 and \$7,869 at December 31, 2021.
4. The Company has received non-interest-bearing loans from related parties. The balances due of the loans payable to affiliates at December 31, 2022 were \$24,714 and \$4,137 at December 31, 2021.
5. The Company uses facilities owned by related parties for meetings or training, the company is not charged for the use of this space.

NOTE K - Commitments and Contingencies

One of the Company's affiliates provides products for resale to the Company's franchisees. Should the affiliate not be able to supply these products to franchisees due to non-availability of the products, the Company's franchisees would need to source these products from alternate sources. If the franchisees are not able to source these products from another source, or at prices similar to those offered by the Company's affiliate, the revenues of the Company's future revenue may be negatively impacted.

NATURAL LIFE FRANCHISE CORP
Notes to the Financial Statement
December 31, 2022

NOTE L - Subsequent Events

The company has evaluated events and transactions for potential recognition and disclosures through February 24, 2022, the date the audit report was available to be issued. Following are subsequent events management believes need to be disclosed:

1. Debt issuance: On January 1, 2023 the company obtained funding on promissory notes in the aggregate amount of \$325,000 at an annual interest rate of 15% maturing in 2026. The promissory notes require payments of interest only on a monthly basis. The funds will be used for working capital needed to fund the Company's expansion plans.
2. Warrants issued: On January 1, 2023 the Company entered into warrant agreements with three parties for the issuance equity interests in the Company equal to 13% of the outstanding shares the Company at the time of the exercise of the warrants. The warrants may be exercised at the option of the warrant holder for an indefinite period of time.

NATURAL LIFE FRANCHISE CORP

Financial Statement

Year Ended December 31, 2020

NATURAL LIFE FRANCHISE
CORP Table of Contents
December 31, 2020

	<u>Page(s)</u>
Independent Accountants' Audit Report	1
Balance Sheet	2
Statement of Income and Expenses	3
Statement of Changes in Stockholders' Equity	4
Statement of Cash Flows	5
Notes to the Financial Statement	6 - 7



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INDEPENDENT ACCOUNTANTS' AUDIT REPORT

To the Board of Directors of Natural Life Franchise Corp,

We have audited the accompanying financial statement of Natural Life Franchise Corp (an S-Corporation), which comprise the balance sheet as of December 31, 2020, and the related statement of income and expenses and statements of changes in stockholder's equity and cash flows for the year then ended, and the related notes to the financial statement..

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Natural Life Franchise Corp as of December 31, 2020, and the changes in its retained earnings and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

CFO Associates, LLC

Tampa, Florida
April 26, 2021

NATURAL LIFE FRANCHISE CORP
Balance Sheet
December 31, 2020

ASSETS		2020	<u>2019</u>
Current assets:			
Cash and cash equivalents		\$ 2,576	\$ 2,099
Due from others		\$ 0	\$ 285
Total current assets		<u>\$ 2,576</u>	<u>\$ 2,384</u>
Fixed assets, at cost less accumulated depreciation of \$ - in 2020			
		-	-
Intangibles, at cost less accumulated amortization of \$2,524 in 2020			
		<u>\$ 33,024</u>	<u>\$ 35,548</u>
Total assets		<u>\$ 35,600</u>	<u>\$ 37,931</u>
<u>LIABILITIES AND STOCKHOLDERS'</u>		<u>EQUITY</u>	
Current liabilities:			
Accounts payable		\$	\$ 1,481
Due to others		\$ 73,966	\$ 764
Total current liabilities		<u>\$ 73,966</u>	<u>\$ 2,245</u>
Long-term liabilities:			
Notes payable, net of current portion		-	-
Total long-term liabilities		-	-
Total liabilities		<u>\$ 73,966</u>	<u>\$ 2,245</u>
Stockholders' equity		<u>(\$ 38,366)</u>	<u>\$ 35,686</u>
Total liabilities and stockholders' equity		<u>\$ 35,600</u>	<u>\$ 37,931</u>

See accompanying notes and independent accountants' audit report.

NATURAL LIFE FRANCHISE CORP
Statement of Income and Expenses
Year Ended December 31, 2020

	2020	2019
Revenues	\$ 58,249	-
Cost of revenues earned	\$ 2,073	-
Gross profit	\$ 56,176	-
Amortization	\$ 2,524	\$ 2,313
Operating expenses	\$ 243,518	\$ 32,001
Payroll Expenses	\$ 5,000	\$ 5,000
Loss from operations	\$(250,534)	\$(39,314)
Other income:		
Interest and dividends	\$ -	-
Realized gain on sale of fixed assets	\$ -	-
Total other income	\$ -	-
Total loss	\$(250,534)	\$(39,314)
Net loss	\$(250,534)	\$(39,314)

See accompanying notes and independent accountants' audit report.

NATURAL LIFE FRANCHISE CORP
Statement of Changes in Stockholders Equity
Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
Common stock	-	-
Additional paid-in-capital	250,000	75,000
Retained earnings:		
Balance at the beginning of the year	\$39,314	-
Retained Earnings Adjustment	(414)	
Net loss	(250,534)	(39,314)
Balance at the end of the year	(38,366)	(39,314)
Total stockholders' equity	<u>(\$38,366)</u>	<u>\$35,686</u>

See accompanying notes and independent accountants' audit report.

NATURAL LIFE FRANCHISE CORP

Statement of Cash Flows

Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$(250,534)	\$(39,314)
Adjustments to reconcile net income to net cash used by operating activities:		
Realized gain on sale of fixed assets	-	-
Amortization	2,524	2,313
Changes in:		
Accounts receivable	-	
Loans receivable	-	(285)
Accounts payable	-	1,481
Loans payable	73,487	764
Net cash used by operating activities	<u>\$ 174,523</u>	<u>\$(35,041)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Intangibles	-	(37,861)
Proceeds from sale of fixed assets	-	
Net cash used by investing activities	<u>\$ -</u>	<u>\$(37,861)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Additional paid-in-capital	<u>175,000</u>	<u>75,000</u>
Net cash provided by financing activities	<u>\$ 175,000</u>	<u>\$ 75,000</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$477	\$ 2,099
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>\$ 2,099</u>	\$-
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u><u>\$ 2,576</u></u>	<u><u>\$ 2,099</u></u>

See accompanying notes and independent accountants' audit report.

NATURAL LIFE FRANCHISE CORP

Notes to the Financial Statement

Year Ended December 31, 2020

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) CORPORATION AND PURPOSE

Natural Life Franchise Corp (the Company) was incorporated and commenced operations on May 10, 2019. The Company operates as franchisor of retail stores selling CBD products and education.

(B) BASIS OF ACCOUNTING

The accounting method used by the Company is the accrual basis of accounting.

(C) CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, the Company considers currency on hand, demand deposits and money market funds as cash. Cash equivalents would consist of highly liquid debt instruments purchased with maturities of three months or less.

(D) FIXED ASSETS

The fixed assets are summarized by major classifications as follows:

	<u>2020</u>
Machinery and equipment	\$ -
Furniture and fixtures	-
Vehicles	-
Leasehold Improvements	-
	<u>-</u>
Less accumulated depreciation	\$ -
	<u>\$ -</u>
Total Fixed Assets	<u>\$ -</u>
Start up costs	\$ 30,361
Website	7,500
	<u>\$ 37,861</u>
Less accumulated amortization	4,837
	<u>33,024</u>
Total Intangible Assets	<u>\$ 33,024</u>

Intangible assets are recorded at cost. Amortization is computed primarily for financial reporting purposes at rates based on estimated useful lives. Amortization expense was \$2,524 for the year ended December 31, 2020. Additions and major replacements or betterments are added to the asset cost when applicable. Maintenance and repair cost and minor replacements are charged to expense as incurred.

