FRANCHISE DISCLOSURE DOCUMENT

BEVARIS ALLIANCE FRANCHISE SYSTEM, LLC
a Delaware limited liability company
407 N. Maple Drive, Ground Floor, Suite #1
Beverly Hills, CA 90210
(800) 277-3599
www.bevarisallliance.com

Bevaris Alliance Franchise System, LLC offers franchises for the operation of a Bevaris branded business providing a highly efficient and nutritious food service delivery system to schools, institutions, and other businesses ("Branded Business") and the purchase and use of our proprietary products and services. We offer franchises using the trade name Bevaris Alliance.

The total investment necessary to begin operation of a Bevaris Alliance franchise is between $82,250 and $502,000. This includes a $25,000.00 initial franchise fee for a single franchise (school or institution) that must be paid to us.

This disclosure document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Bevaris Alliance Franchise System, LLC at 407 N. Maple Drive, Ground Floor, Suite #1, Beverly Hills, CA 90210, www.bevarisalliance.com and (800) 277-3599.

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

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

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

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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.
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 discretion. 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 B 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 Bevaris Alliance 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 Bevaris Alliance franchisee?	Item 20 or Exhibit D 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.

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 smaller 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 C.

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

Special Risks to Consider About *This* Franchise

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

1. **Spousal Liability**. The Franchisee's spouse may in some circumstances be required to sign a personal guarantee making the spouse jointly and severally liable for the obligations of the franchisee under the Franchise Agreement which also places the spouse's personal and marital assets at risk. You may want to consider this when making a decision to purchase this franchise opportunity.

2. **Short 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.

3. **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.

4. **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.

5. **Unregistered Trademark**. The primary trademark that you will use in your business is not federally registered. If the Franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the Franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.

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

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

To simplify the language, this disclosure document uses "we" or "us" or "our" or "Bevaris" to mean Bevaris Alliance Franchise System, LLC, the franchisor. "You" or "your" or "franchisee" means the individual, corporation, or other entity (including its individual owners) that buys the franchise. To fully understand your and our rights and obligations to each other, carefully review each agreement and document you sign as they will control if there is any dispute with us.

The Franchisor and Any Parents, Predecessors, and Affiliates

We established Bevaris Alliance Franchise System, LLC on March 15, 2021, in the State of Delaware as a limited liability company. Bevaris' registered office and principal business address is currently 407 N. Maple Drive, Ground Floor, Suite #1, Beverly Hills, California 90210. The business telephone number for Bevaris is (800) 277-3599. We do business under our corporate name and under the tradename and trademark registration "Bevaris Alliance™".

Bevaris does not operate other types of businesses. Bevaris may provide its products in varying capacities, including through additional franchising, licensing, or direct sales in the future.

Benice Shamoon owns 100% of the membership interests in Bevaris Alliance Franchise System, LLC.

We have no predecessors or parent companies. Our affiliate, Bevaris Alliance, Inc. (also owned by Benice Shamoon), was incorporated, a California corporation, in California on September 23, 2009.

Agent for Service of Process

Our registered agent for service of process is Benice Shamoon. Our principal business address is 407 N. Maple Drive, Ground Floor, Suite #1, Beverly Hills, California 90210.

Prior Experience

We have not offered franchises in any other line of business.

The Business We Offer

Bevaris' goal is to provide amazing, hot, home-cooked meals that meet dietary and nutritional needs and friendly customer service. Bevaris differentiates itself from its competitors by providing schools with made-fresh-daily gourmet meals. Their ala carte menu contains over 300 items that allows Bevaris to cater to all needs.

Bevaris works with both private and public schools, colleges, military installations, and other institutions. Private schools could include religious institutions owned and/or operated by a religious order, board of directors, or trustees not affiliated with a religious order. Public schools include charter schools controlled by state legislation or school district policies. Charter schools can be nonprofit or for-profit schools. Bevaris will also reserve the right to develop commissaries where meals can be prepared and delivered to schools without cafeterias.

Bevaris' preference is to work with schools with 600+ students.

Depending on the school, Bevaris and/or its franchisees may have several different opportunities to generate revenue. The onsite cafeteria offers breakfast, lunch and occasionally dinner. If there are dormitories on campus, some schools also have the opportunity for catering, concessions, and vending revenue.

The Market and Competition

Bevaris, and you should you become a Franchisee, competes with independent, franchised, national, and local brands. The market for these types of goods and services offered is well established and competitive. You will face other business risks that could have an adverse effect on your business, including pricing policies of competitors, changes to laws or regulations, changes in supply, cost of, and demand for products, new technologies, seasonality, and competition that provide related products or services.

Applicable Regulations

The Franchise Agreement requires that you comply with all local, state, and federal laws that apply to the Branded Business.

You must obtain all required real estate permits, licenses, and operational licenses. You must also comply with all menu and menu board labeling laws and rules requiring restaurant operators to disclose certain calorie or other nutritional information about the foods you sell, including, for example, the FDA's Nutrition Labeling of Standard Menu Items in Restaurants and Similar Food Establishments Rule.

California law requires each food facility that meets specified criteria (which covers franchised outlets with at least 19 other franchised outlets with the same name among certain other food facilities) to provide nutritional information that includes, per standard menu item, the total number of calories, grams of saturated fat, grams of trans fat, and milligrams of sodium and to have menu boards to include the total number of calories. In California, local county health departments inspect restaurants and other retail food facilities to ensure compliance with safe food handling practices and adequacy of kitchen facilities. Other states and cities may have laws similar to California.

The Nutrition Labeling and Education Act ("NLEA") sets regulations for food labeling, including nutritional label standards, nutrient content claims, and health claims. NLEA applies to virtually all foods in the food supply, including food served and sold in restaurants. While NLEA specifies a number of exemptions for restaurants, there are many instances where a nutritional label is required.

This is not an exhaustive list, there are other local, state, and federal laws, rules, and/or regulations that apply to your operation of the Branded Business. Care should be taken to carefully review any additional laws, rules, and regulations that apply to the Branded Business.

ITEM 2: BUSINESS EXPERIENCE

Benice Shamoon, CEO/Owner

Mr. Shamoon has been involved with Bevaris since 2008 and has been the CEO of Bevaris Alliance Franchise System, LLC, a Beverly Hills, California, Franchisor for the past five years.

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

No bankruptcy is required to be disclosed in this item.

ITEM 5: INITIAL FEES

You pay an initial fee for a single franchise of $25,000.00. If you acquire a second franchise you will receive a 50% discount off the initial franchise fee (second franchise initial fee of $12,500.00). If you acquire a third or more subsequent franchise(s), each of your initial fees for those additional franchises will receive a 50% discount (third or subsequent franchise(s) initial fee of $12,500.00). The fee may be refundable, in our sole discretion, and is charged when the Franchise Agreement is signed. All franchisees must pay this uniform fee.

ITEM 6: OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee (see Note 1)	10.0% of Gross Sales Receipts.	Payable as of the opening date and every Tuesday of each week thereafter.	(see Note 2)
System Marketing Fund Fee	2.0% of Gross Sales Receipts	Payable as of the opening date and every Tuesday of each week thereafter.	(see Note 2)
Interest and Late Charges	10% of Gross Sales Receipts payable to Bevaris per month for each late payment plus $100 for each late weekly sales report.	Upon invoice.	1.5% per month but not to be in excess of maximum rate allowed by law.
Initial training program	No fee for up to 3 attendees, $500 per day for each additional attendee.	Upon invoice	(see Note 3)
Additional Training Fee	No fee.	Upon invoice.	(see Note 7)
Nonsufficient funds fee	$100 per check or insufficient EFT.	Upon invoice.	
Insurance	Varies	Upon invoice.	(see Note 4)
Manual replacement	No fee.	Not Applicable.	Manuals are sent electronically or in a Zip File.
Management Fee	10% of gross sales plus costs and expenses.	Upon invoice.	If we manage your Branded Business in certain events.
Transfer fee	Then-current initial franchise fee. Transfer fee to an existing franchisee will be 50 percent of the then current franchise fee. 50 percent of the fee to be paid upon franchisee's notification of transfer and remaining balance paid when franchise agreement is signed.	Before completion of transfer.	For a transfer of a minority interest to a new owner, you must reimburse us for any legal fees we incur in reviewing the transfer.
Relocation fee	No fee.	Upon signing amendment to franchise agreement.	
Renewal fee	10% of the then-current franchise fee.	Upon signing successor franchise agreement.	

Type of Fee	Amount	Due Date	Remarks
Mystery shopper fee	$150 per month.	As incurred	(see Note 5)
Third Party Quality Assurance Audit Fee	Up to $500 per quarter.	Upon invoice.	
Technology Fee	Will vary under circumstances	As incurred.	Fee for any software licenses used in the ordinary course of business.
Franchise Portal Fee	Up to $250 per month.	As incurred.	Fee for Franchise Portal. (see Note 6)
Convention Fee	Travel fees and out of pocket expenses but no attendance fee (suggested cost up to $500 per day).	As incurred.	
Indemnity	Will vary under circumstances.	As incurred.	You have to reimburse us if we are held liable for claims arising from your Branded Business's operations.
Noncompliance Fee	A $100.00 fee per occurrence.	As incurred	Fee for noncompliance with the Franchise Agreement clause 7.
Product or supplier evaluation fee	No fee.	Upon completion of evaluation.	Due if the product or supplier is not approved.
Costs and Attorneys' Fees	Will vary under circumstances.	As incurred by you.	Payable to your attorney for any legal work done to assist you.

Notes:

1. All fees are imposed by and paid to us. All fees are non-refundable.

2. "Gross Sales Receipts" is the total gross sales revenues accrued or collected from the operations of Franchisee's Branded Business (as defined in the Franchise Agreement), whether for cash, check, credit card, pre-paid cards, pre order and paid meals through a designated software or on credit terms, from all sales of food, beverages, and other items and services (**Food and Beverages**) offered and sold by the Branded Business. The following shall be deducted from (or, as appropriate within its context, not included in) Gross Sales Receipts: (a) Any amounts, whether in cash, credit, or otherwise refunded to customers; (b) All amounts received in connection with the settlement of claims for damaged or unsalable Food and Beverages; (c) All amounts which are deemed to represent uncollectible accounts, bad debts or costs of collection; (d) The cost of meals provided to the employees of Franchisee at cost, if any, and the cost of charitable, promotional, and other complimentary meals given in the ordinary course of business and as is customary for similar operations.

3. We will not charge for initial training, beyond the franchise fee. Up to three people are allowed to attend training (you, partner, spouse or assistant manager) at no additional cost, provided they attend the same training session. Additional attendees or new trainees must pay $500 per day. You are responsible for travel expenses, salaries, etc.

4. You must reimburse us for premium and other out-of-pocket costs incurred in connection with us procuring insurance on your behalf plus an administrative fee of 10% of the premium, if we choose to procure such insurance.

5. We reserve the right to utilize the services of a mystery shopper firm to monitor service quality, your compliance and other quality control issues. You will be required to pay the cost of the shops that are undertaken at your location(s) if you receive a rating other than good or excellent.

6. Should the Franchise Portal Fee be set in an amount to exceed $250 per month, Franchisor shall notify Franchisee of such change in writing.

7. If additional training is requested by you or required by us, we may charge a reasonable hourly or daily fee and reimbursement for travel, lodging, and meals for such additional training.

ITEM 7: ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount Est. Low Range	Amount Est. High Range	Method of Payment	When Due	To Whom Payment Is To Be Made
Franchise Fee for a single franchise (Note 1)	$25,000	$25,000	Lump sum	On signing franchise agreement	Us
Rebate (3 months)	$1,500	$12,000	Installment	Monthly	Client
POS/Back Office System	$500	$5,000	Lump sum	As incurred	Approved vendors
Initial Inventory (see Note 2) & Office Supplies	$8,000	$150,000	Lump sum	As incurred	Approved vendors
Licenses & Permits	$1,000	$5,000	Lump sum	Issuance	Others
Professional Fees	$1,000	$50,000	Lump sum	Invoice	Your advisors
Insurance (quarterly)	$250	$50,000	Lump sum	Invoice	Your insurance company
Training Expenses (see Note 3)	$5,000	$20,000	Lump sum	Prior to training	Third parties
Additional Funds/ Working Capital (see Note 4)	$30,000	$100,000	As incurred	As incurred	Third parties
Kitchen Equipment	$5,000	$75,000	As incurred	As incurred	Third parties
Start-up expenses (see Note 5)	$5,000	$10,000	As incurred	As incurred	Third parties
Total (see Note 6)	$82,250	$502,000			

Notes:

1. Fees are imposed by and paid to us. Except for the Franchise Fee, all fees are non-refundable.

2. Initial inventory consists of various food products, beverages, paper products, cleaning supplies and other supplies utilized in operating the Branded Business, as well as other merchandise or products sold in the Branded Business. The initial inventory expenditure will vary according to anticipated sales volume.

3. You are responsible for making arrangements and paying the expenses for any person attending any training program and for on-site training at your Branded Business before opening, including transportation and lodging. The amount you spend will depend, in part, on the distance you must travel, the type of accommodation you choose, and the number of employees trained.

4. This amount of working capital is projected as sufficient to cover initial operating expenses for a period of six months, as further explained in this note. These figures are estimates, and we cannot guarantee you will not have additional expenses starting the business. Additional working capital may be required if

sales are low or operating costs are high. Your cost will depend on factors such as: how closely you follow our recommended methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for our products; the prevailing wage rate; competition; and the sales level reached during the initial period. You should not plan to draw income from the Branded Business operations during the start-up and development stage of your business, the actual duration of which will vary materially from Branded Business to Branded Business and we cannot predict this period for your Branded Business.

5. This estimates your start-up expenses. These figures are estimates and we cannot guarantee that you will not have to make additional miscellaneous expenditures to properly start-up your franchise. Your costs will depend on factors such as: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our product; the prevailing wage rate; competition; and the sales level reached during the initial period.

6. These are estimates of your pre-opening initial investment and the expenses you will incur in the first three months of Branded Business operations. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. You are cautioned to allow for inflation, discretionary expenditures, fluctuating interest rates and other cost of financing, and local market conditions, which can be highly variable and can result in substantial, rapid and unpredictable increases in costs. You must bear any deviation or escalation in cost from the estimates in this Item 7 or estimates that we give during any phase of the development process.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

You must purchase Bevaris Alliance products from us or from an approved and/or designated supplier. We have established standards or specifications set forth in the Manual for suppliers which demonstrate the ability to meet our standards and specifications. We will use our best efforts, within 30 days after our receipt of your completed request, to notify you of our approval or disapproval of the proposed supplier. You must maintain uniforms, signage, equipment, and the Bevaris Alliance location in accordance with the specifications and guidelines that we provide at your expense. From time to time, we may require you to modernize the Bevaris Alliance location in accordance with our updated specifications and guidelines at your expense.

