

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Missouri. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Missouri than in your own state.
2. **Unregistered Trademark.** We do not have a federal registration for our principal trademark. Therefore, our trademark does not have as many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.
3. **Turnover Rate.** During the last year, 43 out of 207 franchised outlets were terminated, transferred, reacquired by franchisor or ceased operations for other reasons. The franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.
4. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
5. **Inventory control.** You must make inventory and supply purchases of at least \$5,000 each month, even if you do not need that much. Your inability to make these purchases or to maintain inventory levels at all times may result in termination of your franchise and loss of your investment.

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.

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

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

The Franchisor, Its Predecessors, and Affiliates

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

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

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

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

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

Sanders, ~~or a person or an entity in which Sanders, or an entity owned by Sanders owns an~~ has a direct, indirect, whole or partial ownership interest, which owns an interest including in us, or which is owned by an entity that owns an interest in us (each will each be referred to as “Our Affiliate” and collectively, including Sanders, as “Our Affiliates”)-also. Our Affiliates own ~~many~~ other businesses that produce, manufacture, sell, or distribute hemp or hemp-analogous-related products at retail or wholesale through online or brick and mortar stores, ~~but none of including those described in this Item 1. None of Our Affiliates~~ have ever offered franchises. Currently you are required to must obtain products or services only



from Our Affiliates, CBDAS, SB, and TCIW ~~but~~. However, we may require you may be required to obtain products or services from ~~other~~any of Our Affiliates in the future.

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

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

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

CBD American Shaman Franchises

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

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

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

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

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

ITEM 2. BUSINESS EXPERIENCE

Stephen Vincent Sanders—President

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

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

Tara Latil—Director of Franchise Operations

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



Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Training period payroll and travel and living expenses ⁸	\$2,000	\$4,000	Variable	During training	Trainees, airlines, hotels, restaurants, car rental agencies, and other providers.
Governmental permits and licenses	\$500	\$1,500	Lump sum	Upon application	City, County and/or State governmental entities and agencies
Utility deposits	\$100	\$300	Lump sum	When account opened	Utility companies
Insurance premiums (three months)	\$600	\$1,800	Lump sum	As required by carrier	Carrier
Additional funds—3 months ⁹	\$15,600	\$31,800	As incurred	As incurred	Us or Our Affiliates and various third-party vendors
Total¹⁰Total	\$88,100	\$184,400			

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

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

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



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

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

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

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

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

Your Shaman Store Location and Lease

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

EXHIBIT F
FRANCHISE AGREEMENT



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

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

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

US

American Shaman Franchise System, LLC
a Nevada limited liability company

By _____
Name: _____
Title: _____
Date: _____

By _____
Name: _____
Title: _____
Date: _____



EXHIBIT A
FRANCHISE LOCATION

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

FRANCHISOR

American Shaman Franchise System, LLC
a Nevada limited liability company

By _____ Name: _____ Title: _____ Date: _____	By _____ Name: _____ Title: _____ Date: _____
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EXHIBIT B
MEMORANDUM OF OPENING DATE

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

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

FRANCHISOR

American Shaman Franchise System, LLC
a Nevada limited liability company

By _____

Name: _____

Title: _____

Date: _____

By _____

Name: _____

Title: _____

Date: _____



EXHIBIT C

ADDENDUM

TO LEASE DATED _____ (“Lease”)

BY _____ (“Landlord”)

~~EXHIBIT~~

_____ (“Landlord”)

_____ (“Tenant”)

_____ (“Tenant”)

FOR BENEFIT OF

AMERICAN SHAMAN FRANCHISE SYSTEM, LLC (“Franchisor”)

FACT

~~DO NOT FILL~~

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

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

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

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

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

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

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



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

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

LANDLORD

TENANT

~~**EXHIBIT**~~

By _____
Name: _____
Title: _____
Date: _____

By _____
Name: _____
Title: _____
Date: _____

FRANCHISOR

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

~~**DO NOT**~~

By _____
Name: _____
Title: _____
Date: _____

~~**SIGN**~~



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EXHIBIT C

SCHEDULE 1: PREMISES

~~EXHIBIT DO NOT FILL~~



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

~~EXHIBIT DO NOT FILL~~

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

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

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

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

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

1. UNCONDITIONAL ASSUMPTION AND CONTINUING PERSONAL GUARANTY.

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



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

IN WITNESS WHEREOF, Owner has executed this Agreement.

Dated: _____

EXHIBIT
SIGNATURE

Print Name
DO NOT

Street Address

City and State
FILL

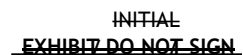
Home Telephone Number

Mobile Telephone Number

Email Address

~~EXHIBIT DO NOT FILL~~

10. Agree to execute and deliver any other documents necessary or desirable to carry out the intent of the Franchise Agreement, the Owner's Agreement, or this Consent.