(E) ADVERTISING

Advertising costs are expensed when incurred. Advertising costs were \$43,303 for the year ended December 31, 2020.

(F) INTEREST

Interest is expensed as incurred. Interest expense was \$0 for the year ended December 31, 2020.

NATURAL LIFE FRANCHISE CORP
Notes to the Financial Statement (Continued)
Year Ended December 31, 2020

(G) USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(2) ACCOUNTS RECEIVABLE

The accounts receivable are considered current and fully collectible by the management of the Company and accordingly, an allowance for doubtful accounts has not been recorded. There are no accounts receivable as of December 31, 2020.

(3) INCOME TAXES

The Company believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Company's financial condition, results of operations or cash flows. Accordingly, the Company has not recorded any reserves, or related accrual for interest and penalties for uncertain income tax positions at December 31, 2020.

Uncertain Tax Positions

The Company accounts for uncertain tax positions, if any, in accordance with FASB Accounting Standards Codification Section 740. In accordance with these professional standards, the Company recognizes tax positions only to the extent that Management believes it is "more likely than not" that its tax positions will be sustained upon IRS examination. Management believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements for the year ended December 31, 2020.

The Company, with the consent of its stockholder, has elected under the Internal Revenue Code to be an S corporation. In lieu of corporation income taxes, the stockholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in this financial statement.

(4) COMMITMENTS AND CONTINGENCIES

The Company primarily provides its services and products to franchisees across the United States. Should the company be unable to obtain CBD product, its ability to continue would be impaired.

(5) FASB 606 REVENUE FROM CONTRACTS WITH FRANCHISEES

The Company primarily provides franchisee services and products through its franchise business model. Franchise fees received by the Franchisor are not always received in the period services are rendered. No such Franchise Fees were recognized in 2020, however, in future years the company will have to recognize revenues based on the periods the Franchise Fees relate to.

(6) SUBSEQUENT EVENTS

In preparing this financial statement, the company has evaluated events and transactions for potential recognition and disclosures through April 26, 2021, the date the financial statement was available to be issued. No subsequent events have occurred that have caused the financial statements to be

restated.

EXHIBIT "H"
TO DISCLOSURE DOCUMENT
OTHER AGREEMENTS

EXHIBIT “H”-1

14. Ceilings	11
2.14.1. Open Ceilings	11
2.14.2. Drop Ceilings	12
2.15. Sample Area	12
2.16. Plants	12
2.17. Restrooms	13
2.18. HVAC & Climate Control	13
2.19. Exterior Signs	14
2.20. Interior Signs and Marketing	14
2.21. Holiday Décor	14
3.	Variances
3.1. How to Request a Variance	16
3.1. How to Request a Variance	16
Chapter 5: Staffing Best Practices	1

1. Overview and Disclaimer	2
2. Laws and Requirements	3
3. @ Our Franchise	4
4. General Note	6
5. Suggested Job Descriptions	7
5.1. Elements of a Job Description	7
5.2. Certified Manager	8
5.3. Manager	9
5.4. Sales Floor	10
6. Employment Disclosure	11
7. Lead Sources for Hiring	13
8. Employee Handbook	14
Chapter 6: Product Knowledge	1
1. Overview	2
2. What is CBD	3
3. What is Kratom	4
4. What is Kava	5
5. Labeling	6
Chapter 7: Operations Best Practices	1
1. What are Best Practices?	2
2. Sales Introduction	3
2.1. Sell Not Recommend	3
3. Customer Care	5
3.1. Greeting	5
3.2. Assess Their Needs	5
3.3. Fulfilling the Order	5
3.4. Ringing the Sale	6
3.5. Send Off	6
3.6. Phone/Internet Orders	6
3.7. Client Complaints	7
3.8. Returns, Exchanges and Refunds	7
4. Daily Best Practices – Operations	8
4.1. General Best Practices	8
4.2. Opening Checklist	8
4.3. Mid Day Checklist	9
4.4. Closing Checklist	10
Chapter 8: Crisis Management	1
1. Defining a Crisis	2
2. Closing a Facility	3
3. Incident/Accident Reports	4
4. Crisis Communication	5
4.1. First Responders	5
4.2. Spokesperson	6
4.3. Dealing with the Press	6
4.3.1. Who May Talk to the Public	6
4.3.2. What Not to Say	7

Chapter 9: Business Administration.....1

1.....**Overview**.....**2**

2.....**Planning,**

Forecasting & Ordering.....3

 2.1. Price Increase Strategies3

 2.2. Inventory Control3

 2.2.1. Ordering.....3

3.....**Risk**

Management.....4

 3.1. Crime4

 3.2. Cash on Hand5

 3.3. Security & Alarms.....5

 3.4. Locked Doors5

 3.5. General Safety5

 3.5.1. Spills & Water.....6

 3.5.2. Fire, Earthquake & Severe Weather Safety.....6

 3.5.3. Emergency Care6

 3.5.4. Incident Reports.....7

Exhibit H
STATE SPECIFIC ADDENDA

~~NATURAL LIFE FRANCHISE CORP.~~

[\[See Attached\]](#)

STATE ADDENDA AND AMENDMENTS TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES

BACKGROUND AND PURPOSE

The following modifications are made to the Natural Life Franchise Disclosure Document (“FDD” or “Disclosure Document”) issued by Natural Life Franchise Corp. (“we” or “us” or “franchisor”) to franchisee (“you” or “franchisee”) and may supersede certain portions of the Franchise Agreement between you and us dated _____, 202____ (the “Franchise Agreement”). When the term “Supplemental Agreements” is used, it means any area development agreement, area representative agreement, master franchise agreement, or similar agreement entered into between us and you, if applicable.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement, Supplemental Agreements and other documents related to the sale of a franchise. This State-Specific Addendum (“State Addendum”) will modify these agreements to comply with the applicable state’s laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum (but only the State Addendum for the applicable State) will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements. If you sign this State Addendum, only the terms applicable to the state or states whose franchise laws apply to your transaction will govern. If you sign this State Addendum, but none of the state franchise laws listed above applies because their jurisdictional requirements have not been met, then this State Addendum will be void and inapplicable to you.

CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
STATE

1. California Business and Professions Code 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
2. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).
3. The franchise agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
4. The franchise agreement requires application of the laws of Florida. This provision may not be enforceable under California law.
5. Neither the Franchisor nor any person or franchise broker identified in Item 2 of the Disclosure Document 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 person from membership in such association or exchange.
6. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form and containing the information that the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.
- ~~4.7. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF CALIFORNIA THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.~~
8. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
9. The Franchise Agreement requires binding arbitration. The arbitration will occur in Florida or such other place designated by the Franchisor, with the costs being borne by the party instituting the arbitration procedure, and each party being responsible for their own attorney fees; however, the arbitrator has the discretion to award costs of the arbitration, including reasonable attorney fees against either or both parties in such proportion as the arbitrators determine. 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.
10. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. 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

11. The Franchise Agreement contains a waiver of punitive damages and a waiver of jury trial. These provisions may not be enforceable under California law.