Approval of Alternative Suppliers or Methods

You may not use, offer for sale, sell, advertise, ship, or distribute any product bearing our Marks until we approve in writing a sample provided by you. You must not deviate from any sample approved by us. You must purchase Bevaris Alliance products from us or from an approved supplier.

Your Bevaris Alliance Manual (or "Manual") provides further detail on the specific products and suppliers referenced in this Item. The Bevaris Alliance criteria for supplier approval are included in the Manual.

We estimate 85% - 95% of a franchisee's total purchases will be from us or our designated suppliers. We do not provide any material benefits to you based upon your purchase of particular products or use of particular suppliers. We derived no revenues during our fiscal year ending December 31, 2025, as a result of franchisee required purchases. No officer of Bevaris Alliance owns an interest in any supplier at this time.

We may require you to obtain our approval of specific promotional and advertising materials from designated suppliers or sources for as long as you operate your Bevaris Alliance. We will provide you with our Bevaris Alliance Manual and bulletins, notes, or amendments, which will contain the specifications, standards, and restrictions for your operation of your Bevaris Alliance.

As we determine consumer preferences and trends in the marketplace, or develop new marketing techniques, technologies, products, services and materials, we anticipate that we will formulate and modify our standards and specifications as we consider appropriate and useful and notify you through amendments to the Bevaris

Alliance Manual via company newsletters and/or bulletins or updated Manual(s). We do not allow you to contract with alternative suppliers.

Cooperatives

We do not have any purchasing or distribution cooperatives but reserve this right to create them in the future.

ITEM 9: FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	**Section in Franchise Agreement**	**Item in Disclosure Document**
a. Site Selection and acquisition	Not Applicable.	Item 11
b. Pre-opening purchases/leases	Clause 7.4	Item 8
c. Site development and other pre-opening requirements	Clauses 7, 9.3, and 14	Items 7, 8 and 11
d. Initial and ongoing training	Clauses 5, 6, and 9	Items 6, 7, and11
e. Opening	Clause 7	Items 6, 7, and 11
f. Fees	Clause 4	Items 5 and 6
g. Compliance with standards and policies/ Manual	Clause 7	Item 11
h. Trademarks and Proprietary Information	Clauses 7, 15, and 20	Items 13 and 14
i. Restrictions on products/services offered	Clauses 7.4 and 7.5	Items 8 and 16
j. Warranty and customer service requirements	Clause 7.5	Item 11
l. On-going product/service purchases	Clause 7.4	Not Applicable.
m. Maintenance, appearance and remodeling requirements	Clause 14	Items 6 and 11
n. Insurance	Clauses 4.13 and 13	Items 6, 7, and 8
o. Advertising	Clauses 7.3, 7.11, and 15.5	Items 6 and 11
p. Indemnification	Clauses 7.12 and 21	Item 6
q. Owner's participation/ management/staffing	Clauses 7, 8, and 9.2	Items 11 and 15
r. Records and Reports	Clauses 4.8, 7.6, 7.8, and 11	Item 6
s. Inspections and Audits	Clauses 4.7, and 4.8, 7.6, 7.8, and 9.3	Items 6 and 11
t. Transfer	Clauses 16 and 23	Items 6 and 17
u. Renewal	Clause 3	Items 6 and 17
v. Post-termination obligations	Clauses 7, 19, and 27.3	Item 17
w. Non-competition covenants	Clause 20	Item 17
x. Dispute resolution	Clauses 24, 27.14, and 27.15	Item 17
y. Other – website and internet presence	Clause 7.11	Not Applicable.

Note: The stated obligations and corresponding provisions and sections of the Franchise Agreement discussed in the table above are meant to assist you in reviewing this disclosure document, the Franchise Agreement, and other agreements you may enter into with Bevaris, but by no means are they a limitation to any right, responsibility or other item provided for in the Franchise Agreement and are intended for your reference only. Also, while Bevaris will use its best efforts to establish franchisees in a uniform manner regarding obligations under the Franchise Agreement, the terms of your version of the Franchise Agreement may vary from other franchisees depending on when you are established, your specific territory, and various other factors.

ITEM 10: FINANCING

We do not offer direct or indirect financing. We will not guarantee your note, lease or any other financial obligation.

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

Except as listed below, Bevaris is not required to provide you with any assistance.

1. We have a number of obligations to you as set forth in the Franchise Agreement. The more specific obligations regarding assisting you in opening your franchise location, on-going support, training, the Bevaris Alliance Manual, and advertising are discussed in the paragraphs below.

2. We will assist you in setting up your Branded Business, which must comply with the specifics set forth in the Bevaris Alliance Manual. We will provide assistance to help you set up Branded Business in all of the following areas:
   - Operational Guidelines (See Sections 7 through 14 of the Franchise Agreement and the Bevaris Alliance Manual)
   - Set up and supply of initial inventory (See the Bevaris Alliance Manual)

3. We will maintain the following activities prior to or concurrent with the commencement of your operations:
   - Identify and approve location of the Branded Business. Bevaris will identify and secure your franchise location (a school location) in its sole discretion. You will then operate your Branded Business at the franchise location (a school location) at no cost.
   - Give you access to one copy of the Manual. Access will be provided by a computer link.
   - Provide written specifications/names for approved supplies in the Manual.
   - Specify the particular peripheral equipment and software to be used.
   - Provide an initial training program prior to commencing operations for you and up to two other individuals (but in any event you and at least one other key management personnel must attend, potentially a co-owner, spouse or assistant manager). All franchisees are required to attend training and at least two of your key management personnel may be in attendance at the training.
   - Determine when you have met the requirements to open your Branded Business.

4. We estimate that there may be an interval of approximately 24 weeks (more or less) between the signing of the Franchise Agreement and the opening of your Branded Business, which may vary based upon such factors as the location and condition of the location you select for your Branded Business, the timing of your initial training, the market you are located in, the extent to which your location must be upgraded or remodeled, the delivery date scheduled for your equipment, supplies and inventory, local laws, rules and regulations and various other factors. We will assist you in material aspects of opening your Branded Business to ensure you are prepared to begin conducting business including ensuring compliance with all aspects of the Manual and ensuring you have all of the necessary equipment, supplies and product inventory to begin your business.

5. We will provide you with the Bevaris Alliance Manual. This document is confidential and you must treat it as such. We will also provide you with training on a customized basis at your expense.

6. We will provide the following services during your operation of the franchise:
   - You will be provided free of charge training at the designated training site and a minimum of two days of onsite training regarding operation and management, marketing, sales, strategies, product handling, etc. and to verify that you will follow the prescribed standards of operation. A Bevaris representative will be present for on-site training on the first day food service at a school begins and the immediately following day.

- We may periodically visit your business and observe operations for the purpose of advising you with respect to customers, products, vendors, services equipment, inventory, and operational and sales issues related to the Branded Business.
- We may provide you and your staff (when applicable) supplemental training, programs, and an annual conference or convention at a location designated by us. We may require your attendance for up to six days annually for additional training as determined necessary by us.
- We will be available by telephone or e-mail to assist you in your day-to-day operations during normal business hours.
- Upon your request or our decision and our discretion, we will send a representative to your business to provide additional assistance and guidance for a fee.
- We will research new products, services, and training methods.
- We will review and approve or disapprove any product, service, equipment, and/or vendor or supplier you wish to have approved for use in the operation of the Branded Business.
- We will review and approve all advertising and promotional materials.
- We will provide you with updated lists of approved suppliers and vendors, equipment, and products and other purchasing specifications for your Branded Business.
- We will provide you suggested prices for products and services.

Advertising

All advertising and promotion by you (including any design, advertisement, sign, or form of publicity) must be in the media and of a type and format as we may approve, including television, print media, radio, and local promotional events, must be conducted in a dignified manner, and must conform to the standards and requirements as we may specify to you. You must not use any advertising or promotional plans or materials unless and until you have received written approval from us. You must submit to us for our prior approval samples of all advertising and promotional plans and materials for any print, broadcast, cable, electronic, computer or other media (including the Internet) that you wish to use and that we have not prepared or previously approved. You must not use these plans or materials until they have been approved in writing by us. If you do not receive written notice of disapproval from us within thirty (30) days of the date of our receipt of these samples or materials, we will be deemed to have disapproved them.

System Marketing Fund

We will direct all advertising, marketing, and promotional programs and have sole discretion over all aspects of those programs, including the concepts, materials, and media used and the placement and allocation of them. The System Marketing Fund, all contributions to it, and any of its earnings, are used exclusively to meet any and all costs of maintaining, administering, directing, conducting, and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which we believe will enhance the image of each Branded Business. We will make available to you once a year an annual accounting of the System Marking Fund's expenditures upon written request.

Cooperatives

Bevaris does not require or participate in any cooperatives.

Computer Systems

Bevaris does not require you to purchase a computer system. You must use any payment vendors and accept all payment methods that we determine.

Initial Training Program

You and at least one other key management personnel of the Branded Business approved by us must successfully complete our initial training program prior to the opening of your Branded Business. Training must be completed to our satisfaction. We do not have a set schedule for the training classes and we hold initial training classes as needed to train new franchisees.

The initial training program currently is provided to each franchisee. The instructional materials used in the initial training program consist of our Manuals and other operational materials used in the Branded Business. We do not charge tuition or impose a fee for training-related materials in connection with our initial training program, but you are responsible for all training-related expenses incurred by all persons who attend training including costs of travel, lodging, meals, and wages.

Our initial training program may change due to updates in materials, methods, manuals, and personnel, or other reasons, without advance notice to you. The subjects and time periods allocated to the subjects actually taught to a particular franchisee and its personnel may vary based on the experience of those persons being trained.

The following table is a summary of the subjects covered in our initial training program and an estimate of the number of hours of classroom and on the job training allocated to the initial training program.

TRAINING PROGRAM

Subject	**Hours of Classroom Training**	**Hours of On-The Job Training**	**Location**
Orientation	2	0	Corporate office (currently in Beverly Hills, California) or online
Guest Relations	3	3	Corporate office (currently in Beverly Hills, California), school location of franchisee, or online
Product Orientation	3	3	Corporate office (currently in Beverly Hills, California), school location of franchisee, or online
Safety/Procedure Sanitation	2	2	Corporate office (currently in Beverly Hills, California), school location of franchisee, or online
Back Operations	3	3	Corporate office (currently in Beverly Hills, California), school location of franchisee, or online
Front Operations	3	3	Corporate office (currently in Beverly Hills, California), school location of franchisee, or online
Supervision/Administration	2	2	Corporate office (currently in Beverly Hills, California), school location of franchisee, or online
Advertising/Marketing/Media	4	0	Corporate office (currently in Beverly Hills, California) or online

E Learning Courses	4	0	Online.
Onsite Training	0	24	School location of franchisee
TOTAL HOURS	26	40	66

Training is conducted by members of our corporate and operations team under the supervision of our Director of Operations, Domenico Pilato. Mr. Pilato has been with Bevaris since 2018. Other members of our training team include Chef Jim Connolly, CEO of Chef Consulting, who has 45 years of experience in the hospitality industry; Tim Hughes, CEO of Accountingx, who has 25 years of experience in the finance industry; Dylan Stewart, Senior Staff Accountant at My Accountant, who has 5 years of experience in the finance industry; and Geoff Palomino, Media & Technology Consultant at Nautilus Web Media, who has 5 years of experience in the technology industry.

Ongoing Training

From time to time, we may require that you, your managers and other employees attend system-wide refresher or additional training courses. Some of these courses may be optional, while others may be required. Additional training or assistance, including refresher training courses are provided at no cost to you, however, you are responsible for all travel and expenses for your attendees.

ITEM 12: TERRITORY

You may operate your Branded Business only at a location approved by us. You may not conduct your Branded Business from any other location, without Bevaris' prior written approval. You may not relocate the accepted location without our prior written approval. You do not have the right to acquire additional franchises, although you may apply for the right to operate additional Branded Businesses pursuant to separate franchise agreements. We do not grant you any options or rights of first refusal.

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. Bevaris may establish other franchised or company owned outlets in the area that you operate your Branded Business all of which may compete with your Branded Business.

Upon receipt of Bevaris' written approval, you have the right to use other channels of distribution, such as the Internet, telemarketing or other direct marketing, or delivery service to make sales inside or outside your territory. Bevaris will approve or disapprove any such requests made by you within thirty (30) days of receipt of each request. Bevaris will not pay you any additional compensation for soliciting or accepting orders within your territory.

ITEM 13: TRADEMARKS

Bevaris grants you the right to operate under the name Bevaris Alliance. You may also use our other current or future trademarks to operate your Branded Business. Bevaris Alliance registered the following trademarks on the United State Patent and Trademark Office principal register:

Mark/Name/AN/RN	Status/Key Dates	Full Goods/Services
BEVARIS ALLIANCE RN: 6551816 SN: 90386707	Registered, November 9, 2021 Int'l Class: 35,43 First Use: 2008 Filed: December 16, 2020 Registered: November 9, 2021 Register Type: Principal Register	Int'l Class: 35, 43 (Int'l Class: 35) Food services business operations and management for others (Int'l Class: 43) Catering; contract food services

Mark/Name/AN/RN	Status/Key Dates	Full Goods/Services
Design Only RN: 6551817 SN: 90386714	Registered, November 9, 2021 Int'l Class: 35,43 First Use: 2013 Filed: December 16, 2020 Registered: November 9, 2021 Register Type: Principal Register	Int'l Class: 35, 43 (Int'l Class: 35) Food services business operations and management for others (Int'l Class: 43) Catering; contract food services

You must follow our rules when you use these marks. You cannot use a name or mark as part of a corporate name or with modifying words, designs or symbols except for those which Bevaris licenses to you. You may not use Bevaris' name or the trademarks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by Bevaris.

No agreements are currently in effect that significantly limit the rights of the franchisor to use or license the use of such proprietary marks that are material to the franchise.

There are no affidavits yet due for these trademarks, which were registered in 2021. The first maintenance documents are due in 2027.

You must notify Bevaris immediately when you learn about an infringement of or challenge to your use of our trademarks. Bevaris will take the action we think appropriate. While Bevaris is not required to defend you against a claim against your use of our trademarks, Bevaris will reimburse you for your liability and reasonable costs in connection with defending Bevaris' trademarks. To receive reimbursement, you must have notified Bevaris immediately when you learned about the infringement or challenge.

