

Addendum to the Indus Distribution Agreement

This addendum ("**Addendum**") is effective on January 15, 2019 ("**Addendum Effective Date**"), by and between Cypress Manufacturing Company, a California corporation doing business as Indus Distribution ("**Indus**") and Hollister Holistics 1 and Hollister Holistics 2, both being California Corporations ("**Supplier**"). Indus and Supplier are referred to herein individually as a "Party" and collectively as the "Parties." This Addendum is considered part of the Distribution Agreement (the "Agreement") between the parties and dated August 21, 2018.

Both parties wish to enter into an exclusive distribution agreement whereby Indus is appointed as the sales representative and distributor of Supplier's products throughout the State of California.

In consideration of the mutual promises herein contained, the Parties agree as follows:

1. **Exclusivity.** Supplier agrees that it will not distribute, or permit the distribution of, any Products bearing the Trademarks within the State of California, except pursuant to this paragraph, during the Term of this Agreement. The parties agree that the exclusivity metrics for the initial 6 month period of the Term will be Products selling in a minimum of 200 licensed retail stores and minimum monthly Net Sales Proceeds of \$300,000, with the understanding that if the mutually agreed to metrics are met, then exclusivity will continue for the term of the Agreement.

2. **Base Margin.** Base Margin provided to Indus is 20% through April, 15, 2019, and after such date the following tiered volume margin will take effect:

- a) For monthly Net Sales Proceeds from \$0 to \$100,000 Base Margin is 22%
- b) For monthly Net Sales Proceeds from \$100,001 to \$250,000 Base Margin is 21%
- c) For monthly Net Sales Proceeds above \$250,000 Base Margin is 20%.

For the period April 16, 2019 through April 30, 2019, the Net Sales Proceeds tiers will be half of the indicated ranges above:

- a) Period Net Sales Proceeds from \$0 to \$50,000 Base Margin is 22%
- b) Period Net Sales Proceeds from \$50,001 to \$125,000 Base Margin is 21%
- c) Period Net Sales Proceeds above \$125,000 Base Margin is 20%.

3. **House Brand.** Supplier agrees to discontinue the House brand and will not develop new products with the brand. Indus agrees to work with Supplier to sell through existing House brand inventory.

4. **Term.** Section 6a of the Agreement is replaced in its entirety by the following:

a) **Term.** Unless earlier terminated in accordance with this Agreement, the term of this Agreement is for two years after the Effective Date (together with any renewal term, if applicable, the "**Term**"). This Agreement automatically will renew for one successive one-year period unless this Agreement is earlier terminated or if either party provides prior written notice of non-renewal at least 90 days before the expiration of the then-current Term. In the event that either party desires to terminate this agreement, without cause, prior to the end of the Term, the terminating party will pay to the non-terminating party the sum of the most recent three months Net Sales Proceeds (the "**Break-up Fee**").

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Addendum Effective Date.

Cypress Manufacturing Company, dba Indus Distribution	Supplier
By: <u></u>	By: <u></u>
Name: <u>Steve Neil</u>	Name: <u>Carl Salin</u>
Title: <u>COO</u>	Title: <u>CEO</u>
Address for Notices:	Address for Notices:
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