12. The highest interest rate allowed by law in California is 10% per year.

13. Item 5 of the FDD is amended to state: “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. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.”

14. The earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business. Franchisees or former franchisees listed in the Disclosure Document may be one source of this information.

15. 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.

16. 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. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

1. California Business and Professions Code 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
2. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).
3. The franchise agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
4. The franchise agreement requires application of the laws of Florida. This provision may not be enforceable under California law.
5. Neither the Franchisor nor any person or franchise broker identified in Item 2 of the Disclosure Document 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 person from membership in such association or exchange.
6. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form and containing the information that the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.
7. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.
8. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
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11. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. 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
11. The Franchise Agreement contains a waiver of punitive damages and a waiver of jury trial. These provisions may not be enforceable under California law.

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16. 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. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

FRANCHISOR:

Natural Life Franchise Corp.

By: _____

Name: Gabriel Suarez

Title: Founder and PRESIDENT AND FOUNDER

FRANCHISEE:

By: _____

Name: _____

Title: _____

CALIFORNIA ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

1. California Business and Professions Code 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
2. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).
3. The franchise agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
4. The franchise agreement requires application of the laws of Florida. This provision may not be enforceable under California law.
5. Neither the Franchisor nor any person or franchise broker identified in Item 2 of the Disclosure Document 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 person from membership in such association or exchange.
6. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form and containing the information that the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.
7. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.
8. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
9. The Franchise Agreement requires binding arbitration. The arbitration will occur in Florida or such other place designated by the Franchisor, with the costs being borne by the party instituting the arbitration procedure, and each party being responsible for their own attorney fees; however, the arbitrator has the discretion to award costs of the arbitration, including reasonable attorney fees against either or both parties in such proportion as the arbitrators determine. 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.
- ~~10.~~ 12. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. 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
11. The Franchise Agreement contains a waiver of punitive damages and a waiver of jury trial. These provisions may not be enforceable under California law.

12. The highest interest rate allowed by law in California is 10% per year.

13. Item 5 of the FDD is amended to state: “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. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.”

**ADDENDUM TO THE FRANCHISE AGREEMENT AND MULTI-UNIT
DEVELOPMENT AGREEMENT REQUIRED BY THE STATE OF ILLINOIS**

~~Illinois law governs the agreements between the parties to this franchise.~~

14. The earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business. Franchisees or former franchisees listed in the Disclosure Document may be one source of this information.

15. 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.

16. 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. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

FRANCHISOR:
Natural Life Franchise Corp.

FRANCHISEE:

By: _____
Name: Gabriel Suarez
Title: Founder and PRESIDENT AND
FOUNDER

By: _____
Name: _____
Title: _____

HAWAII

1. The following is added to the Cover Page:

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBERANCHISOR AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY YOU OR SUBERANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

2. Our registered agent in the state authorized to receive service of process:

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

3. The states in which this filing is effective are listed on the Exhibit to the FDD titled "State Effective Dates".

4. The states in which this filing is or will be shortly on file include the following:

5. The states, if any, which have refused, by order or otherwise, to register these franchises include the following:

6. The states, if any, which have revoked or suspended the right to offer these franchises include the following:

7. The states, if any, in which the filing of these franchises has been withdrawn include the following:

ILLINOIS

In ~~conformance~~ recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705, the Disclosure Document and the Franchise Agreement and Supplemental Agreements are amended as follows:

1. Illinois law shall apply to and govern the Franchise Agreement and Supplemental Agreements.
- ~~1.2.~~ In accordance with Section 4 of the Illinois Franchise Disclosure Act, any provision in the ~~franchise agreement and multi-unit development agreement which designates~~ Franchise Agreement and Supplemental Agreements that designated jurisdiction ~~or~~ and venue in a forum outside of the State of Illinois is void. However, ~~a franchise agreement and multi-unit development the Franchise Agreement and Supplemental Agreements~~ may provide for arbitration to take place outside of Illinois. Therefore, any arbitration proceeding may be brought in Arizona in accordance with the dispute resolution provision set forth in the Franchise Agreement and Supplemental Agreements.
- ~~2.3.~~ Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
- ~~3.4.~~ In conformance with sSection 41 of the Illinois Franchise Disclosure Act, 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.
- ~~4.5.~~ Payment of ~~All fees referenced in the Initial Franchise / Development Fees Agreement are subject to deferral pursuant to order of the Illinois Attorney General's Office. Accordingly, you will be deferred~~ pay no fees to us until ~~the Franchisor has met its initial obligations to franchisee, we have completed all of our material preopening responsibilities to you and you commence operating the franchisee has commenced doing franchised~~ business. ~~This financial assurance~~ The Illinois Attorney General's Office imposed this deferral requirement ~~was imposed by the Office of the Illinois Attorney General~~ due to Ffranchisor's financial condition.
6. The Franchise Agreement and Supplemental Agreements are amended to state the following:
To the extent that any provision in the Illinois State Addendum is inconsistent with any provision in this Agreement, the provision in the Illinois State Addendum shall control.
- ~~5.7.~~ No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

~~THE PARTIES hereto have duly executed, sealed and delivered this Addendum on~~

_____.

THE FRANCHISOR:

Natural Life Franchise Corp.

By: _____

Print Name: Gabriel Suarez

Its: Founder and CEO

THE FRANCHISEE:

By: _____

Print Name: _____

Its: _____

~~ADDENDUM TO THE NATURAL LIFE
FRANCHISE DISCLOSURE DOCUMENT FOR PROSPECTIVE FRANCHISEES
REQUIRED BY THE STATE OF~~

INDIANA

In recognition of the requirements of the Indiana Franchise Disclosure Law, ~~Indiana Code §§ 23-2-2.5-1 to IC 23-2-2.5-51, and the Indiana Deceptive Franchise Practices Act, Indiana Code §§ 23-2-2.7-1 to 23-2-2.7-10, the Franchise Disclosure Document of **Natural Life Franchise Corp.** for use in the State of Indiana shall be amended as follows:~~

~~Item 12, under the heading entitled “Territory,” shall be supplemented by the addition of the following language: “We are required by the Franchise Agreement not to compete unfairly with you within the Territory.”~~and Supplemental Agreements are amended as follows:

- ~~1. Item 17(f), under the heading, “Termination by us with cause,” shall be amended by the addition of the following language: “The conditions under which your Franchise can be terminated may be affected by the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Act.”~~
- ~~2. Items 17(q) and (r), under the headings “Non-competition covenants during the term of Franchise,” and “Non-Competition covenants after the Franchise is terminated or expires,” respectively, shall be amended by the addition of the following language at the end of each Item: “Notwithstanding the above, your rights will not in any way be abrogated or reduced pursuant to Indiana Code § 23-2-2.7-1(9), which limits the scope of non-competition covenants to the exclusive area granted in the Franchise Agreement.”~~

~~4 Item 17(v), under the heading “Choice of forum,” shall be supplemented with the following language: “However, to the extent required by either the Indiana Franchise Disclosure Law or Indiana Deceptive Franchise Practices Act, a Franchise that operates a Franchised office in Indiana may require, at the Franchisee’s option, that litigation concerning such Franchise take place in Indiana.”~~