You must modify or discontinue the use of a trademark if we modify or discontinue it. If this happens, we will reimburse you for your tangible costs of compliance (for example, changing signs). You must not directly or indirectly contest our right to our trademarks, trade secrets, or business techniques that are part of our business.

There are no effective determinations of the Patent Office, the trademark administration of California or any court and any pending material litigation involving proprietary marks that are material to the franchise.

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no U.S. Patents issued to Bevaris and you will not purchase products or use equipment utilizing U.S. Patents issued to Bevaris. Your right to use or license copyrighted materials (such as the Manual) are not materially limited by any agreement or known infringing use. You must tell us immediately if you learn about an infringement or challenge to your use of our copyrighted materials. Bevaris will take the action that we think appropriate. You must also agree not to contest our interest in copyrighted materials or our other trade secrets. If we decide to add, modify or discontinue the use of an item or process covered by a patent or copyright, you must also do so. Our sole obligation is to reimburse you for the tangible cost of complying with this obligation. Although we are not obligated to defend your use of these items or processes, Bevaris will reimburse you for damages and reasonable costs incurred in litigation about them. All documentation provided to you by us, including our Manual, advertising and promotional materials, and any other materials shall be afforded all applicable protections under the United States Copyright Act of 1976, as amended.

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

Your owner or managing owner (if multiple owners and approved by us) will be required to attend and complete the initial training course. You will also be required to manage the business on a full-time day-to-day basis for at least the first two years of operations. After two years you may request that we approve the appointment of a designated manager (that has successfully completed the initial training program) that would operate the business on a full-time day-to-day basis. You still maintain the ultimate responsibility for overall management of your Bevaris business.

If you are granted the option to appoint a designated manager, you must appoint a designated manager that has successfully completed the initial training program provided by us.

In the event a designated manager is terminated or leaves your employment, you must step in and manage the day-to-day operation of the business until a replacement designated manager is hired, successfully completes the initial training program, and is otherwise approved by us.

The designated manager cannot have an interest or business relationship with any of our business competitors. The designated manager must sign a written agreement to maintain confidentiality of the trade secrets described in Item 14 and to conform with the covenants not to compete described in Item 17.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require that you offer and sell only those products and services that we have approved. The Manual will specifically set forth the products and services you must provide and we may add, delete and change, at any time, the products and services set forth in the Bevaris Alliance Manual. You may not offer any services or products not contained in the Manual in conjunction with your Branded Business without our prior written consent.

The addition of new products or services may require the replacement or addition of new equipment to accommodate the sale of new products or services. We may establish minimum and maximum prices at which you may sell products and provide services to the extent allowed by federal and state laws. You must obtain our permission to discount products. You cannot make any wholesale sales. You can sell to any approved customers of your Branded Business. You are not allowed to sell Branded Business products or services through other means such as internet sales, catalog sales, etc.

You must operate the Branded Business in strict conformity with all required methods, procedures, policies, standards, and specifications of our system, in the Manual, and in writing by us. You must participate in all gift card, loyalty, coupon, and discount programs as required by us. We reserve the right to change or to designate additional required or optional services. There are no limits on our right to do so.

ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 3.1	5 years unless terminated.
b. Renewal or extension of the term	Section 3.2; 3.3; 3.4; 3.5; 3.6	5 years unless terminated.

Provision	Section in Franchise Agreement	Summary
c. Requirements for franchisee to renew or extend	Section 3.2(a)-(d)	Renewal fee equal to 10% of the then current initial franchise fee, must be in compliance with Franchise Agreement. You give us 6 months advance notice; you agree to upgrade your Branded Business; you comply with then current training requirements; you execute a general release in our favor.
d. Termination by You	Section 3.5; 18.2	(1) Upon expiration of the then-current term.; (2) For a material breach by Bevaris, provided Bevaris was given notice of breach and failed to cure the same as set forth in the Franchise Agreement; or (3) any event of bankruptcy or dissolution of Franchisor's business occurs. You may not terminate for any other reason.
e. Termination by Bevaris without cause	Not Applicable.	We have no right to terminate without cause. We have the right to terminate in certain instances without the right to cure for those defaults, which by their nature cannot be cured.
f. Termination by Bevaris with cause	Section 18.1	We can terminate if you fail to comply with the Franchise Agreement or any mandatory specification, standard or operating procedure we prescribe.
g. "Cause" defined	Section 18.1	You will be provided prior written notice and an opportunity to cure certain defaults within the time frame as set forth in the Franchise Agreement.
i. Your obligations on termination/non-renewal	Sections 7 19; 27.3	Upon termination or non-renewal you will have numerous obligations to us, including to pay all amounts owed; cease all use of Marks; remove all signs; return to us or destroy all materials containing any Marks; cancel assumed or fictitious name registrations; transfer all telephone numbers and Internet addresses to us; cease use of all copyrighted works; if We do not purchase the franchise, you make such modifications as necessary to avoid confusion; furnish us evidence of compliance with the above; cease use of Confidential Information; return our Bevaris Alliance Manual.
j. Assignment of contract by Bevaris	Section 23	No restriction on our right to assign. However, no assignment will be made except to an assignee who, in our good faith and judgment, is willing and able to assume our obligations under the Franchise Agreement.
k. Transfers	Section 16	Includes transfer of any interest in the Franchise Agreement, the Franchisee entity, the franchise or some or all of the assets or ownership interest in the same, all of which must be approved by us.
l. Bevaris approval of transfer by franchisee	Section 16.11	We have the right to approve all transfers, which shall be subject to the provisions of the Franchise Agreement.
m. Conditions for Bevaris approval of transfer	Section 16.11	Transferee approved by us, transfer fee paid, transferee not competitor, your account is current, you sign a release, transferee signs all documents, lender consents, and subordination agreements.
n. Bevaris' right of first refusal to acquire franchisee's business	Section 16.3	Bevaris can match any offer for the purchase of Your franchise at Bevaris' option.
o. Bevaris' option to purchase Your business	Section 16.7	Upon transfer, fair market value (but no value for goodwill), legal compliance, no assumption of your liabilities.

Provision	Section in Franchise Agreement	Summary
p. Death or disability of franchisee	Section 17	Franchise may be assigned by estate to approve transferee in three months.
q. Non-competition covenants during the term of the franchise	Section 20.1	You are prohibited from operating or having an interest in a similar business.
r. Non-competition covenants after the franchise is terminated or expires	Section 20.1	You are prohibited for 24 months from expiration or termination of the franchise from having a connection with a competing business.
s. Modification of the agreement	Not Applicable.	No modifications generally, but the Bevaris Alliance Manual is subject to change. Renewal or extension may subject franchisee to additional restrictions.
t. Integration/merger clause	Section 27.4	Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 24	If the parties have a dispute, the parties shall agree on the appointment of an expert, who shall issue a written decision and give notice of the decision to the parties within 90 days of the matter being referred to the expert. The expert's decision shall be final and binding on the parties.
v. Choice of forum	Section 27.15	In California.
w. Choice of law	Section 27.14	California law applies.

Your franchise agreement may contain a limitation on damages you may receive and the time period for commencing a lawsuit against us.

The stated obligations and corresponding provisions and sections of the Franchise Agreement discussed in the table above are meant to assist you in reviewing this Disclosure Document, the Franchise Agreement and other Agreements you may enter into with Bevaris, but by no means are they a limitation to any right, responsibility or other item provided for in the Franchise Agreement.

ITEM 18: PUBLIC FIGURES

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

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. 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 Branded Business, however, we may provide you with the actual records of that Branded Business. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Benice Shamoon, 407 N. Maple Drive, Ground Floor, Suite #1, Beverly Hills, California 90210, (800) 277-3599, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Please see the below tables for information regarding the Franchise's outlets and Franchisee information.

TABLE NO. 1

SYSTEMWIDE FACILITY SUMMARY FOR YEARS 2023 TO 2025[1]

Outlet Type	Year	Facilities at the Start of the year	Facilities at the End of the Year	Net Change
Franchised	2023	5	4	1
	2024	4	5	1
	2025	5	5	0
Company-Owned[2]	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Outlets	**2023**	**5**	**4**	**1**
	2024	**4**	**5**	**1**
	2025	**5**	**5**	**0**

[1] The above figures are as of December 31st of each year.

[2] Our company owned operation is Bevaris Alliance, Inc. in Los Angeles, California which is owned and operated by Benice Shamoon.

TABLE NO. 2

TRANSFER OF FACILITIES FROM FRANCHISEES TO NEW OWNERS (OTHER THAN FRANCHISOR OR AN AFFILIATE) FOR YEARS 2023 TO 2025[1]

State	Year	Number of Transfers
All States	2023	0
	2024	0
	2025	0
Totals	**2023**	**0**
	2024	**0**
	2025	**0**

[1] The numbers in this table are as of December 31st of each year.

TABLE NO. 3

STATUS OF FRANCHISED FACILITIES FOR YEARS 2023 TO 2025[1]

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

State	Year	Facilities at Start of Year	Facilities Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Facilities at End of Year
California	2023	5	0	0	0	0	1	4
	2024	4	1	0	0	0	0	5
	2025	5	0	0	0	0	0	5
Totals	**2023**	**5**	**0**	**0**	**0**	**0**	**1**	**4**
	2024	**4**	**1**	**0**	**0**	**0**	**0**	**5**
	2025	**5**	**0**	**0**	**0**	**0**	**0**	**5**

[1] The figures above are as of December 31st of each year.

TABLE NO. 4

STATUS OF COMPANY-OWNED FACILITIES[1] FOR YEARS 2023 to 2025[2]

State	Year	Facilities at Start of Year	Facilities Opened	Facilities Reacquired from Franchisee	Facilities Closed	Facilities Sold to Franchisee	Facilities at End of Year
California	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Totals	**2023**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**

[1] Our company-owned facility is Bevaris Alliance, Inc. in Los Angeles, California, which is owned and operated by Benice Shamoon.

[2] The above figures are as of December 31st of each year.

TABLE NO. 5

PROJECTED OPENINGS AS OF MARCH 31, 2026

State	Franchise Agreements Signed But Facility Not Opened	Projected New Facilities in the Next Fiscal Year	Projected New Company-Owned Facilities in the Next Fiscal Year
California	0	0	0
Other	0	0	0
Totals	**0**	**0**	**0**

Exhibit D is a list of names, addresses and telephone numbers of our franchisees as of December 31, 2025. During fiscal year ending December 31, 2025, there were no franchisees who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year, or who had 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.

In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experience with us. 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. We are not aware of any trademark-specific franchisee organizations associated with our franchise system.

ITEM 21: FINANCIAL STATEMENTS

Attached as Exhibit B are our audited financial statements as of December 31, 2023, 2024 and 2025. Our fiscal year end is December 31st.

ITEM 22: CONTRACTS

Attached as Exhibit A is a copy of our current form Franchise Agreement.

ITEM 23: RECEIPT

The last page of this Disclosure Document consists of a detachable document acknowledging receipt of this Disclosure Document by you.

EXHIBIT A
FRANCHISE AGREEMENT

[See Attached]

DATED

[ENTER DATE]

FRANCHISE AGREEMENT

between

BEVARIS ALLIANCE FRANCHISE SYSTEM, LLC

and

[ENTER FRANCHISEE NAME]

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SCHEDULE

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This agreement is dated [DATE]

Parties

(1) Bevaris Alliance Franchise System, LLC, a limited liability company organized under the laws of Delaware, having its principal office located at 407 N. Maple Drive, Ground Floor, Suite #1, Beverly Hills, CA 90210 (**Franchisor**)

(2) [FULL FRANCHISEE COMPANY NAME] incorporated and registered in [STATE OF INCORPORATION or ORGANIZATION] whose registered office is at [REGISTERED OFFICE ADDRESS] (**Franchisee**)

(3) [NAME] of [ADDRESS] (**Individual**)

BACKGROUND

(A) The Franchisor, as a result of extensive research and practical business experience, has developed the Branded Business, which is carried on under the Trade Name.

(B) The Franchisor has built up a substantial reputation and goodwill in the Trade Name, which is associated with high standards of service.

(C) The Franchisor is the exclusive owner of all rights in the Trademarks.

(D) The Franchisor has developed specialized Products and Services to be used in the Branded Business. The Franchisor's current range of Products and Services is listed in the Manual.

(E) The Franchisor is the owner of Intellectual Property rights in the System.

(F) The Franchisor has applied to register or has registered the Trademarks which are associated with the Products and/or Services.

(G) The Franchisee wishes to acquire from the Franchisor the right and franchise to operate the Branded Business in accordance with the terms of this agreement.

Agreed terms

1. Interpretation

1.1 **Definitions and Interpretation.** The definitions and rules of interpretation in this clause apply in this agreement.

Additional Training Fees: If additional training is requested by Franchisee or required by Franchisor the Franchisor may charge a reasonable hourly or daily fee and reimbursement for travel, lodging, and meals for such additional training.

Asset Purchase Notice: means the notice referred to in clause 16.7.

Branded Business: the business of a highly efficient and nutritious food service delivery system to schools, institutions, and other businesses which supports academic success and healthy eating patterns, carried on using the System.

Business Day: a day other than a Saturday, Sunday or public holiday in California when banks in Los Angeles, California are open for business.

Business Hours: the period from 5:00 a.m. to 5:00 p.m. Pacific Time on any Business Day.

Commencement Date: [DATE].

Confidential Information: any information which is disclosed by one party to the other pursuant to, or in connection with, this agreement (whether orally or in writing and whether or not such information is expressly stated to be confidential), or which otherwise comes into the hands of one of the parties in relation to the Branded Business, the Franchisee's Business, the System, the Services or the Products, a Customer, a Food Service Agreement, point of sale information, or parent and student information, other than information which is already in the public domain (otherwise than as a result of a breach of any obligation of confidentiality).

Control: the beneficial ownership of more than 50% of the issued share capital of a company or the legal power to direct or cause the direction of the general management of the company, and **controls**, **controlled** and the expression **change of control** shall be construed accordingly.

Customer: any school, institution or other business which contracts with Franchisor as part of the System including for delivery of Products and Services by a Franchisee and the individual students, patrons and customers of such school, institutions or other business contracting with Franchisor as part of the System.

Day: a period of 24 consecutive hours starting at 12:01 a.m. Pacific Time.

Equipment: See the Manual.

Expert: has the meaning given in clause 24.

Food Service Agreements: means those agreements titled “Food Service Agreements” and other written or verbal agreements between Franchisor and schools, institutions and other businesses associated with the System.