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

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

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

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

_____.

~~EXHIBIT~~

Signature

~~DO NOT SIGN~~

Print Name



FRANCHISE TERMINATION AND COVENANT SURVIVAL AGREEMENT AND RELEASE

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

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

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

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

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

1. TERMINATION OR EXPIRATION OF FRANCHISE AGREEMENT.

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

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



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[2024 FDD v1F]

INITIAL v3F]

EXHIBIT DO NOT SIGN

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

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

ASFS

FRANCHISEE

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

By _____
Name: _____
Title: _____

EXHIBIT DO

OWNER

By _____
Name: _____
Title: _____

Signature _____

Name: _____

NOT SIGN

FRANCHISEE INFORMATION

1. Approved location: _____

2. Address for notices (if different from above) _____

3. Franchisee's ownership and management: Franchisee _____
(a) an individual who is not married and is not a domestic partner
(b) a sole proprietorship
(c) domestic partners
(d) a corporation State of incorporation: _____
(e) a limited liability company State of formation: _____
(f) a general partnership State of formation: _____
(g) a limited partnership State of formation: _____

Identity of general partner: _____
Name: _____
4. The following persons are the owners, officers, directors, managers of Franchisee and their spouse _____

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

5. Initial Operating Partner is: _____

FRANCHISEE

By _____
Name and Title: _____



MINNESOTA ADDENDUM

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

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

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

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

Minnesota law provides franchisees with certain termination and non-renewal rights. It requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise not be unreasonably withheld (Minn. Stat. Sec. 80C.14, Subd. 3, 4, and 5).

Minnesota considers it unfair to not protect your right to use the Shaman Marks (Minn. Stat. 80C.12, Subd. 1(g)). We will indemnify you for any damages for which you are held liable due to your authorized use of the Shaman Name or any of the Shaman Marks, if you have used the Shaman Name and Shaman Marks properly, in accordance with your Franchise Agreement, and notified us immediately of your knowledge of a claim against you. We have the right to control any administrative proceedings or litigation involving the Shaman Name and/or any of the Shaman Marks and you must cooperate fully in those actions.

Minnesota Rule 2860.4400D (the "MN Rule") provides that it is unfair or inequitable to require a franchisee to assent to a release, assignment, novation, or waiver that would relieve any person from liability under Minnesota Statutes 1973 Supplement, Sections 80C.01 to 80C.22. To the extent of a conflict between any provision of the Franchise Agreement and the MN Rule, the MN Rule shall prevail.



We cannot require you to consent to us obtaining injunctive relief, but we may seek injunctive relief through the court system. A court will determine if a bond is required (Minn. Rule 2860.4400J).

Minnesota Rule 2860.4400(K) prohibits a franchisor from requiring a security deposit except for the purpose of securing against damage to property, equipment, inventory, or leaseholds.

No action may be commenced pursuant to Minnesota Statute 80C.1 more than three years after the cause of action accrues.

Minnesota Statute Section 604.113 sets a cap of \$30 on fees to be paid to us if any check, draft, electronic or otherwise, is returned for insufficient funds.



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.

Fee Deferral: Items 5 and 7 of the FDD and the Franchise Agreement are amended to state: Payment of the Initial Franchise Fee shall be deferred until Franchisor has satisfied its pre-opening obligations to Franchisee and Franchisee has commenced doing business.



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

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

1. RENEWAL AND TERMINATION. Sections 2.2 and 25.1 of the Franchise Agreement are amended by adding as the last sentence:

However, with respect to franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subdivisions 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Franchise Agreement.

2. RELEASES. Minnesota Rule 2860.4400D (the “MN Rule”) provides that it is unfair or inequitable to require a franchisee to assent to a release, assignment, novation, or waiver that would relieve any person from liability under Minnesota Statutes 1973 Supplement, Sections 80C.01 to 80C.22. To the extent of a conflict between the MN Rule and any provision of the Franchise Agreement, the MN Rule shall prevail.

3. SHAMAN MARKS. Section 1.4F of the Franchise Agreement is amended by adding as the last sentence:

Provided you have complied with all provisions of this Franchise Agreement applicable to the Shaman Marks, we will protect your right to use the Shaman Marks and will indemnify you from any loss, costs, or expenses arising out of any claim, suit, or demand regarding your use of the Shaman Marks in accordance with Minnesota Statute 80C.12, Subdivision 1(G).

4. LIQUIDATED DAMAGES. Section 26.2 of the Franchise Agreement is amended by adding as the last sentence:

We and you acknowledge that certain parts of this Section might not be enforceable under Minnesota Rule 2860.4400J. However, we and you agree to enforce the provision to the maximum extent the law allows.

5. GOVERNING LAW; CONSENT TO JURISDICTION; JURY TRIAL. Article 30 and Section 26.2 of the Franchise Agreement are amended by adding as the last sentence:

Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages,



termination penalties, or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota Statute 80C or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

6. INJUNCTIVE RELIEF. Section 30.9 of the Franchise Agreement is amended by adding as the last sentence:

Minnesota law provides that we cannot require you to consent to us obtaining injunctive relief, but we may seek injunctive relief through the court system (Minn. Rule 2860.4400J). A court will determine if a bond is required.

7. LIMITATION OF CLAIMS. Section 30.4 of the Franchise Agreement is amended by adding as the last sentence:

Minnesota law provides that no action may be commenced pursuant to Minnesota Statute 80C.1 more than three years after the cause of action accrues.

8. 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.

9. FEE DEFERRAL: Items 5 and 7 of the FDD and the Franchise Agreement are amended to state: Payment of the Initial Franchise Fee shall be deferred until Franchisor has satisfied its pre-opening obligations to Franchisee and Franchisee has commenced doing business.

US

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

By _____
Name: _____
Title: _____
Date: _____

YOU

By _____
Name: _____
Title: _____
Date: _____



State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
Indiana	pending June 25, 2024
Minnesota	pending
Wisconsin	pending June 24, 2024

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.