~~5 Item 17(w), under the heading “Choice of law,” shall be supplemented with the following language: “This provision may not be enforceable under Indiana Law.”~~

~~6 Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Franchise Disclosure Law, Indiana Code §§ 23-2-2.5-1 to 23-2-2.5-51, and the Indiana Deceptive Franchise Practices Act, Indiana Code §§ 23-2-2.7-1 to 23-2-2.7-10, are met independently without reference to this Addendum to the Franchise Disclosure Document.~~

1. The laws of the State of Indiana supersede any provisions of the Disclosure Document, Franchise Agreement and Supplemental Agreements if such provisions are in conflict with Indiana law.
2. The Franchise Agreement and Supplemental Agreements are amended to provide that such agreements will be construed in accordance with the laws of the State of Indiana.
3. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the franchisee to agree to jurisdiction or venue, in a forum outside of Indiana, is deleted from any Franchise Agreement and Supplemental Agreement issued in the State of Indiana.
4. The prohibition by Indiana Code § 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement or Supplemental Agreement (as applicable), shall supersede the provisions of the Franchise Agreement or Supplemental Agreement (as applicable) in the State of Indiana to the extent they may be inconsistent with such prohibition.
5. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1(9).
6. Liquidated damages and termination penalties are prohibited by law in the State of Indiana and, therefore, the Disclosure Document, the Franchise Agreement and Supplemental Agreements are amended by the deletion of all references to liquidated damages and termination penalties and the addition of the following language to the original language that appears therein:

Notwithstanding any such termination, and in addition to the obligations of the franchisee as otherwise provided, or in the event of termination or cancellation of the Franchise Agreement under any of the other provisions therein, the franchisee nevertheless shall be, continue and remain liable to franchisor for any and all damages which franchisor has sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on the part of the franchisee for the unexpired Term of the Franchise Agreement.

At the time of such termination of the Franchise Agreement, the franchisee covenants to pay to franchisor within 10 days after demand as compensation all damages, losses, costs and expenses (including reasonable attorney's fees) incurred by franchisor, and/or amounts which would otherwise be payable thereunder but for such termination for and during the remainder of the unexpired Term of the Franchise Agreement. This Agreement does not constitute a waiver of the franchisee's right to a trial on any of the above matters.

7. No release language set forth in the Disclosure Document or Franchise Agreement or Supplemental Agreement shall relieve franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana. Any provision in the Franchise Agreement or Supplemental Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.

MARYLAND ADDENDUM TO THE NATURAL LIFE
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the Franchise Disclosure Document of Natural Life Franchise Corp. for use in the State of Maryland shall be amended as follows:

1. Items 17(c) and 17(m), under the headings, “Requirements for you to renew or extend” and “Conditions for our approval of transfer,” shall be supplemented by adding the following language at the end of each Item: “However, pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”
2. Item 17(v), under the heading “Choice of forum” shall be supplemented by adding the following language at end of such Item: “except that you may sue us in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure must be brought within 3 years after the grant of the franchise under the Franchise Agreement.”
3. Item 5 is hereby amended to add the following: “Based on the Franchisor’s financial information submitted, the Securities Commissioner of the State of Maryland has determined that all fees paid to the Franchisor by the Franchisee, including payment for goods and services received from the Franchisor before the business opens, shall be deferred pending satisfaction of all of the Franchisor’s pre-opening obligations to the Franchisee. In addition, all development fees and initial payments by developers shall be deferred until the first franchise under the MUDA opens”.
4. The Franchisee Agreement, Attachment 1 and the Franchise Disclosure Document, Acknowledgment Statements are amended to state: “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.”

5. **AMENDMENT** No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**MARYLAND ADDENDUM TO THE NATURAL LIFE
MULTI-UNIT DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF MARYLAND**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, MD. CODE ANN., BUS. REG. Sections 14-201 to 14-233 (2004 Repl. Vol. and Supp. 2006), the parties to the attached Natural Life Multi-Unit Development Agreement (“Development Agreement”) agree as follows:

1. Notwithstanding the provisions of Section 2 of the Development Agreement, all development fees and initial payments by Developer shall be deferred until the first franchise under the Development Agreement opens.
 2. Section 14 of the Development Agreement, entitled “Jurisdiction and Venue” is hereby amended by adding the following language at the end of the Section: “provided, however, that Maryland franchisees are permitted to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.”
 3. 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.
 4. The Development Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether or not this forum selection requirement is legally enforceable.
 5. No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- ~~5-6.~~ Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of the Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties hereto have duly executed this Maryland Amendment to the Development Agreement on the same date as that on which the Development Agreement was executed.

Natural Life Franchise Corp. _____ **Developer:** _____

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

~~AMENDMENT~~

Natural Life Franchise Corp.

By: _____

Name: Gabriel Suarez

Title: Founder and PRESIDENT AND
FOUNDER

FRANCHISEE:

By: _____

Name:

Title:

MARYLAND ADDENDUM TO THE NATURAL LIFE
FRANCHISE AGREEMENT

REQUIRED BY THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, MD. CODE ANN., BUS. REG. Sections 14-201 to 14-233 (2004 Repl. Vol. and Supp. 2006), the parties to the attached Natural Life Franchise Agreement (“Franchise Agreement”) agree as follows:

1. ~~1.~~ ~~Notwithstanding the provisions of Section 3 of the Franchise Agreement, all~~ All ~~initial~~ fees and ~~initial~~ payments owed by ~~F~~franchisees shall be deferred until the ~~franchise~~franchisor ~~completes its pre-opening obligations~~ under the Franchise Agreement ~~opens~~.
2. ~~2.~~ Section 17 and 20.10 of the Franchise Agreement, entitled “Jurisdiction and Venue” is hereby amended by adding the following language at the end of the Section: “provided, however, that Maryland franchisees are permitted to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.”
3. ~~3.~~ The Franchise Agreement, Attachment 7 Acknowledgment Statements are amended to state: “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.”
4. ~~4.~~ The Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether or not this forum selection requirement is legally enforceable.
5. ~~5.~~ Section 11, Section 18, and Attachment 4 to the Franchise Agreement, shall be amended to state that the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. The appropriate sections of the Franchise Agreement are hereby amended accordingly.
6. ~~6.~~ Franchise Agreement, Article 20 are amended to state:

-“The integration clause/entire agreement to clarify that nothing in the Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document.”
7. ~~7.~~ The provision contained in the termination sections of the Franchise Agreement may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).
8. ~~8.~~ The appropriate sections of the Franchise Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

~~9.~~ 9. ~~_____~~ No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

~~9.10.~~ Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of the Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties hereto have duly executed this Maryland Amendment to the ~~Development~~Franchise Agreement on the same date as that on which the ~~Development~~Franchise Agreement was executed.

~~Natural Life Franchise Corp.~~ _____ ~~Franchisee:~~

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

~~NOTICE REQUIRED BY THE STATE OF~~
Natural Life Franchise Corp.