Franchise Software: To include QuickBooks, Global Payment Services (GPSpay), and Bill.com as well as additional software referenced in the Manual or developed by or required by Franchisor.

Franchise Portal Fee: The fee established from time to time by Franchisor to cover the cost of the Franchise’s portal operating system. Should the Franchise Portal Fee be set in an amount to exceed $250 per month, Franchisor shall notify Franchisee of such change in writing.

Franchisee's Business: the Branded Business as carried on by the Franchisee under this agreement.

Gross Sales Receipts: The total gross sales revenues accrued or collected from the operations of Franchisee's Branded Business, whether for cash, check, credit card, pre-paid cards, pre order and paid meals through designated software or on credit terms, from all sales of food, beverages, and other items and services (**Food and Beverages**) offered and sold pursuant to the Franchisee's Branded Business. The following shall be deducted from (or, as appropriate within its context, not included in) Gross Sales Receipts: (a) Any amounts, whether in cash, credit, or otherwise refunded customers; (b) All amounts received in connection with the settlement of claims for damaged or unsalable Food and Beverages; (c) All amounts which are deemed to represent uncollectible accounts, bad debts or costs of collection; (d) The cost of meals provided to the employees of Franchisee at cost, if any; and (e) the cost of charitable, promotional, and other complimentary meals given in the ordinary course of business and as is customary for similar operations.

Group: in relation to a company, that company, the holding company which ultimately controls that company at the date of this agreement, and any company at the date of this agreement which is under the control of that ultimate holding company.

Initial Fee: the sum of $25,000.00 for a single franchise**.** If Franchisee acquires a second franchise they will receive a 50% discount off the initial franchise fee (second franchise initial fee of $12,500.00). If Franchisee acquire a third or more subsequent franchise(s), each of their initial fees for those additional franchises will receive a 50% discount (third or subsequent franchise(s) initial fee of $12,500.00). The fee may be refundable, in our sole discretion, and is charged when the Franchise Agreement is signed. All fees in this definition will be payable in accordance with clause 4.

Initial Term: the term referred to in clause 3.1.

Insurance Fee: The fee established from time to time by Franchisor to reimburse Franchisor for premium and other out-of-pocket costs plus an administrative fee in the event Franchisor procures insurance on behalf of Franchisee.

Intellectual Property: patents, rights to inventions, copyright and related rights, rights in software, trademarks, business names and domain names, trade secrets, and Confidential Information, and know-how, and all other intellectual property rights, and goodwill associated with intellectual property rights in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world relating to the Products, Services, Branded Business and the System, owned by the Franchisor or acquired by the Franchisor from time to time.

Management Fee: In the event Franchisor manages Franchisee's Business, Franchisee shall pay a Management Fee equal to 10% of gross sales plus Franchisor's costs and expenses incurred in undertaking management of Franchisee's Business.

Mandatory Polices:[1] the Franchisor's mandatory policies and procedures as amended by notification to the Franchisee from time to time.

Manual: the manual setting out the operations and procedures for running the Branded Business compiled by the Franchisor, as updated from time to time by the Franchisor.

Mystery Shopper Program: Franchisor may establish a Mystery Shopper Program to assist in monitoring quality of Products and Services provided by the Franchisee's Business and performance and development of the System.

Mystery Shopper Program Fee: the fee established from time to time by Franchisor for implementation and administration of the Mystery Shopper Program.

Noncompliance Fee: a $100.00 fee to be assessed to Franchisee per occurrence for failing to comply with clause 7.

Nonsufficient Funds Fee: a $100 fee to be assessed to Franchisee per occurrence for checks failing to clear by reason of NSF checks or insufficient EFT funds.

Premises: the Customer's physical location under a Food Service Agreement.

Products: the products described in the Manual, as the same may, from time to time, be amended by Franchisor and such other products as shall, from time to time, be notified in writing by the Franchisor to the Franchisee – all as approved by Franchisor.

Renewal Fee: should Franchisee desire to renew this agreement pursuant to clause 3.2, Franchisee shall pay a Renewal Fee equal to 10% of the then current Initial Fee.

Renewed Term: any term of this agreement following a renewal under the provisions of clause 3.2.

Reserved Activities: includes (i) Delivery of Products and Services by Franchisor in the same geographic area in which the Franchisee operates the Franchisee's Business, (ii) direct sales of Products and Services by Franchisor to customers of Franchisee's Business, (iii) the right to market similar Products and Services under a different trademark within close proximity to any Franchisee's Business location, and (iv) the right to acquire similar competing businesses.

Restricted Business: any business of the Franchisor that is similar to the Franchisee's Business.

Restricted Customer: any firm, company or person who, during the 12 months prior to the date of termination of this agreement, was a Customer of or in the habit of dealing with the Franchisee.

Royalty Fees: 10% of the Gross Sales Receipts payable by the Franchisee to the Franchisor in accordance with clause 3.

[1] This could contain Operator Agreement provisions or just refer to Manual.

Services: the specialized services developed by the Franchisor to be used in, or supplied by, the Franchisee's Business as further described in the Manual including as provided under a Food Service Agreement - all as approved by the Franchisor.

System: the distinctive business format and method developed and implemented by the Franchisor in connection with the Branded Business using the Intellectual Property, Confidential Information, Food Service Agreements, operational procedures, plans, directions, specifications, methods, management, marketing and advertising techniques part of which are contained in the Manual.

System Marketing Fund: the fund used for development and expansion of the System including regional and national development of the System, advertising, and marketing efforts.

System Marketing Fund Fees: 2% of the Gross Sales Receipts payable by the Franchisee to the Franchisor in accordance with clause 4.4.

Technology Fee: Fees established from time to time by Franchisor for various technology related services such as help desk fees, support of the Global Payment Services (GPSpay) system, other technology services or systems of Franchisor, licensing or user-based fees for a franchise portal or benchmarking platform, password protected franchisee portal, and website and social media platform development. Technology Fees may be specified in the Manual.

Term: the Initial Term of this agreement and any Renewed Term under clause 3.

Trademarks: the trademarks and service marks set out in Schedule 1 and any other trademarks registered by the Franchisor in relation to the Branded Business from time to time during the Term.

Transfer Fee. 50% of the then current initial franchise fee.

Trade Name: the name Bevaris Alliance, under which the Branded Business is carried on.

Third-Party Quality Assurance Audit Program: Franchisor may establish a systemwide Third-Party Quality Assurance Audit Program including audits of all Franchisee Businesses.

Third-Party Quality Assurance Audit Program Fee: the fee established from time to time by Franchisor for implementation and administration of the Third-Party Quality Assurance Audit Program.

Transfer Notice : the notice referred to in clause 16.2.

week: any period of seven consecutive days.

year: any period of 12 consecutive months.

1.2 Clause, schedule and paragraph headings shall not affect the interpretation of this agreement.

1.3 A **person** includes a natural person, partnership, company, or corporate or unincorporated body whether or not having separate legal personality.

1.4 The Schedules form part of this agreement and shall have effect as if set out in full in the body of this agreement. Any reference to this agreement includes the Schedules.

1.5 A reference to a **company** shall include any company, corporation, or other body corporate, wherever and however incorporated or established.

1.6 Words in the singular shall include the plural and vice versa.

1.7 A reference to one gender shall include a reference to the other genders.

1.8 This agreement shall be binding on, and be for the benefit of, the parties to this agreement and their respective personal representatives, successors, and permitted assigns. A reference to any party shall include that party's personal representatives, successors and permitted assigns.

1.9 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time; provided that, as between the parties, no such amendment, extension or re-enactment shall apply for the purposes of this agreement to the extent that it would impose any new or extended obligation, liability or restriction on, or otherwise adversely affect the rights of, any party.

1.10 A reference to a statute or statutory provision shall include any subordinate legislation made from time to time under that statute or statutory provision.

1.11 A reference to **writing** or **written** includes fax and email.

1.12 References to a document in **agreed form** are to that document in the form agreed by the parties and initialed by or on behalf of them for identification.

1.13 A reference to "this agreement" or to any other agreement or a document referred to in this agreement is a reference to this agreement or such other document or agreement as varied or novated (in each case, other than in breach of the provisions of this agreement) from time to time.

1.14 References to clauses and Schedules are to the clauses and Schedules of this agreement; references to paragraphs are to paragraphs of the relevant Schedule.

1.15 Where any statement is qualified by the expression **so far as [PARTY] is aware** or **to [PARTY]'s knowledge** (or any similar expression), that statement shall be deemed to include an additional statement that it has been made after due and careful enquiry.

1.16 Any phrase introduced by the terms **including, include, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

1.17 Any obligation in this agreement not to do something includes an obligation not to agree or allow that thing to be done.

2. Rights granted

2.1 **Non-Exclusive License to operate the Franchisee's Business.** In consideration of the payments agreed to be made in clause 4, the Franchisor grants the Franchisee a non-exclusive license to:

(a) operate the Franchisee's Business;

(b) use the Intellectual Property in respect of the Franchisee's Business; and

(c) use the benefit of the Franchisor's operational knowledge and experience, in accordance with the System, during the Term and in accordance with the provisions of this agreement, the Manual, and the Food Service Agreements.

2.2 **No Exclusivity.** The Franchisor may operate, make use of or license any person other than the Franchisee to operate the Branded Business under any of the Trademarks or the Trade Name in any area including the area in which the Franchisee operates the Franchisee's Business. The Franchisor without limiting the foregoing, may perform all Reserved Activities. The Franchisor may select any franchisee for performance of a Food Service Agreement. After a franchisee is selected for a particular Food Service Agreement, the Franchisor may replace the selected franchisee with another franchisee or itself provide the Products and Services directly under the Food Service Agreement.

3. Commencement Date and Term

3.1 **Initial Term.** The Initial Term of the agreement is 5 years from the Commencement Date subject to earlier termination in accordance with clause 18.

3.2 **Renewed Term.** The Franchisee may, by notice in writing to the Franchisor, given not less than 6 months before and not more than 8 months before the end of the Initial Term, request the term of this agreement to be renewed for a period of 5 years after the end of the Initial Term. The Franchisor shall, by notice in writing to the Franchisee, given not less than 4 months before the end of the Initial Term, accept a renewal of the term of this agreement, if:

(a) the Franchisee has paid or will pay on or before entering into the successor franchise agreement (in accordance with clause 4) a Renewal Fee of ten percent (10%) the Franchisor's then current Initial Fee;

(b) at the end of the Initial Term, there are no outstanding material breaches by the Franchisee or the Individual of this agreement, and there are no grounds on which the Franchisor has a right to terminate this agreement under clause 18;

(c) the Franchisee and Individual have at all times performed their obligations under this agreement, including but not limited to any training obligations under clause 9 of this agreement, to the reasonable satisfaction of the Franchisor and the Franchisee's Business meets the Franchisor's requirements as set out in the Franchisor's then current form of franchise agreement and Manual;

(d) The Franchisee has executed a general release in favor of Franchisor.

3.3 **Agreement for Renewed Term.** Any renewal under this clause 3 shall be effected either by confirmation in writing signed by or on behalf of the parties or, if required by the Franchisor, by the parties entering into a new agreement, which shall be in the Franchisor's then current form of franchise agreement, provided that, on such renewal:

(a) the Franchisee will not be liable to pay the Initial Fee (or the equivalent of it) under the new agreement;

(b) the Franchisor will not be under any obligation to perform the obligations under clause 5 or any equivalent obligations under the new agreement; and

(c) the provisions of clause 3.2 and clause 3.3, or any equivalent provisions under the new agreement, shall not apply in the Renewed Term.

3.4 **No waiver.** Unless the parties agree otherwise in writing, any renewal under this clause 3 shall be without prejudice to any rights or obligations of the parties outstanding at the end of the Initial Term. The Franchisee and the Individual shall waive all claims that it or they may have against the Franchisor arising in respect of this agreement.

3.5 **Termination on expiration of Term.** Unless it is terminated earlier under clause 18, this agreement shall terminate and expire at the end of the Term.

3.6 **No Express agreement on Renewed Term.** If the Franchisee continues to carry on the Franchisee's Business after the end of the Term, but without having agreed to a Renewed Term with the Franchisor, then it will be deemed to do so on the terms and conditions of this agreement (or any agreement entered into by the parties under clause 3.3), except that any party will be entitled to terminate this agreement on giving to the others 30 days written notice of termination.

4. Fees

4.1 **Initial Fee.** On the date of this agreement, the Franchisee shall pay Franchisor the Initial Fee. The Initial Fee shall cover all the Franchisor's obligations under clause 5. For franchisees in California, payment of all initial fees is postponed until after all of Franchisor’s obligations to Franchisee are complete and Franchisee is open for business. The fee may be refundable, in Franchisor’s sole discretion.

4.2 **Franchise Portal Fee**. The Franchisee shall pay Franchisor the Franchise Portal Fee.

4.3 **Royalty Fee.** For each week, the Franchisee shall pay Franchisor the Royalty Fee weekly in arrears no later than the Tuesday of the immediately following week, with effect from the date of this agreement. All other fees under this agreement shall be paid within 30 days of receipt by the Franchisee of the Franchisor's invoice for such payment. Should Franchisee fail to provide Franchisor with adequate revenue data for the weekly sales report and pay such amount in full on or before the Tuesday of the immediately following week, Franchisee shall be assessed and agrees to pay the Noncompliance Fee.

4.4 **System Marketing Fund**. For each week, the Franchisee shall pay Franchisor the System Marketing Fund Fee weekly in arrears no later than the Tuesday of the immediately following week, with effect from the date of this agreement.

4.5 **Transfer Fee**. The Franchisee shall pay Franchisor the Transfer Fee.

4.6 **Technology Fee**. The Franchise shall pay Franchisor the Technology Fee.

4.7 **Mystery Shopper Program Fee**. The Franchisee shall pay the Franchisor for the Mystery Shopper Program Fee.

4.8 **Third-Party Quality Assurance Audit Fee**. The Franchisee shall pay the Franchisor for the Third-Party Quality Assurance Audit Fee.

4.9 **Additional Training Fees**. The Franchisee shall pay the Franchisor Additional Training Fees.

4.10 **Management Fee**. In the event Franchisor manages Franchisee's Business, the Franchisee shall pay the Management Fee. The Management Fee shall be due and payable on the Tuesday of each week, as applicable.

4.11 **Renewal Fee**. Should Franchisee desire to renew this agreement for one or more Renewed Terms, The Franchisee shall pay the Renewal Fee.

4.12 **Nonsufficient Funds Fee**. The Franchisee shall pay the Nonsufficient Funds Fee, when applicable.

4.13 **Insurance Fee**. The Franchisee shall pay the Insurance Fee, when applicable.

4.14 **Payment method.** Unless the Franchisor otherwise notifies the Franchisee in writing, the Franchisee shall make all payments by electronic funds transfer to Franchisor's bank account which Franchisor will provide to Franchisee. Franchisor may charge Franchisee for insufficient electronic funds transfers.

4.15 **Sales Taxes**. All fees due under this agreement are exclusive of sales tax or similar taxes, which shall, where applicable, be paid by the Franchisee at the prevailing rate on the due date for payment or receipt of the relevant invoice from the Franchisor.

4.16 **Gross Sales Receipts.** The Gross Sales Receipts shall be determined as follows:

(a) on or before the Tuesday of the immediately following week, the Franchisee shall prepare, and deliver to the Franchisor, a statement of the Gross Sales Receipts for each week and tender the Royalty Fee accruing in said week to Franchisor;

(b) within 3 days after the Franchisee has delivered the statement of Gross Sales Receipts, the Franchisor shall either confirm in writing that it agrees such statement or give notice that it does not;

(c) if the Franchisor does not agree to such statement, the parties shall endeavor to resolve all matters in dispute as soon as practicable. If they fail to do so within 14 days of the notice, either party may refer the dispute for resolution to an Expert appointed under clause 24; and

(d) any payment, additional payment or refund to be made as a result of any decision of the Expert shall be made within 14 days of receipt by the parties of the decision of the Expert.

4.17 **Third party suppliers.** The Franchisee shall be responsible for the payment of all invoices due to third party suppliers. Franchisor may designate mandatory third-party suppliers.

4.18 **Noncompliance Fee:** In the event the Franchisee is in noncompliance with clause 7, Franchisor, may, in its sole discretion, assess Franchisee the Noncompliance Fee.

5. Franchisor's initial obligations

The Franchisor shall within 45 days of the date of this agreement **or** at least 14 days before the Commencement Date provide:

(a) general advice on how to set up the Franchisee's Business;

(b) the Manual by computer link and/or Zip File;

(c) the Franchise Software on the terms of the license set out in the Manual or otherwise provide by Franchisor to Franchisee;

(d) A list of Food Service Agreements as of the date of this agreement;

6. Franchisor's continuing obligations

The Franchisor shall at all times during the Term:

(a) provide the Franchisee with know-how, advice and guidance relating to the Branded Business;

(b) update the Manual and System from time to time and inform the Franchisee of all such updates;

(c) assist the Franchisee in procuring such goods and services (other than the Products) as are necessary for the purposes of the Franchisee's Business, and continue to seek renewals of existing Food Service Agreements and new Food Service Agreements.

7. Franchisee's obligations

7.1 The Franchisee shall start business on the Commencement Date and, at all times during the Term, in relation to the Franchisee's Business, comply with the obligations set out in this clause 7.

7.2 **Business.** The Franchisee shall:

(a) operate the Franchisee's Business strictly in accordance with this agreement, the Manual, all Food Service Agreements, and the terms of any agreement between Franchisor and Franchiser; and

(b) operate the Franchisor’s Business consistent with the highest standards in the industry during the hours specified in the Manual;

(c) introduce any improvements or modifications into the Franchisee's Business when requested by the Franchisor;

(d) comply at all times with the Manual, and the Food Service Agreements;

(e) have the Individual or a manager approved by Franchisor (Manager) spend the majority of their time operating the Franchisee’s Business. If a Manager elects to end their relationship with the Franchisee, the Franchisee should recruit a new Manager within 30 days and submit their qualifications to Franchisor for review and approval;

(f) provide catering services and participate in catering programs offered as part of the System;

(g) continuously maintain, update, and replace business assets necessary for operation of the Franchised Business (equipment, fixtures, décor, uniforms, etc.).

7.3 **Promotion.** The Franchisee shall:

(a) use its best endeavors to promote and extend the Franchisee's Business;

(b) use its best endeavors to protect and promote the goodwill in the Branded Business;

(c) not do anything that could or might in the sole opinion of the Franchisor bring the Branded Business into disrepute or damage the reputation of the Branded Business;

(d) not provide any information to the media about the Branded Business or the Franchisee's Business unless the Franchisor's prior written consent has been obtained;

(e) obtain Franchisor's prior written approval for any advertising or promotional efforts by Franchisee;

(f) participate in the System Marketing Fund;

(g) in addition to the Royalty Fee, pay the System Marketing Fund Fees;

(h) participate in local or regional marketing cooperatives established by Franchisor; and

(i) participate in a grand opening marketing program established by or approved Franchisor.

7.4 **Purchases.** The Franchisee shall:

(a) only purchase and use Products which are specified by the Franchisor or a supplier that has been approved in writing by the Franchisor in which case Franchisor reserves the right to charge a fee to Franchisee for the review of the Products proposed by the Franchisee;

(b) pay all suppliers of goods and services sold or provided to the Franchisee in accordance with their terms of payment; and

(c) Purchase from Franchisor proprietary and/or non-proprietary items related to the Branded Business and System. Franchisor has the right to receive rebates on the sale of such items.

7.5 **Supplies to Customers.** The Franchisee shall:

(a) supply products and services to end users in accordance with this agreement and the Manual;

(b) maintain sufficient stocks and maintain staffing levels to meet reasonably anticipated demand under the Food Service Agreements associated with Franchisee's Business and other customers of the Franchisee's Business;

(c) promptly replace or refund the price of any Product supplied by or on behalf of the Franchisee which does not conform with the high standards required by the System;

(d) promptly refund the price of any Services supplied by or on behalf of the Franchisee which does not conform with the high standards required by the System; and

(e) sell or provide only such Products and Services as may be described from time to time in the Manual upon the terms and conditions therein set out and ensure that the range of Products and Services specified by the Franchisor are available for sale by the Franchisee.

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7.6 **Procedures, finance and accounting.** The Franchisee shall:

(a) comply with ordering, invoicing and accounting procedures as required by the Franchisor and as set out in the Manual;

(b) pay all third-party suppliers promptly in accordance with the terms of supply agreed with them;

(c) ensure that adequate financing is available to the Franchisee to enable the Franchisee to fully develop the Franchisee's Business in accordance with this agreement;

(d) use such forms, documents and contracts in relation to the Franchisee's Business as are from time to time designated by the Franchisor and no other similar items;

(e) accept such charge and credit cards including Visa and Mastercard as are set out in the Manual;

(f) participate in gift card, customer loyalty, and similar programs; and

(g) maintain accurate records and financial statements including those in format specified by Franchisor and provide Franchisor access to such records and financial statements including the right to review and audit which will assist Franchisor in its efforts to understand, grow, and maintain a successful System and administer this agreement.

7.7 **Pricing.** The Franchisee shall:

(a) Comply with consult with the Franchisor as to the prices to be charged in the Franchisee's Business and refrain from charging in excess of any maximum charges specified by the Franchisor; and

(b) not enter into any arrangement with any other franchisee concerning the prices to be charged.

7.8 **Disclosure of information.** The Franchisee shall:

(a) without delay, inform the Franchisor of any possible or actual improvement or modification to the Branded Business or System or business opportunity which comes to its attention;

(b) promptly give the Franchisor any information that the Franchisee may obtain in relation to any matter that could affect sales favorably or unfavorably;

(c) supply the Franchisor with such information relating to the Franchisee's Business in such form and at such times as the Franchisor may from time to time reasonably require or specified in the Manual;

(d) keep details of actual and potential customers as specified by the Franchisor and supply the same, at the Franchisor's option, electronically or in hard copy format or allow the Franchisor to access a copy of the same electronically immediately on request;

(e) at the request of the Franchisor, provide potential franchisees with information and access to the Franchisee's Business as reasonably requested; and

(f) allow the Franchisor to institute programs for auditing Customer satisfaction and/or measuring quality control issues and provide all such assistance in relation thereto as the Franchisor shall require.

7.9 **Branding and franchise relationship.** The Franchisee shall:

(a) attach any notices that the Franchisor requires to products and packaging;

(b) use only labels, patches, identification, signs, and packaging in connection with the Franchisee's Business as have been approved by the Franchisor;

(c) give such notices in such places as required by law and as the Franchisor may require to the effect that the Franchisee is operating the Franchisee's Business under license from the Franchisor; and

(d) make trade dress updates (graphics, logos, signage, and other visual elements) to the Franchised Business as required by Franchisor from time to time.

7.10 **Information technology.** The Franchisee shall:

(a) use the Franchise Software and do all such things as the Franchisor shall reasonably require (including the purchase or leasing of hardware and entering into applicable software licenses) to permit and/or facilitate the operation and use of the Franchise Software and contribute to all costs associated with the development and implementation of the Franchise Software for use in the Franchisee's Business such amount as shall in the Franchisor's reasonable opinion represent a fair contribution to such costs;

(b) acquire, update, replace and/or make use of any software and hardware which the Franchisor shall reasonably require to be used for the Franchisee's Business in accordance with the instructions and timetable (subject to the Franchisee having not less than sixty days notification of the specification for the hardware) set by the Franchisor; and

(c) immediately enter into or comply with such software licenses and other agreements (whether with the Franchisor or third-party suppliers) concerning the Franchise Software and other software required to enable the Franchisee to use the Franchise Software in accordance with the Manual and comply strictly with their terms.

7.11 **Internet.** The Franchisee shall:

(a) not promote the Franchisee's Business or sell or make available the Products or the Services whether for the purposes of advertising, promotion, sales or otherwise through or on the world wide web, internet or any other electronic means without the Franchisor's prior written consent which shall be given subject to such conditions as the Franchisor shall consider necessary to protect the goodwill and reputation of the Branded Business;

(b) if required by the Franchisor, participate in the Franchisor's website as stipulated by the Franchisor;

(c) not participate in or register with any internet group, web site or similar medium which has as its aim (whether stated or not) or effect the denigration of the Branded Business or the Trade Name; and

(d) not open an account or profile on a social networking site in relation to the Franchisee's Business or the Branded Business without the Franchisor's prior written consent which may be given subject to conditions which may include the grant to the Franchisor of administrator rights and the Franchisee will comply with the provisions of the Manual in respect of such social networking sites.

7.12 **Miscellaneous.** The Franchisee shall:

(a) obtain, maintain and comply with all necessary licenses, permits, and consents and comply with all relevant legislation in relation to the Franchisee’s Business, the Food Supply Agreements, and the Premises and their use;

(b) not license any other person to operate the Branded Business under the Trade Name;

(c) send a delegate to all meetings of Branded Business franchisees such as an advisory council which may be established by Franchisor; and

(d) indemnify, defend and hold harmless Franchisor and its Customers against all claims, demands, losses, penalties, damages, liabilities and costs and expenses including without limitation, settlement cost actual attorney’s fees, and expenses which may be suffered by, accrued against, charged to, or recoverable from Franchisor by reason of Franchisee’s operation of the Franchised Business or the negligence or willful misconduct of Franchisee.

8. Employees

In relation to the Franchisee's employees who are engaged in the Franchisee's Business, the Franchisee shall, at all times during the Term:

(a) ensure that all employees are dressed in the manner specified by the Franchisor from time to time and in the Manual including uniforms and are clean and polite;

(b) not employ as a manager any person who has not completed the Franchisor's training course provided under clause 9 and been approved by the Franchisor;

(c) not allow the Franchisee's Business to start business until all relevant employees are trained in accordance with clause 9;

(d) employ sufficient number and quality of employees to fulfil its obligations under this agreement and meet Customer demand and as required by the Manual;

(e) not engage or use independent contractors; and

(f) clearly represent to its employees that they are employees of the Franchisee and not the Franchisor.

9. Training

9.1 **Franchisor training obligations.** The Franchisor shall:

(a) Provide at Franchisor's cost an initial training program at Franchisor's designated training site and a minimum of two days of onsite training regarding operation and management, marketing, sales, strategies, product handling, etc. and to verify that Franchisee will follow the prescribed standards of operation. Franchisor shall offer such initial training free of charge for the Individual and up to two of Franchisee's employees. A Franchisor representative will be present for on-site training on the first day food service at a school begins and the immediately following day; and

(b) provide further training programs for the Individual and such number of the Franchisee's employees, at cost when the Franchisee may reasonably require. Such training shall take place at such time and place as the Franchisor shall specify.

9.2 **Franchisor optional training.** The Franchisor may:

(a) Establish the Mystery Shopper Program to assist in monitoring quality of Products and Services provided by the Franchisee's Business and performance and development of the System;

(b) Compel Franchisee's attendance at supplementary training programs, including on-site visits, training at Franchisor's designated training site, and attendance at an annual convention for up to six calendar days annually in Franchisor's sole discretion.

9.3 **Franchisee training obligations.** The Franchisee shall:

(a) not start the Franchisee's Business until the Individual and at least one other key management personnel have, in the reasonable opinion of the Franchisor, successfully completed the initial training as set out in the Manual;

(b) not allow any employee to work in the Franchisee's Business until they have, in the reasonable opinion of the Franchisor, successfully completed training as set out in the Manual;

(c) ensure that, if any employee does not successfully complete training, such training is repeated until it has been successfully completed;

(d) ensure that all employees attend such further training as the Franchisor may reasonably require. Such training shall be charged for by the Franchisor and shall take place at such time and place as the Franchisor shall specify; and

(e) participate in all ongoing training programs specified by Franchisor in accordance with clause 9.3(b) of this Agreement.

10. Compliance with laws and policies

10.1 Each party shall at its own expense comply with all laws and regulations relating to its activities under this agreement, as they may change from time to time, and with any conditions binding on it in any applicable licenses, registrations, permits and approvals.

10.2 **Mandatory Polices.** The Franchisee shall comply with any Mandatory Polices, in each case as the Franchisor may update them from time to time;

11. Accounting records

The Franchisee shall:

(a) maintain records of all sales and Gross Sales Receipts and submit to the Franchisor a statement of them on the Tuesday of each week with the Royalty Fees. Such records and statement shall be in the form approved by the Franchisor and as specified in the Manual;

(b) keep and maintain complete and accurate accounts and records relating to the Franchisee's Business in QuickBooks Online. All such records shall be full, accurate, up to date and sufficient to ascertain the amount of the Royalty Fees due;

(c) allow representatives of the Franchisor access to the Franchisee’s QuickBooks Online account to investigate the Franchisee's records and take copies of the Franchisee's accounts and records on reasonable notice, during Business Hours during the Term and for a period of 7 years after the termination of this agreement; and

(d) supply to the Franchisor copies of all sales tax returns and any other financial and fiscal information which the Franchisor may reasonably request.