FRANCHISEE:

By: _____
Name: Gabriel Suarez
Title: Founder and PRESIDENT AND
FOUNDER

By: _____
Name: _____
Title: _____

MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any document relating to a Franchise:

- (a) A prohibition on the right of a Franchisee to join an association of Franchisees.
- (b) A requirement that a Franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a Franchisee of rights and protections provided in this act. This shall not preclude a Franchisee, after entering into a Franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a ~~Franchise agreement~~ franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the Franchisee to comply with any lawful provision of the Franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a Franchisor to refuse to renew a Franchise without fairly compensating the Franchisee by repurchase or other means for the fair market value at the time of expiration of the Franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the Franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the Franchised business are not subject to compensation. This subsection applies only if: (i) The term of the Franchise is less than 5 years and (ii) the Franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise; or the Franchisee does not receive at least 6 months advance notice of Franchisor's intent not to renew the Franchise.
- (e) A provision that permits the Franchisor to refuse to renew a Franchise on terms generally available to other Franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the Franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a Franchisor to refuse to permit a transfer of ownership of a Franchise, except for good cause. This subdivision does not prevent a Franchisor from exercising a right of first refusal to purchase the Franchise. Good cause shall include, but is not limited to:
 - (i) ~~(i)~~
 - (v) The failure of the proposed transferee to meet the Franchisor's then current reasonable qualifications or standards; ~~(ii)~~
 - (vi) The fact that the proposed transferee is a competitor of the Franchisor or subfranchisor; ~~(iii)~~
 - (vii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations; ~~and (iv)~~

(viii) The failure of the Ffranchisee or proposed transferee to pay any sums owing to the Ffranchisor or to cure any default in the Ffranchise agreement existing at the time of the proposed transfer.

~~(g)~~(h) A provision that requires the Ffranchisee to resell to the Ffranchisor items that are not uniquely identified with the Ffranchisor. This subdivision does not prohibit a provision that grants to a Ffranchisor a right of first refusal to purchase the assets of a Ffranchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the Ffranchisor the right to acquire the assets of a Ffranchise for the market or appraised value of such assets if the Ffranchisee has breached the lawful provisions of the Ffranchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

~~(h)~~(i) A provision which permits the Ffranchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the Ffranchisee unless provision has been made for providing the required contractual services.

~~The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.~~

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this ~~N~~nnotice should be directed to ~~the~~the:

State of Michigan
Department of Attorney General, ~~670 Law~~
CONSUMER PROTECTION DIVISION
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48913,
Telephone Number: (517) 373-7117.

ADDENDUM REQUIRED BY THE STATE OF

MINNESOTA

The following is added to Item 1: "In recognition of the Minnesota Statutes § 151.72 permits the sale of CBD products

~~derived from hemp for human consumption, and marketed for health and wellness, subject to labeling, testing, and other requirements. However, federal law still prohibits such sales.~~

~~Therefore,~~

~~potential franchisees should be aware that these conflicts of law may create risks and uncertainty that~~

~~could have detrimental effects on the franchise."~~

~~The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act~~Franchise Law, Minn. Stat. ~~Section 80, Chapter 80C, Sections 80C.01 et seq., through 80C.22,~~ and ~~of the Rules and Regulations promulgated under pursuant thereto by the Act (collectively Minnesota Commission of Securities, Minnesota Rule 2860.4400, et. seq., the "Disclosure Document, Franchise Act"). To the extent that the Agreement contains provisions that~~and Supplemental Agreements are ~~inconsistent with the following, such provisions are hereby amended as follows:~~

~~1. Item 6, Non-Sufficient Funds Fee, is amended to state:~~

~~Pursuant to Minn. Stat. § 604.113, the Non-Sufficient Funds Fee is \$30.00 per occurrence.~~

~~2. Item 17 is amended to state:~~

~~1. Minn. Stat. § Minnesota Rule 2860.4400(D) prohibits us from requiring you to assent to a general release.~~

~~2. We will comply with Minnesota Statute Section 80C.14, Subds. 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 for non-renewal of the Franchise Agreement or Supplemental Agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.~~

~~1.3. Minnesota Statute Section 80C.21 and Minnesota Rules § 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 this Franchise Disclosure Document or agreement(s) shall can abrogate or reduce (1) any of your rights as provided for in Minn. Stat. Chapter Minnesota Statutes, chapter 80C, or (2) your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. In addition, we will comply with the provisions of Minnesota Rule 2860.4400(J), which state that you cannot waive any rights, you cannot consent to our obtaining injunctive relief, we may seek injunctive relief, and a court will determine if a bond if required.~~

~~(a) In accordance with Minn. Stat. § 80C.14 subd. 3-5, except in certain specified cases, we We will give you 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement. Additionally, we will not unreasonably withhold our consent to a transfer of your Natural Life outlet.~~

~~(b) In accordance comply with Minnesota Rules 2860.4400(D), we cannot require you to assent to a general release.~~

~~(c) In accordance with Minnesota Rules 2860.4400(J), we cannot require you to consent to liquidated damages.~~

~~(d) Minn. Stat. § 80C.17 subd. 5 Statute Section 80C.12, Subd. 1(g), which requires that an action be commenced pursuant to the Franchise Act within three (3) years after the cause of action accrues.~~

~~(e) You cannot consent to us obtaining injunctive relief. We may seek injunctive relief. See Minnesota Rules 2860.4400(J), also, a court will determine if a bond is required.~~

~~(f) Items 5 and 7 of the FDD are amended to state:~~

~~There is a deferral of payment of initial franchise fees until the franchised business opens.~~

~~2.4. Minnesota considers it unfair to not we protect the franchisee's your right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). The franchiser will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee you from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.~~

**AMENDMENT TO THE
NATURAL LIFE FRANCHISE CORP.
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MINNESOTA**

In recognition of the requirements of the Minnesota Statutes Chapter 80C, the parties to the attached Natural Life Franchise Corp. Franchise Agreement (the "Franchise Agreement") agree as follows:

- ~~1. Minn. Stat. § 80C.21 and Minnesota Rules § 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 this Franchise Disclosure Document or agreement(s) shall abrogate or reduce (1) any of your rights as provided for in Minn. Stat. Chapter 80C or (2) your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.~~
- ~~2. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee's assent to a release other than as part of a voluntary settlement of disputes. To the extent of any inconsistencies with the Minnesota Rules requirement contained in Sections 5.2.5 or 16.3.6 of the Franchise Agreement, such inconsistent provisions are hereby deleted.~~
- ~~3. To the extent of any inconsistencies, Article 13 of the Franchise Agreement is hereby amended to state:

"Except in certain specified cases as set forth in Minn. Stat. § 80C.14 subd. 4, Franchisor will give Franchisee 180 days' notice for non-renewal of the Franchise Agreement."~~
5. To the extent of any inconsistencies, Section 3.4 of the Franchise Agreement is hereby ~~We~~ will comply with Minnesota Statute Section 80C.17, Subd. 5 regarding limitation of claims.
6. Item 5 and 7 of the Disclosure Document, as well as the initial fee provisions within the Franchise Agreement and Supplemental Agreements, are amended to include the following:

"All fees referenced are subject to deferral pursuant to order of the State of Minnesota. Accordingly, you will pay no fees to us until we have completed all of our material preopening responsibilities to you and you commence operating the franchised business."
- ~~3.7. Item 6 and the Franchise Agreement are~~ amended to state that the ~~non-sufficient funds fee, "Late Reporting Charge"~~Fee is Thirty Dollars (\$30.00) per occurrence.
- ~~4. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases) To the extent of any inconsistencies, Sections 12.2 through 12.3 of the Franchise Agreement are hereby amended to state:

"Except in certain specified cases as set forth in Minn. Stat. § 80C.14 subd. 3, Franchisor will give Franchisee 90 days notice of termination (with 60 days to cure)".~~
- ~~5. In accordance with Minnesota Rules 2860.4400(D), we cannot require you to assent to a general release.~~

~~6. In accordance with Minnesota Rules 2860.4400(J), we cannot require you to consent to liquidated damages.~~

~~7. Minn. Stat. § 80C.17 subd. 5 requires that an action be commenced pursuant to the Franchise Act within three (3) years after the cause of action accrues.~~

~~8. To the extent of any inconsistencies, Article 17, Dispute Resolution, of the Franchise Agreement is hereby amended to state:~~

~~“Franchisor cannot require Franchisee to: (i) conduct litigation outside Minnesota, (ii) waive a jury trial, or (iii) consent to liquidated damages, termination penalties or judgment notes. Nothing in this Franchise Agreement shall abrogate or reduce (1) any of Franchisee’s rights as provided for in Minn. Stat. Chapter 80C or (2) Franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Franchisee cannot consent to Franchisor obtaining injunctive relief. Franchisor may seek injunctive relief.”~~

~~9. To the extent of any inconsistencies, Section 3.1 (a) and 4.5 (d), Initial Franchise Fee and Conditions Precedent to Grand Opening, of the Franchise Agreement are hereby amended to state: There is a deferral of payment of initial franchise fees until the franchised business opens.~~

~~10. Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). The franchiser will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.~~

~~11. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Statutes Chapter 80C are met independently without reference to this Amendment.~~

~~The parties hereto have duly executed this Minnesota Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.~~

FRANCHISOR:

NATURAL LIFE FRANCHISE CORP.

By: _____

Gabriel Suarez, president

(Print Name, Title)

FRANCHISEE:

By: _____

_____,

(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

~~NEW YORK ADDENDUM TO NATURAL LIFE FRANCHISE CORP. FRANCHISE
DISCLOSURE DOCUMENT FOR PROSPECTIVE FRANCHISEES~~

NEW YORK

In recognition of the requirements of the ~~New York~~ General Business ~~Law~~Laws of the State of New York, Article 33, ~~Section §§~~680 through 695, ~~and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16 the Franchise~~ the Disclosure Document for Natural Life Franchise Corp. (“Natural Life”) for use in the State of New York ~~shall be~~, Franchise Agreement and Supplemental Agreements amended as follows:

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF 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 THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NY 1005. 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 WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added to the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor’s principal trademark:

- A. No such party has any 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 trade 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 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 any 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.

~~3. The following is added to the end of Item 4:~~

~~Neither the franchisor, its affiliate, its predecessor, officers or general partner during the 10 year period immediately before the date of the offering circular: (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 for 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.~~

3. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

~~4. Item 17b., under the heading entitled “Renewal or extension of the term”, shall be supplemented with the following:~~

~~All rights enjoyed by you and any causes of action arising in your favor from the provisions of the New York General Business Law Sections 680-695 and its regulations will remain in force.~~

4. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

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 provision that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

†

5. The following language replaces the “Summary” section of Item 17(d), titled “Termination by franchisee”:

You may terminate the Franchise Agreement upon any grounds available by law.

~~5. The following is added to the end of the “Summary” section of Item 17(j), titled “Assignment of contract by franchisor”:~~

~~However, no assignment shall 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.~~

6. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of Forum”, and Item 17(w), titled “Choice of Law”:

~~However,~~ The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

~~9. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16 are met independently without reference to this Addendum to the Disclosure Document.~~

**~~ADDENDUM TO THE NATURAL LIFE FRANCHISE CORP.
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF~~**

7. Franchise Questionnaires and Acknowledgements--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.
8. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA

In recognition of the requirements of the North Dakota Franchise Investment Law (the “North Dakota Franchise Law”), the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. Covenants not to compete are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Law. Item 17[®] of the Disclosure Document and certain provisions in the Franchise Agreement and Supplemental Agreements include certain covenants restricting competition to which you must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Law. The Disclosure Document, Franchise Agreement and Supplemental Agreements are amended accordingly to the extent required by law.
2. Provisions requiring arbitration or mediation to be held at a location that is remote from the site of the franchisee’s business are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, the parties must agree on the site where arbitration or mediation will be held.
3. Provisions requiring jurisdiction in a state other than North Dakota are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.
4. Provisions requiring that agreements be governed by the laws of a state other than North Dakota are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.
5. Provisions requiring your consent to liquidated or termination damages are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.
6. Provisions requiring you to sign a general release upon renewal of the franchise agreement have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
7. Provisions requiring you to pay all costs and expenses incurred by us in enforcing the franchise agreement have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, any such provision is modified to read that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney’s fees.
8. Provisions requiring you to consent to a waiver of trial by jury have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
9. Provisions requiring you to consent to a limitation of claims within one year have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, any such provision is modified to read that the statute of limitations under North Dakota Law will apply.
10. Provisions requiring you to consent to a waiver of exemplary and punitive damages have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Invest Law.

RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act, ~~the Franchise Disclosure Document of Natural Life Franchise Corp. for use in the State of~~ (the “Rhode Island Franchise Law”), the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. ~~Items 17v. and 17w. for each chart shall be supplemented with the following language:~~
1. ~~However,~~ We will not require that you ~~may sue Natural Life Franchise Corp. in prospectively assent to a waiver, condition, stipulation, or provision that purports to relieve any person from liability imposed by the Rhode Island~~ for Franchise Law. This provision does not apply to the settlement of disputes, claims arising, or civil lawsuits brought under the Rhode Island Franchise ~~Investment Act~~ Law.
2. ~~Item 17 shall be supplemented by the addition of the following language at the end of Item 17:~~
2. Section 19-28.1-14 of the Rhode Island Franchise ~~Investment Act~~ Law provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.” If a claim is enforceable under the Rhode Island Franchise Law, we will not restrict jurisdiction or venue to a forum outside the State of Rhode Island or require the application of the laws of another state.
3. ~~Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Addendum to the Disclosure Document.~~

**~~ADDENDUM TO THE NATURAL LIFE FRANCHISE CORP.
FRANCHISE DISCLOSURE DOCUMENT~~**

3. ~~REQUIRED BY THE COMMONWEALTH OF~~ We will not prohibit you from joining a trade association or association of franchisees. We will not retaliate against you for engaging in these activities.

4. Any provision in the Franchise Agreement that limits the time period in which you may assert a legal claim against us under the Rhode Island Franchise Law is amended to provide for a four (4) year statute of limitations for purposes of bringing a claim arising under the Rhode Island Franchise Law. Notwithstanding the foregoing, if a rescission offer has been approved by the Rhode Island director of business registration, then the statute of limitations is ninety (90) days after your receipt of the rescission offer.

VIRGINIA

VIRGINIA

In recognition of the ~~restrictions contained in Section 13.1-564~~requirements of the Virginia Retail Franchising Act, the ~~Franchise Disclosure Document of Natural Life Franchise Corp. for use in the Commonwealth of Virginia shall be,~~ Franchise Agreement and Supplemental Agreements are amended as follows:

1. ~~The~~Item 17 of the Disclosure Document is amended to add the following ~~statements are added to Item 17h:~~

~~Under~~Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the ~~franchise agreement~~Franchise Agreement or Supplemental Agreement does not constitute “reasonable cause~~,”~~” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee/area developer to surrender any right given to him under the applicable agreement.