12. Telephone numbers, email addresses and domain names

12.1 **Communication Addresses.** In the course of the Franchisee's Business, the Franchisee shall use only telephone numbers, email addresses and domain names specified or approved by the Franchisor (**Communication Addresses**) and shall not use the Communication Addresses for any purpose other than the Franchisee's Business.

12.2 **Restrictions on communications.** The Franchisee shall use the Communication Addresses and no other telephone numbers, email addresses or domain names in marketing, advertising and promotional material relating to the Franchisee's Business.

12.3 **Termination.** On termination of this agreement, the Franchisee shall immediately discontinue use of the Communications Addresses, and shall assist the Franchisor in making any changes to contractual arrangements with service providers or registrations with regulatory authorities as the Franchisor may require, including at the Franchisor's discretion terminating the arrangements or transferring the right to use the Communication Address to the Franchisor.

13. Insurance

13.1 **Compulsory cover.** The Franchisee shall take out and maintain an all-risk insurance policy or policies with a reputable insurance company (or companies) with such amount of coverage as the Franchisor may, in its absolute discretion, specify. Such policy (or policies) shall include those in the Manual and the following:

(a) Liability for Franchisee’s Business including Products and Services delivered by Franchisee to Customers.

(b) liability for employees and third parties;

(c) public liability;

(d) workers compensation;

(e) indemnity coverage;

(f) liability for damage to property (including to the Premises, equipment and any vehicles used in the Franchisee's Business);

(g) loss of profits and interruption of the Franchisee's Business; and

(h) any other coverage which the Franchisor may, in its absolute discretion, specify.

13.2 **Compliance with insurance policies.** The Franchisee shall not breach, or allow any breach of, such insurance policies.

13.3 **Franchisor's interest.** The Franchisor's interest should be noted on the policies of insurance as an additional insured, and which shall state that the Franchisor is to receive notice of any late payment of a premium and at least 30 days' notice of cancellation.

13.4 **Copies.** The Franchisee shall provide the Franchisor with copies of all such policies and renewals.

13.5 **Premiums.** The Franchisee shall promptly pay all premiums for such policies and immediately provide the Franchisor with evidence of payment of premiums.

13.6 **Failure to insure.** If the Franchisee fails to take out and maintain such policies, the Franchisor may do so and the Franchisee shall reimburse the Franchisor for all costs and expenses incurred in doing so.

14. Premises

The Franchisee shall comply with the terms, conditions, covenants and undertakings to be observed and performed by the Franchisee under the Food Service Agreements and without prejudice to the provisions of the Food Service Agreements shall:

(a) operate the Franchisee's Business only from the Premises or as otherwise called for under a Food Service Agreement and/or as reasonably directed by the Franchisor;

(b) at its own expense equip and keep the Premises as required by the Franchisor and in accordance with the Manual and the Food Service Agreements and to the highest standards in the industry;

(c) not carry out any alterations to the Premises without the Franchisor's landlord and owner’s prior written consent;

(d) keep the Premises clean and maintain hygiene and safety standards as required by the Franchisor, its landlord and owner, and as specified in the Manual and keep fixtures and fittings in working order;

(e) ensure that all signs required to be displayed by the Franchisor at the Premises;

(f) use only insignia, symbols, brand names, trade names or trademarks at the Premises that are approved by the Franchisor and specified in the Manual;

(g) keep the Premises open during the hours required by the Franchisor and as set forth in the Food Service Agreements, the Franchisee’s Landlord and owner, and specified in the Manual;

15. Intellectual property

15.1 **Franchisor's warranty**. The Franchisor warrants that it is not aware of any reason why it might not be entitled to license the Intellectual Property and why the use of the Intellectual Property by the Franchisee in accordance with the terms of this agreement would constitute an infringement of any third party's intellectual property.

15.2 **Limited rights granted.** The Franchisee acknowledges that:

(a) it does not have any right, title or interest in the Intellectual Property or any updates or improvements to it, save as specifically set out in this agreement, and the Manual; and

(b) any goodwill (and any other rights) in the Trademarks which result from the use by the Franchisee of the Trademarks shall vest in the Franchisor.

15.3 **Obligation to report**. If the Franchisee learns of any threatened or actual infringement of the Intellectual Property, or of any circumstance which suggests that the use of the Intellectual Property may infringe the intellectual property of a third party, it shall immediately inform the Franchisor, giving all such details as the Franchisor requests.

15.4 **Conduct of proceedings.** The Franchisor shall have conduct of any proceedings relating to the Intellectual Property and may take whatever action it, in its sole discretion, decides in respect of any infringement or alleged infringement of it, or arising from its use. The Franchisee shall co-operate with the Franchisor in taking such action and the Franchisor shall meet any reasonable expenses of the Franchisee in doing so.

15.5 **Intellectual Property obligations of Franchisee.** The Franchisee shall:

(a) not apply for registration of any of the Intellectual Property (or any intellectual property that is confusingly similar to the Intellectual Property) in its own name, in any part of the world;

(b) comply with the Manual and all requests by the Franchisor as to the use of the Intellectual Property and the ™, © and ® symbols in relation to the Intellectual Property;

(c) give assistance to enable the Franchisor to register its Trademarks;

(d) not license (or purport to license) any other person to use any of the Intellectual Property;

(e) not use the Intellectual Property other than as specifically permitted by this agreement and the Manual;

(f) not use any intellectual property that is confusingly similar to the Intellectual Property;

(g) not do anything that may adversely affect the Intellectual Property or the Franchisor's right or title to it; and

(h) immediately stop using specific advertising or promotional material or packaging on receipt of a request by the Franchisor to do so.

15.6 **Intellectual Property in Manual.** The Franchisee acknowledges and agrees that all Intellectual Property in the Manual is and shall remain the exclusive property of the Franchisor. The Franchisee shall hold the Manual in safe custody at its own risk and maintained and kept in good condition by the Franchisee until returned to the Franchisor or destroyed at the option of the Franchisor in accordance with clause 19.3.

16. Sale of Business

16.1 **Restrictions on sale of franchise business.** No transfer of any shares in the Franchisee by the Individual or of the Franchisee's Business or any material part of the assets, rights or properties comprising the Franchisee's Business, other than sales to Customers in the normal course by the Franchisee or the creation of any encumbrance over the shares in the Franchisee by the Individual or over any part of the Franchisor's Business by the Franchisor or Individual may take place otherwise than in accordance with this clause 16 and clause 17.

16.2 **Share transfer notice.** If the Individual wishes to transfer its shares in the Franchisee (**Sale Shares**) to a third party and has received an offer from a bona fide third-party purchaser for the Sale Shares, the Individual must first give a Transfer Notice to the Franchisor (giving details of the proposed transfer including):

(a) the name of the proposed purchaser; and

(b) the price (in cash) that the proposed purchaser has offered to pay for the Sale Shares (**Proposed Sale Price**).

16.3 **Purchase notice.** Within 20 Business Days of receipt (or deemed receipt) of a Transfer Notice, the Franchisor shall be entitled (but not obliged) to give notice in writing to the Individual that it wishes to purchase the Sale Shares at the Proposed Sale Price (**Purchase Notice**), in which case the Franchisor is bound to buy and the Individual is bound to sell all of the Sale Shares at the Proposed Sale Price, with such sale to complete within 20 Business Days of receipt (or deemed receipt) of the Purchase Notice.

16.4 **Transfer where no Purchase Notice given**. If, at the expiration of the initial period specified in clause 16.3, the Franchisor has not given a Purchase Notice, the Franchisee may transfer the Sale Shares to the proposed purchaser identified in the Transfer Notice at a price not less than the Proposed Sale Price provided that it does so within 60 days of the expiration of the initial 20 Business Day period specified in clause 16.3 and the criteria set out in clause 16.11 are satisfied.

16.5 **Entire share transfer for cash only.** The Individual shall not be permitted to transfer some only of its shares. Any transfer must be of the entire issued share capital of the Franchisee in accordance with this clause 16 and shall be for cash consideration only.

16.6 **Asset Transfer Notice.** If the Franchisee wishes to transfer the Franchisee's Business to a third party and has received an offer from a bona fide third-party purchaser for the Franchisee's Business, the Franchisee must first give an Asset Transfer Notice to the Franchisor giving details of the proposed transfer including:

(a) the name of the proposed purchaser; and

(b) the price (in cash) that the proposed purchaser has offered to pay for the Franchisee's Business (**Proposed Asset Sale Price**).

16.7 **Asset Purchase Notice.** Within 20 Business Days of receipt (or deemed receipt) of an Asset Transfer Notice, the Franchisor shall be entitled (but not obliged) to give notice in writing to the Seller that it wishes to purchase the Franchisee's Business at the Proposed Asset Sale Price (**Asset Purchase Notice**), in which case the Franchisor is bound to buy and the Franchisee is bound to sell the Franchisee's Business at the Proposed Asset Sale Price, with such sale to complete within 20 Business Days of receipt (or deemed receipt) of the Asset Purchase Notice.

16.8 **Transfer of Franchisee's Business third party.** If, at the expiration of the initial period specified in clause 16.7, the Franchisor has not given an Asset Purchase Notice, the Franchisee may transfer the Franchisee's Business to the third party purchaser identified in the Asset Transfer Notice at a price not less than the Proposed Asset Sale Price provided that it does so within 60 days of the expiration of the initial 20 Business Day period specified in clause 16.7 and the criteria set out in clause 16.11 are satisfied.

16.9 **Entire business transfer for cash only**. The Franchisee shall not be permitted to transfer part only of the Franchisee's Business. Any transfer must be of the whole of the assets, rights and properties comprising the Franchisee's Business, transferred as a going concern, and shall be for cash consideration only.

16.10 **Business data disclosure.** The Franchisee and the Individual shall give the Franchisor such information concerning the Sale Shares and Franchisee's Business as the Franchisor requests in order to assist it in making its decision as to whether to exercise its rights under this clause 16 as soon as reasonably possible following such request, and warrants that such information shall be true, complete and accurate in all material respects, with such warranty being repeated at completion of any transfer of the Sale Shares or the Franchisor's Business to the Franchisor in accordance with this clause 16.

16.11 **Transfer criteria.** Any transfer to a third party pursuant to this clause 16 shall be subject to the following criteria being satisfied:

(a) the Franchisor having given its written consent to the transfer (not to be unreasonably withheld if the remainder of the criteria set out in this clause 16.11 are satisfied);

(b) the Franchisee and the Individual have both complied with all the terms and conditions of this agreement;

(c) the proposed purchaser (and, in the case of an entity, includes its shareholders and directors) meets the Franchisor's current minimum standards with respect to prior business experience, financial standing and recruitment criteria;

(d) all monies due to the Franchisor have been paid;

(e) the proposed purchaser undertakes and passes initial training;

(f) the proposed purchaser has entered into a new franchise agreement with the Franchisor on its then current terms and conditions for a period of not less than the outstanding Term of this agreement, except that the proposed purchaser shall not be obliged to pay a sum that is equivalent to the Initial Fee and the Franchisor shall not be required to perform any obligations that are equivalent to those set out in clause 5*,* for which the Franchisor will be paid at its then current rates by the third party purchaser;

(g) the Franchisee has provided a general release in favor of Franchisor and its Customers to the Franchisor; and

(h) Franchisee shall surrender all Confidential Information of a Customer to Franchisor and permanently delete all Confidential Information of a Customer from Franchisee's computer systems and records.

16.12 **Restriction on share issues.** The Franchisee shall not issue any shares to any person other than the Individual without the prior written consent of the Franchisor.

16.13 **Warranty.** Any transfer of shares or assets to the Franchisor under this clause 16 shall be deemed to include a warranty from the Individual and the Franchisee on a joint and several basis that the shares or assets (as appropriate) are sold with full title guarantee and are free from encumbrances.

16.14 **Transfer Fee.** Any transfer under this clause 16 shall be subject to a Transfer Fee. Fifty percent of the Transfer Fee shall be due and payable upon Franchisee's providing of notice of the proposed transfer to Franchisor pursuant to clauses 16.2 or 16.6 of this agreement, and the remaining fifty percent of the Transfer Fee shall be due and payable upon Franchisor's execution of the new agreement with the transferee.

17. Death or incapacity of individual

17.1 **Right of Franchisor to buy shares on death of Individual.** If the Individual dies during the Term, his personal representatives shall, within 24 hours inform the Franchisor of his death, and within 30 days offer to sell the Individual's shares to the Franchisor by way of serving a Transfer Notice under clause 16.2. In such circumstances, the terms of clause 16.2, clause 16.3, clause 16.4 and clause 16.2 shall apply save that:

(a) References to the Individual in those clauses shall be deemed to be references to the Individual's personal representatives.

(b) References to the third-party purchaser or proposed purchaser in those clauses shall be deemed to be references to the Franchisor or beneficiaries of the shares either in the Individual's will or under the rules on intestacy. If such beneficiaries do not want to become the registered holder of such shares, the references shall be taken as being to any other third party specified in the notice by the personal representatives.

(c) the words "and has received an offer from a bona fide third-party purchaser for the Sale Shares" shall be deemed deleted in respect of a proposed transfer to a Franchisor.

(d) in the case of a transfer to a Franchisor (as opposed to a third-party purchaser) the Proposed Sale Price shall be the fair market value as determined by a certified public accounting firm selected by Franchisor.

(e) If the Franchisor or beneficiaries do not wish to become the registered holders of the shares and there is no third party, the Transfer Notice shall be served without reference to a third party purchaser, and clause 16.3 shall apply.

17.2 **Appointment of manager on death or incapacity of Individual.** In the event of the death of the Individual or if the Individual is, in the reasonable opinion of the Franchisor, unable to a material degree to operate the Franchisee's Business to the standard required by the Manual for a period in excess of 60 days in any 90 day period, the Franchisor may appoint a manager of the Franchisee's Business who shall have full powers to operate the Franchisee's Business and to take all steps to ensure that the Franchisee complies with the terms of this agreement at the expense of the Franchisee.

18. Termination

18.1 **Termination for cause by Franchisor.** The Franchisor may terminate this agreement with immediate effect (or following such notice period as it sees fit) without prejudice to any of its rights or remedies, by giving written notice to the Franchisee and the Individual if:

(a) the Franchisee or Individual fails to pay any amount due under this agreement on the due date for payment and remains in default not less than 7 (seven) days after being notified in writing to make such payment; or

(b) the Franchisee or Individual commits a material breach of any term of this agreement (other than failure to pay any amounts due under this agreement), the Manual, or any other written agreement between the Franchisor and Franchisee or involving the Franchisee though Franchisee is not a party to such other written agreement (such as a Food Service Agreement) and (if such breach is remediable) fails to remedy that breach (or adequately assist Franchisor in the remedy of a Food Service Agreement) within a period of 14 (fourteen) days after being notified in writing to do so; or

(c) the Individual or the Franchisee's employees fail to successfully complete the initial training referred to in clause 9; or

(d) the Franchisee does not start business by the Commencement Date; or

(e) the Franchisee or Individual repeatedly breaches any of the terms of this agreement in such a manner as to reasonably justify the opinion that its or his or her conduct is inconsistent with having the intention or ability to give effect to the terms of this agreement; or

(f) the Franchisee or Individual gives to the Franchisor any false or misleading information, or makes any misrepresentation in connection with obtaining this agreement or during the Term, in connection with the Franchisee's Business; or

(g) persistent, valid complaints continue to be made to the Franchisor about the quality of the service provided by the Franchisee and the Franchisee, having received notice of such complaints, fails to improve such service to the reasonable satisfaction of the Franchisor; or

(h) the Franchisee or the Individual, in the reasonable opinion of the Franchisor, does, or permits to be done, any act which might jeopardize or invalidate the registration of the Trademarks or does any act which might assist, or give rise to, an application to remove the Trademarks, or which might prejudice the right or title of the Franchisor to the Trademarks; or

(i) the Franchisee or the Individual purports to assign any of the rights or licenses granted under this agreement other than in accordance with the terms of this agreement; or

(j) the Franchisee fails to obtain any written approval or consent of the Franchisor as expressly required by this agreement; or

(k) the Franchisee or Individual suspends, or threatens to suspend, payment of its debts or is deemed to be insolvent, bankrupt, unable to pay its or their debts as they fall due for payment, or admits inability to pay its or their debts or deemed unable to pay its debts within the meaning of federal bankruptcy law or state insolvency law; or

(l) the Franchisee or Individual commences negotiations with all or any class of its or their creditors with a view to rescheduling any of its or their debts, or enters into any composition or arrangement with its or their creditors generally; or

(m) an order is made, a resolution is passed, or a notice is issued convening a meeting for the purpose of passing a resolution, or any analogous proceedings are taken, for the winding-up, administration or dissolution of the Franchisee; or

(n) the Individual is the subject of a bankruptcy petition or order; or

(o) any liquidator, trustee in bankruptcy, receiver, administrative receiver, administrator or similar officer is appointed over, or in respect of, the Franchisee or Individual or any part of its or their business or assets; or

(p) a creditor or encumbrancer of the Franchisee or the Individual attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of its or their assets and such attachment or process is not discharged within 14 days; or

(q) any event occurs, or proceeding is taken, with respect to the other party in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in clause 18.1(k) to clause 18.1(p) (inclusive); or

(r) the Franchisee suspends or ceases, or threatens to suspend or cease, to carry on all or a substantial part of the Franchisee's Business; or

(s) subject to clause 17, the Individual dies or, by reason of illness or incapacity (whether mental or physical), is incapable of managing his own affairs or the court has made an order or appointed a deputy under applicable law in respect of the Individual; or

(t) there is a change of Control of the Franchisee; or

(u) the Individual is convicted of a criminal offense; or

(v) three or more Nonsufficient Funds Fees are assessed against Franchisor within any 12 month period; or

(w) the Franchisee is in breach of any of its compliance obligations under clause 10.

18.2 **Termination for Cause by Franchisee.** The Franchisee may terminate this agreement with immediate effect (or following such notice period as it sees fit) without prejudice to any of its rights or remedies, by giving written notice to the Franchisor if:

(a) the Franchisor commits a material breach of any term of this agreement and (if such breach is remediable) fails to remedy that breach within a period of 30 (thirty) days after being notified in writing to do so; or

(b) the Franchisor suspends, or threatens to suspend, payment of its debts or is deemed to be insolvent, bankrupt, unable to pay its or their debts as they fall due for payment, or admits inability to pay its or their debts or deemed unable to pay its debts within the meaning of federal bankruptcy law or state insolvency law; or

(c) the Franchisor commences negotiations with all or any class of its or their creditors with a view to rescheduling any of its or their debts, or enters into any composition or arrangement with its or their creditors generally; or

(d) an order is made, a resolution is passed, or a notice is issued convening a meeting for the purpose of passing a resolution, or any analogous proceedings are taken, for the winding-up, administration or dissolution of the Franchisor; or

(e) any liquidator, trustee in bankruptcy, receiver, administrative receiver, administrator or similar officer is appointed over, or in respect of, the Franchisor or any part of its or their business or assets; or

(f) a creditor or encumbrancer of the Franchisor attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of its or their assets and such attachment or process is not discharged within 14 days; or

(g) any event occurs, or proceeding is taken, with respect to the other party in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in clause 18.1(k) to clause 18.1(p) (inclusive); or

(h) the Franchisor suspends or ceases, or threatens to suspend or cease, to carry on all or a substantial part of the Franchisor's Business.

18.3 **Material breach.** The parties acknowledge and agree that any breach of clause 7, clause 14, clause 15, clause 16, and clause 27.3 shall constitute a material breach for the purposes of this clause.

19. Consequences of termination

19.1 **Survival.** On termination or expiration of this agreement for any reason:

(a) Any provision of this agreement that expressly or by implication is intended to come into or continue in force on or after termination or expiration of this agreement, including clause 19, clause 20, clause 21, clause 22, clause 23, clause 24, clause 27.2, clause 27.3, clause 27.9, clause 27.13, clause 27.14, or clause 27.15 shall remain in full force and effect; and

(b) Clause 19, clause 20, clause 21, clause 22, clause 23, clause 24, clause 27.2, clause 27.3, clause 27.9, clause 27.13, clause 27.14, and clause 27.15 shall continue in force for a period of twenty four (24) months and subject to this clause 19, the parties shall have no further obligations under this agreement.

19.2 **Accrued rights.** Any termination or expiration of this agreement shall not affect any rights or liabilities that have accrued prior to such termination.

19.3 **Cessation of business.** On termination or expiration of this agreement for any reason, the Franchisee and the Individual shall:

(a) immediately pay the Franchisor the full amount of all sums due from the Franchisee to the Franchisor together with any interest payable in accordance with clause 25.2;

(b) cease to operate the Franchisee's Business and System and cease to trade under any of the Trademarks, and not hold the Franchisee out as a franchisee of the Franchisor or do anything that may indicate any relationship between them and the Franchisor;

(c) not make or receive telephone calls in connection with the Branded Business;

(d) immediately stop using the Intellectual Property, including the Trademarks;

(e) pass all enquiries made after termination, and full details of potential Customers, to the Franchisor;

(f) transfer all Customer lists and full details of contracts with Customers to the Franchisor, and if required by the Franchisor transfer all uncompleted contracts or unfulfilled orders to the Franchisor or its nominee;

(g) cease to use the Franchise Software and other software supplied to the Franchisee by the Franchisor, and return or at the Franchisor's option, destroy, (without copying) all elements of it, including all software, data, hardware and documentation relating to it;

(h) return or at the option of the Franchisor, destroy, all copies of the Manual, and other Products or materials bearing any of the Trademarks;

(i) pay all debts owing to creditors of the Franchisee's Business, and irrevocably permit the Franchisor to deduct from all sums payable by the Franchisor to the Franchisee all sums which the Franchisor pays (whether legally obliged to or not) pursuant to this clause;

(j) cease to use the Communications Addresses and not make or receive any telephone calls, faxes or emails in connection with the Branded Business, and take all steps that the Franchisor requires to transfer all listings of the Communications Addresses in any directory or other published materials to the Franchisor or as it may direct;

(k) assign to the Franchisor all domain name registrations and rights in website content owned or used by the Franchisee in the Franchisee's Business; and

(l) deliver up any mobile telephone SIM cards or other communications equipment used in the Franchisee's Business;

(m) take all other steps and in particular execute and deliver to the Franchisor all documents necessary to comply with its obligations under clause 21 and clause 22 of this agreement; and

(n) enable the Franchisor to enter the Franchisee's premises and gain access to the Franchisee's systems and data in order to verify compliance with this clause 19.

19.4 **Repurchase of equipment.** On termination or expiration of this agreement for any reason, the Franchisor may, at its option, repurchase any plant, equipment, fixtures and fittings used by the Franchisee for the purpose of the Franchisee's Business including the Equipment, at such price as the Franchisor reasonably considers to be its current market value. The Franchisee shall, at its expense, arrange all insurance and transport of such plant and equipment in accordance with the Franchisor's reasonable instructions. If the Franchisor does not exercise its option, the Franchisee shall be free to sell such items as it chooses.

19.5 **Return of loaned and hired equipment.** On termination or expiration of this agreement for any reason, the Franchisee must return (at its expense and in good working order and condition) all items of equipment held on loan or hire from the

Franchisor under the terms of this agreement. Until they have been returned or repossessed, the Franchisee shall be solely responsible for the safe keeping, supervision, custody and insurance of them.

19.6 **Right of entry.** If the Franchisee fails to fulfil its obligations under this clause 19 within a reasonable time, the Franchisor may, at the expense of the Franchisee, immediately and without notice, enter onto the Franchisee's premises and take such steps as it thinks fit to fulfil any outstanding obligations.

20. Restrictions

20.1 In order to protect the Confidential Information, trade secrets and business connections of the Franchisor and the Franchisor's other franchisees, the Franchisee and the Individual covenant with the Franchisor that they shall not:

(a) during the Term or for 24 months after termination or expiration of this agreement, solicit or endeavor to entice away from the Franchisor or any other franchisee of the Franchisor the business or custom of a Restricted Customer with a view to providing goods or services to that Restricted Customer in competition with any Restricted Business; or

(b) during the Term or for 24 months after termination or expiration of this agreement, in the course of any business concern which is in competition with or similar to the Branded Business or any business of the Franchisor or any Restricted Business, offer to employ or engage, or otherwise endeavor to entice away, any employee of the Franchisor or any other franchisee of the Franchisor who could materially damage the interests of the Franchisor or any other franchisee of the Franchisor, and with whom the Franchisee or the Individual dealt in the 24 months prior to termination of this agreement; or

(c) during the Term, or for 24 months after termination or expiration of this agreement, be involved as agent, consultant, director, employee, owner, partner or shareholder with any business concern which is (or intends to be) in competition with any Restricted Business; or

(d) during the Term, or for 24 months after termination of this agreement, be involved with the provision of goods or services to (or otherwise have any business dealings with) any Restricted Customer in the course of any business concern which is in competition with any Restricted Business; or

(e) at any time after termination of this agreement, represent himself as connected, in any way, with the Franchisor.

20.2 None of the restrictions in clause 20.1 shall prevent the Franchisee or Individual from:

(a) holding an investment by way of shares or other securities of not more than 5% of the total issued share capital of any company, whether or not it is listed or dealt in on a recognized stock exchange; or

(b) being engaged or concerned in any business concern insofar as their duties or work relate solely to geographical areas where the business concern is not in competition with any Restricted Business; or

(c) being engaged or concerned in any business concern, provided that their duties or work relate solely to services or activities of a kind with which they were not concerned to a material extent in the 24 months prior to termination of this agreement.

20.3 The restrictions imposed on the Franchisee and the Individual by this clause 20 apply to them acting:

(a) directly or indirectly; and

(b) on their own behalf or on behalf of, or in conjunction with, any firm, company or person.

20.4 Each of the restrictions in this clause 20 is intended to be separate and severable. If any of the restrictions are held to be void but would be valid if part of their wording were deleted, such restriction shall apply with such deletion as may be necessary to make it valid or effective.

21. Indemnity

21.1 In this clause, a reference to Franchisor shall include Franchisor's subsidiaries and affiliates, and the provisions of this clause shall be for the benefit of Franchisor and each such subsidiary and affiliate and shall be enforceable by each such subsidiary and affiliate, in addition to Franchisor.

21.2 Franchisee shall indemnify Franchisor against all liabilities, costs, expenses, damages and losses (including any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs including attorney’s fees (calculated on a full indemnity basis) and all other reasonable professional costs and expenses) suffered or incurred by Franchisor arising out of or in connection with:

(a) Franchisee's breach or negligent performance or non-performance of this agreement;

(b) the enforcement of this agreement;

(c) any claim made against Franchisor by a third party to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of this agreement by Franchisee, its employees, agents or subcontractors; and

(d) any claim made against Franchisor by a third party for death, personal injury or damage to property to the extent attributable to the acts or omissions of Franchisee, its employees, agents or subcontractors.

21.3 This indemnity shall not cover Franchisor to the extent that a claim under it results from Franchisor's negligence or willful misconduct.

21.4 Liability under this indemnity is conditional on Franchisor discharging the following obligations. If any third party makes a claim, or notifies an intention to make a claim, against Franchisor which may reasonably be considered likely to give rise to a liability under this indemnity (**Claim**), Franchisor shall:

(a) as soon as reasonably practicable, give written notice of the Claim to Franchisee, specifying the nature of the Claim in reasonable detail;

(b) not make any admission of liability, agreement or compromise in relation to the Claim without the prior written consent of Franchisee (such consent not to be unreasonably conditioned, withheld or delayed), provided that Franchisor may settle the Claim (after giving prior written notice of the terms of settlement (to the extent legally possible) to Franchisee, but without obtaining Franchisee's consent) if Franchisor reasonably believes that failure to settle the Claim would be prejudicial to it in any material respect;

(c) give Franchisee and its professional advisers access at reasonable times (on reasonable prior notice) to its premises and its officers, directors, employees, agents, representatives or advisers, and to any relevant assets, accounts, documents and records within the power or control of Franchisor, so as to enable Franchisee and its professional advisers to examine them and to take copies (at Franchisee's expense) for the purpose of assessing the Claim; and

(d) subject to Franchisee providing security to Franchisor to Franchisor's reasonable satisfaction against any claim, liability, costs, expenses, damages or losses which may be incurred, take such action as Franchisee may reasonably request to avoid, dispute, compromise or defend the Claim.

21.5 If a payment due from Franchisee under this clause is subject to tax (whether by way of direct assessment or withholding at its source), Franchisor shall be entitled to receive from Franchisee such amounts as shall ensure that the net receipt, after tax, to Franchisor in respect of the payment is the same as it would have been were the payment not subject to tax.

21.6 Nothing in this clause shall restrict or limit Franchisor's general obligation at law to mitigate a loss it may suffer or incur as a result of an event that may give rise to a claim under this indemnity.