2. If any provision of the Franchise Agreement or any Supplemental Agreement involves the use of undue influence by the franchisor to induce a franchisee/area developer to surrender any rights given to him under the applicable agreement, that provision may not be enforceable.
3. We will not require that you prospectively assent to a waiver, condition, stipulation, or provision that purports to relieve any person from liability imposed by the Virginia Retail Franchising Act. This provision does not prohibit you and us from entering into binding arbitration consistent with the Virginia Retail Franchising Act.
4. Any provision in the Franchise Agreement or Supplemental Agreement that limits the time period in which you may assert a legal claim against us under the Virginia Retail Franchising Act is amended to provide for a four (4) year statute of limitations for purposes of bringing a claim arising under the Virginia Retail Franchising Act.
- 2.5. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it shall be unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement or Supplemental Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

~~**Estimated Initial Investment.** The franchise will be required to make an estimated initial investment ranging from \$192,830.00 – \$308,700.00. This amount exceeds the franchisor’s stockholders’ equity as of December 31, 2022, which is \$ (456,284.)~~

~~The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.~~

~~**NATURAL LIFE FRANCHISE CORP.**~~
~~**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT, FRACHISE**~~
~~**AGREEMENT, AND MUTLI-UNIT DEVELOPMENT AGREEMENT**~~
~~**WASHINGTON STATE**~~

~~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.~~

WASHINGTON

In recognition of the requirements of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, ~~shall~~will prevail.
2. RCW 19.100.180 may supersede the Franchise Agreement and Supplemental Agreements 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 and Supplemental Agreements in your relationship with the franchisor including the areas of termination and renewal of your franchise.
3. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. 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 sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
- ~~2.4.~~ A release or waiver of rights executed by a franchisee ~~shall~~may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder 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, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
- ~~3.5.~~ Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

~~Article 14.1 (ii) of the Franchise Agreement is amended to state:~~

~~“as owner, officer, director, employee, agent, lender, broker, consultant, franchisee, or in any other similar capacity whatsoever be connected in any manner with the ownership, management, operation or control, or conduct of a Competitive Business within a 25-mile radius around the franchisee's former business and any other outlets of the franchise system. (this restriction, however, does not apply to a 5% or less beneficial interest in a publicly held corporation).”~~

~~Section 21 of the Mult Unit Development Agreement does not apply to Washington residents.~~

6. Item 12, the last sentencePursuant 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.

7. 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 ~~fourth paragraph of~~ franchisor. As a result, any such provisions contained in the ~~Franchise Disclosure Document and last sentence~~ franchise agreement or elsewhere are void and unenforceable in Washington.
8. The claims limitation provision in Section Error! Reference source not found. of the Franchise Agreement does not apply to Washington franchisees.

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of Section 4.26 the Wisconsin Statutes supersedes any provision of the Franchise Agreement ~~are replaced~~ and Supplement Agreements (if applicable) if such provision is in conflict with, ~~“In the event that you do not meet the Minimum Performance Levels in any year, we may, at our option, have the right to terminate~~ that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

(Signatures on following page)

APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states (“Addenda”) is checked as an “Applicable Addenda” below, then that Applicable Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement ~~upon thirty (30) days written notice.~~, Supplemental Agreements (if applicable) and any other specified agreement(s) entered into by us and the undersigned franchisee. To the extent any terms of an applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement, Supplemental Agreement (if applicable) and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement. We are responsible for checking the appropriate box or boxes.

~~Section 13.7 of the Franchise Agreement is amended to state that the franchisor’s purchase of the franchisee’s inventory and supplies shall be governed by RCW 19.100.180.~~

Natural Life Franchise

Brand Standards Manual

California

Michigan

South Dakota

Hawaii

Minnesota

Virginia

Illinois

New York

Washington

Indiana

North Dakota

Wisconsin

Maryland

Rhode Island

Dated: _____, 202

FRANCHISOR: _____

Natural Life Franchise Corp.

By: _____

Name: _____

Title: _____

FRANCHISEE:

[_____]

By: _____

Name: _____

Title: _____

Brand Standards Manual

Natural Life Franchise

EXHIBIT "H"-2

GENERAL RELEASE

[See Attached]

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims (this “Agreement”) is made as of _____, 202__ (the “Effective Date”) by _____, a(n) _____ (“you”) and each individual holding a direct or indirect ownership interest in you (collectively “Owner”) in favor of Natural Life Franchise Corp., a Florida corporation (“us,” and together with you and Owner, the “Parties”).

Background

- A. We signed a Franchise Agreement with you, dated _____, 202__ (the “Franchise Agreement”) pursuant to which we granted you the right to own and operate a Natural Life Store.
- B. You have notified us of your desire to transfer the Franchise Agreement and all rights related thereto, or an ownership interest in the franchisee entity, to a transferee, **[enter into a successor franchise agreement]** and we have consented to such transfer **[agreed to enter into a successor franchise agreement]**.
- C. As a condition to our consent to the transfer **[your ability to enter into a successor franchise agreement]**, you and Owner have agreed to execute this Agreement upon the terms and conditions stated below.
- D. In consideration of our consent to the transfer **[our entering into a successor franchise agreement]**, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, you and Owner hereby agree as set forth below.

Agreement

1. Release. Owner, you, and each of your officers, directors, shareholders, members, owners, employees, agents, representatives, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them (the “Franchisee Parties”), hereby release, acquit and forever discharge us, any and all of our past and present affiliates, parents, subsidiaries and related companies, divisions and partnerships, consultants, advisors and franchise sellers and its and their respective past and present officers, directors, shareholders, members, owners, employees, agents, representatives, affiliates, parents, divisions, successors and assigns, and the spouses of such individuals (collectively, the “Franchisor Parties”), from any and all claims, liabilities, damages, expenses, actions or causes of action which any of the Franchisee Parties may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, directly or indirectly arising out of or relating to the execution and performance (or lack thereof) of the Franchise Agreement or the offer, sale or acceptance of the franchise related thereto (including, but not limited to any disclosures and representations made in connection therewith). The foregoing release shall not be construed to apply with respect to any obligations contained within this Agreement.
2. California Law. You and Owner hereby express your intention to release all existing claims, whether known or unknown, against the Franchisor Parties. Accordingly, you and Owner hereby waive §1542 of the California Civil Code, which provides the following:

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

[Section 2 only applies for California franchisees; otherwise it is omitted]
3. Washington Franchise Law. The General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.

[Section 3 only applies for Washington franchisees; otherwise it is omitted]
4. Nondisparagement. Each of the Franchisee Parties expressly covenant and agree not to make any false representation of facts, or to defame, disparage, discredit or deprecate any of the Franchisor Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Franchisor

Parties, the business conducted by any of the Franchisor Parties or the reputation of any of the Franchisor Parties. For purposes of clarity, the obligations in this Section apply to all methods of communications, including the making of statements or representations through direct verbal or written communication as well as the making of statements or representations on the Internet, through social media sites or through any other verbal, digital or electronic method of communication. The obligations in this Section also prohibit the Franchisee Parties from indirectly violating this Section by influencing or encouraging third parties to engage in activities that would constitute a violation of this Section if conducted directly by a Franchisee Party.

5. Representations and Warranties. You and Owner each represent and warrant that: (a) [Insert franchisee entity name] is duly authorized to execute this Agreement and perform its obligations hereunder; (b) neither you nor Owner has assigned, transferred or conveyed, either voluntarily or by operation of law, any of their rights or claims against any of the Franchisor Parties or any of the rights, claims or obligations being terminated or released hereunder; (c) you and Owner have not and shall not (i) institute or cause to be instituted against any of the Franchisor Parties any legal proceeding of any kind, including the filing of any claim or complaint with any state or federal court or regulatory agency, alleging any violation of common law, statute, regulation or public policy premised upon any legal theory or claim whatsoever relating to the matters released in this Agreement or (ii) make any verbal, written or other communication that could reasonably be expected to damage or adversely impact any Franchisor Party's reputation or goodwill; and (d) the individuals identified as Owners on the signature pages hereto together hold 100% of the legal and beneficial ownership interests in [Insert franchisee entity name].

6. Miscellaneous.

(a) The Parties agree that each has read and fully understands this Agreement and that the opportunity has been afforded to each Party to discuss the terms and contents of said Agreement with legal counsel and/or that such a discussion with legal counsel has occurred.

(b) This Agreement shall be construed and governed by the laws of the State of Florida.

(c) In the event that it shall be necessary for any Party to institute legal action to enforce, or for the breach of, any of the terms and conditions or provisions of this Agreement, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

(d) All of the provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective current and future directors, officers, partners, attorneys, agents, employees, shareholders and the spouses of such individuals, successors, affiliates, and assigns.

(e) This Agreement contains the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes and is in lieu of all prior and contemporaneous agreements, understandings, inducements and conditions, expressed or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. This Agreement may not be modified except in a writing signed by each of the Parties.

(f) If one or more of the provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect or impair any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

(g) The Parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as any Party may reasonably require to consummate, evidence, or confirm the transactions contemplated hereby.

(h) This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute but one document.

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

FRANCHISEE:

[Redacted]

By: _____

Name: _____

Title: _____

FRANCHISE OWNERS:

Name: _____

Name: _____

Name: _____

EXHIBIT "I"TO DISCLOSURE DOCUMENTSTATE EFFECTIVE DATESState 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
California	PENDING
Hawaii	-PENDING
Illinois	November 27, 2023
Indiana	June 12, 2023
Maryland	PENDING
Michigan	
Minnesota	-July 24, 2023
New York	-December 4, 2023
North Dakota	
Rhode Island	August 31, 2023
South Dakota	
Virginia	PENDING
Washington	
Wisconsin	June 19, 2023

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 "J"

TO DISCLOSURE DOCUMENT

RECEIPTS

[See Attached]

RECEIPT

This ~~FRANCHISE~~ Disclosure Document summarizes certain provisions of the ~~FRANCHISE AGREEMENT~~ franchise agreement and other information in plain language. Read this ~~FRANCHISE~~ Disclosure Document and all ~~EXHIBITS~~ agreements carefully.

IF NATURAL LIFE FRANCHISE CORP. 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,~~ WITH THE FRANCHISOR OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE.

New York requires that we give you ~~TO RECEIVE~~ this ~~FRANCHISE~~ Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Natural Life Franchise Corp. 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and ~~TO YOUR~~ the appropriate state ~~AUTHORITY~~ agency listed ~~ON EXHIBIT A.~~ in EXHIBIT "A" to this Disclosure Document.

The ~~name and principal business address and telephone number of each~~ franchise seller ~~offering(s) involved with~~ the sale of this franchise is/ are:

Tony Bello; 1704 Capital Circle NE, Unit 103, Tallahassee, Florida 32308; (800) 851-6839

Gabriel Suarez; 1704 Capital Circle NE, Unit 103, Tallahassee, Florida 32308; (407) 430-3968

Lauren Wanamaker; 9112 E. Verde Grove View, Ste. 101-E, Scottsdale, Arizona 85255; (303) 921-1155

Issuance Date: April 22, 2024

Natural Life Franchise Corp.'s agent to receive service of process is listed in EXHIBIT "A" to this Disclosure Document (for franchise registration states) or EXHIBIT "B" to this Disclosure Document (for all other states).

I received a Franchise Disclosure Document that included the following Exhibits:

EXHIBIT "A" List of State Administrators and Agents for Service of Process
EXHIBIT "B" Agent for Service of Process
EXHIBIT "C" Franchise Agreement
EXHIBIT "D" Area Development Agreement
EXHIBIT "E" Table of Contents of the confidential Brand Standards Manual
EXHIBIT "F" List of Franchisees
EXHIBIT "G" Financial Statements of Natural Life Franchise Corp.
EXHIBIT "H" Other Agreements
EXHIBIT "H"-1 State Addenda
EXHIBIT "H"-2 General Release
EXHIBIT "I" State Effective Dates
EXHIBIT "J" Receipts

Tony Bello

Gabriel Suarez

Lauren Wanamaker

~~1704 Capital Circle NE, Unit 103 Tallahassee, Florida 32308 800-851-6839~~ ~~1704 Capital Circle NE, Unit 103 Tallahassee, Florida 32308 407-430-3968~~ ~~9112 E. Verde Grove View Ste 101-E Scottsdale, Arizona 85255 (303) 921-1155~~

Print Name

Date

(Signature) Prospective Franchise Owner

~~Issuance Date: February 28, 2023 as amended May 30, 2023~~

~~I received a~~ (This Receipt should be executed in duplicate. One Receipt must be signed and remains in the Franchise Disclosure Document dated _____, that included the following Exhibits:

- ~~A. _____ Table of State Administrators/Agents for Service of Process~~
- ~~B. _____ Deposit Receipt~~
- ~~C. _____ Franchise Agreement~~
- ~~D. _____ Multi-Unit Development Agreement~~

FINANCIAL STATEMENTS

- ~~E. _____ Outlets As Of~~ as the prospective franchise owner's copy. ~~The Date of This Disclosure Document~~
- ~~F. _____ Table of Contents of Confidential Manual~~
- ~~G. _____ Franchisee Disclosure Questionnaire~~
- ~~H. _____ State Specific Addenda~~

Date Received: _____ DATE: _____
(If other than date signed)

(Signature of recipient)

(Printed name of recipient)

Legal residence address

~~Please return~~ Receipt must be signed receipt and returned to: Natural Life Franchise Corp.,)

~~1704 Capital Circle NE, Unit 103, Tallahassee, Florida 32308~~

RECEIPT

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EXHIBIT "J" Receipts

Tony Bello	Gabriel Suarez	Lauren Wanamaker
1704 Capital Circle	1704 Capital Circle	9112 E. Verde Grove View
NE, Unit 103	NE, Unit 103	Ste 101 E
Tallahassee,	Tallahassee, Florida	Scottsdale, Arizona 85255
Florida 32308	32308	(303) 921-1155
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Print Name

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(Printed name of recipient)

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KEEP FOR YOUR RECORDS (This Receipt should be executed in duplicate. One Receipt must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner's copy. The other Receipt must be signed and returned to Natural Life Franchise Corp.)