22. Individual's guarantee and covenants

22.1 In consideration of the Franchisor entering into this agreement with the Franchisee, the Individual, as primary obligor, irrevocably and unconditionally as separate and independent obligations:

(a) guarantees the full, prompt and complete performance by the Franchisee of each of its obligations under this agreement and the Food Service Agreements;

(b) guarantees the punctual payment of all sums payable by the Franchisee under this agreement or in consequence of any breach of the provisions of this agreement;

(c) undertakes, immediately on demand, to perform or procure the performance of all the Franchisee's obligations referred to in clause 22.1(a) and clause 22.1(b); and

(d) undertakes to pay to the Franchisor, immediately on demand and unconditionally, such sum to make good all losses, damage, costs and expenses arising out of the Franchisee's failure to perform such obligations, or pay such sums on the due date, or the Individual's failure to comply with the provisions of clause 22.1(a), clause 22.1(b) and clause 22.1(c).

22.2 Before making a demand under clause 22.1, it shall not be necessary for the Franchisor to have made a demand on, taken out proceedings against, or taken any action to enforce any security against the Franchisee or any other person.

22.3 The Individual's liability under this clause 22 shall be joint and several and shall not be reduced, discharged or adversely affected in any way, by:

(a) any unenforceability, invalidity, irregularity, frustration or discharge by operation of law of any of the Franchisee's obligations under this agreement; or

(b) any legal limitation, disability, incapacity or other circumstances relating to the Franchisee or any other person; or

(c) the Franchisor compromising, varying, extending, dealing with, renewing, releasing, refusing or neglecting to perfect or enforce any right, remedy or security against the Franchisee or any other person in respect of this agreement or any other document or security; or

(d) anything which, but for this provision, might discharge, reduce or extinguish any of the Individual's liabilities under this clause 22.

22.4 The Individual's guarantee is a continuing guarantee and shall continue in effect until the Franchisee has paid and performed all sums and all obligations under this agreement.

22.5 The Individual shall not, until all of the Franchisee's obligations under this agreement have been finally performed and paid in full, exercise any right:

(a) of subrogation and indemnity; or

(b) to take the benefit of, share in or enforce any security or other guarantee or indemnity for any of the Franchisee's obligations; or

(c) to prove in the liquidation of the Franchisee, other than in accordance with the Franchisor's instructions.

22.6 If the Individual exercises any of the rights referred to in clause 22.5, he or she shall:

(a) hold any amounts recovered on trust for the Franchisor; and

(b) pay them to the Franchisor on demand.

22.7 During the Term, the Individual shall:

(a) assure that the Franchisee performs all its obligations under this agreement;

(b) devote his full-time attention and effort to the Franchisee's Business;

(c) be a director, officer, or managing member of the Franchisee; and

(d) hold, in his or her own name, more than 50% of the issued voting capital of the Franchisee.

22.8 The Individual may not assign or transfer any of his rights or obligations under this agreement.

23. Assignment

23.1 This agreement is personal to the Franchisee and the Individual, who, subject to clause 16 and clause 17 may not, without the prior written consent of the Franchisor (such consent not to be unreasonably conditioned, withheld or delayed), assign, transfer, mortgage, charge, declare a trust of, sub-contract, delegate or deal in any other manner with:

(a) this agreement or any of their rights and obligations under it (or any document referred to in it); or

(b) the Franchisee's Business, or purport to do any of the same.

23.2 The Franchisor may, at any time, assign (absolutely or by way of security and in whole or in part), transfer, mortgage, charge or deal in any other manner with the benefit of any or all of any other party's obligations or any benefit arising under this agreement.

23.3 If there is an assignment pursuant to clause 23.2:

(a) the Franchisee and Individual shall discharge their obligations under this agreement to the Franchisor until they receive written notice of the assignment;

(b) the assignee may enforce this agreement as if it were a party to it, but the Franchisor shall remain liable for its obligations under this agreement;

(c) the liability of the Franchisee and Individual to any assignee cannot be greater than their liability to the Franchisor;

(d) notwithstanding clause 27.3, the Franchisor may disclose to a proposed assignee any information in its possession that relates to this agreement or its subject matter, the negotiations relating to it and the other party which is reasonably necessary to disclose for the purposes of the proposed assignment; and

(e) any disclosure pursuant to clause 23.3(d) shall only be made after notice of the identity of the proposed assignee has been given to the Franchisee and Individual.

23.4 Each party to this agreement is acting on its own behalf and not for the benefit of another person.

24. Expert determination

24.1 **Expert** means a person appointed in accordance with this clause 24.

24.2 The parties shall agree on the appointment of an independent Expert and shall agree with the Expert the terms of his appointment.

24.3 If the parties are unable to agree on an Expert or the terms of his appointment within seven days of either party serving details of a suggested expert on the other, either party shall then be entitled to request a court of competent jurisdiction per clause 27.15 to appoint an Expert of repute with experience in franchise matters.

24.4 The Expert is required to prepare a written decision and give notice (including a copy) of the decision to the parties within a maximum of 90 days of the matter being referred to the Expert.

24.5 If the Expert dies or becomes unwilling or incapable of acting, or does not deliver the decision within the time required by this clause then:

(a) either party may apply to a court of competent jurisdiction per clause 27.15 to discharge the Expert and to appoint a replacement Expert with the required expertise; and

(b) this clause shall apply to the new Expert as if he were the first Expert appointed.

24.6 All matters under this clause must be conducted, and the Expert's decision shall be written, in the English language.

24.7 The parties are entitled to make submissions to the Expert including oral submissions and will provide (or procure that others provide) the Expert with such assistance and documents as the Expert reasonably requires for the purpose of reaching a decision.

24.8 To the extent not provided for by this clause, the Expert may in the Expert’s reasonable discretion determine such other procedures to assist with the conduct of the determination as the Expert considers just or appropriate, including instructing professional advisers to assist the Expert in reaching his or her determination.

24.9 Each party shall with reasonable promptness supply each other with all information and give each other access to all documentation and personnel and/or things as the other party may reasonably require to make a submission under this clause.

24.10 The Expert's written decision on the matters shall be final and binding on the parties in the absence of manifest error or fraud.

24.11 Each party shall bear its own costs in relation to the reference to the Expert. The Expert's fees and any costs properly incurred by the Expert in arriving at the determination (including any fees and costs of any advisers appointed by the Expert) shall be borne by the parties as the Expert shall direct.

24.12 All matters concerning the process and result of the determination by the Expert shall be kept confidential among the parties and the Expert.

24.13 Each party shall act reasonably and co-operate to give effect to the provisions of this clause and otherwise do nothing to hinder or prevent the Expert from reaching his determination.

25. Payments

25.1 **No set-off.** All amounts due under this agreement shall be paid in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

25.2 **Interest.** If any party fails to make any payment due to the other under this agreement by the due date for payment, then, without limiting the other party's remedies under clause 20 *and* clause 21, the defaulting party shall pay interest on the overdue amount at the rate of 10% per annum or the maximum percentage of interest allowed by law, whichever is greater. Such interest shall accrue on a daily basis from the due date until actual payment of the overdue amount, whether before or after judgment. The defaulting party shall pay the interest together with the overdue amount. In relation to payments disputed in good faith, interest under this clause is payable only after the dispute is resolved, on sums found or agreed to be due, from the due date until payment.

26. Limitation of liability. IN NO EVENT SHALL A PARTY OR ANY OF ITS REPRESENTATIVES BE LIABLE UNDER THIS AGREEMENT TO THE OTHER PARTY OR ANY THIRD PARTY (TO INCLUDE AFFILIATES) FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL OR PUNITIVE DAMAGES, INCLUDING ANY DAMAGES FOR BUSINESS INTERRUPTION, LOSS OF USE, DATA, REVENUE OR PROFIT, DOWN TIME OR OTHER ECONOMIC LOSSES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT THE BREACHING PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

27. General

27.1 **Force Majeure**. Neither party shall be in breach of this agreement nor liable for delay in performing, or failure to perform, any of its obligations under this agreement if such delay or failure result from events, circumstances or causes beyond its reasonable control. If the period of delay or non-performance continues for 3 months, the party not affected may terminate this agreement by giving 30 days' written notice to the affected party.

27.2 **Further assurance**. At its own expense, each **or** Each party shall, and shall use all reasonable endeavors to procure that any necessary third party shall, promptly execute and deliver such documents and perform such acts as may reasonably be required for the purpose of giving full effect to this agreement.

27.3 **Confidentiality.**

(a) Each party undertakes that it shall not at any time **or** at any time during this agreement, and for a period of two years after termination of this agreement, disclose to any person any Confidential Information concerning the business, affairs, customers, clients or suppliers of the other party, except as permitted by clause 27.3(b).

(b) Each party may disclose the other party's Confidential Information:

(i) to its employees, officers, representatives, subcontractors or advisers who need to know such information for the purposes of exercising the party's right's or carrying out its obligations under this agreement. Each party shall ensure that its employees, officers, representatives, subcontractors or advisers to whom it discloses the other party's Confidential Information comply with this clause 27.3(b); and

(ii) as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.

(c) No party shall use any other party's Confidential Information for any purpose other than to exercise its rights and perform its obligations under or in connection with this agreement.

27.4 **Entire agreement**.

(a) This agreement, the Manual, and any documents referred to in it **or** annexed to it constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

(b) Each party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this agreement. Each party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this agreement.

(c) If there is an inconsistency between the terms of this agreement and the Manual, or any other documents referred to in it or annexed to it, the terms of this agreement shall prevail.

27.5 **Variation.** No variation of this agreement shall be effective unless it is in writing and signed by the parties (or their authorized representatives).

27.6 **Waiver.** A waiver of any right or remedy is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default. A delay or failure to exercise, or the single or partial exercise of, any right or remedy shall not:

(a) Waive that or any other right or remedy.

(b) Prevent or restrict the further exercise of that or any other right or remedy.

27.7 **Severance.** If any provision or part-provision of this agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this agreement.

27.8 **Notices.**

(a) Any notice or other communication given to a party under or in connection with this agreement shall be in writing, addressed to that party at its registered office or such other address as that party may have specified to the other party in writing in accordance with this clause, and shall be delivered personally, or sent by pre-paid first class post or other next working day delivery service, commercial courier,.

(b) A notice or other communication shall be deemed to have been received: if delivered personally, when left at the address referred to in clause 27.8(a); if sent by pre-paid first class post or other next working day delivery service, at 9:00 a.m. Pacific Time on the first Business Day after posting; if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed; or, if sent by fax or e-mail, one Business Day after transmission.

(c) This clause shall not apply to the service of any proceedings or other documents in any legal action, arbitration or other method of dispute resolution.

27.9 **Third party rights.** No one other than a party to this agreement, their successors and permitted assignees, shall have any right to enforce any of its terms.

27.10 **Rights and remedies.** Except as expressly provided in this agreement, the rights and remedies provided under this agreement are in addition to, and not exclusive of, any rights or remedies provided by law.

27.11 **Public Announcements.** No party shall make, or permit any person to make, any public announcement concerning this agreement without the prior written consent of the other parties (such consent not to be unreasonably withheld or delayed), except as required by law, any governmental or regulatory authority (including any relevant securities exchange), any court or other authority of competent jurisdiction.

27.12 **No partnership or agency.** Nothing in this agreement is intended to, or shall be deemed to, establish any partnership, joint venture, or joint employer relationship between any of the parties, nor constitute any party the agent of another party, nor authorize any party to make or enter into any commitments for or on behalf of any other party. Each party confirms it is acting on its own behalf and not for the benefit of any other person.

27.13 **Counterparts.**

(a) This agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

(b) Transmission of an executed counterpart of this agreement (but for the avoidance of doubt not just a signature page) **or** the executed signature page of a counterpart of this agreement] by (a) fax or (b) email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this agreement. If either method of delivery is adopted, without prejudice to the validity of the agreement thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.

27.14 **Governing law.** This agreement, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with the law of California.

27.15 **Jurisdiction.** Each party irrevocably agrees that the courts of California shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims).

This agreement has been entered into on the date stated at the beginning of it.

[Signature Page Follows]

[Signature Page to Franchise Agreement]

FRANCHISOR:

BEVARIS ALLIANCE FRANCHISE SYSTEM, LLC

By:___________________________________

Name:________________________________

Its:___________________________________

FRANCHISEE:

[ENTER FRANCHISEE NAME]

By:

Name:________________________________

Its:___________________________________

INDIVIDUAL:

By:___________________________________

Name:________________________________

Schedule 1: The Trademarks

Application No. 90386707 for BEVARIS ALLIANCE

Application No. 90386714 for the below lion logo

TM – BEVARIS ALLIANCE™

EXHIBIT B
FINANCIAL STATEMENTS

[See Attached]

BEVARIS ALLIANCE FRANCHISE SYSTEM, LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024
(AUDITED)

JOSEPH A. MARTIN, C.P.A., P.C.

Certified Public Accountant

5134 North Central Ave., Suite 104
Phoenix, Arizona 85012

Office: (602) 265-1455
Fax: (602) 265-4033

INDEPENDENT AUDITOR'S REPORT

To the Member
Bevaris Alliance Franchise System, LLC

Opinion

We have audited the accompanying financial statements of Bevaris Alliance Franchise System, LLC (a Delaware limited liability company), which comprises the balance sheet as of December 31, 2025 and 2024, and the related statements of income (loss), changes in member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bevaris Alliance Franchise System, LLC as of December 31, 2025 and 2024, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bevaris Alliance Franchise System, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

To the Member
Bevaris Alliance Franchise System, LLC

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 Bevaris Alliance Franchise System, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bevaris Alliance Franchise System, LLC's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

To the Member
Bevaris Alliance Franchise System, LLC

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bevaris Alliance Franchise System, LLC's ability to continue as a going concern for a reasonable period of time.

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

April 16, 2026

Joseph A. Martin, C.P.A., P.C.

Joseph A Martin, CPA, PC

BEVARIS ALLIANCE FRANCHISE SYSTEM, LLC
BALANCE SHEET
DECEMBER 31, 2025 AND 2024
(AUDITED)

ASSETS

	2025	2024
CURRENT ASSETS:		
Cash (Notes 2,11)	$ 22,781	$ 90,737
Accounts receivable	10,594	-
Prepaid expenses	15,199	30,241
TOTAL CURRENT ASSETS	48,574	120,978
ORGANIZATION COSTS	953	953
INTELLECTUAL PROPERTY (NOTE 3)	4,466	4,466
SECURITY DEPOSIT	1,255	1,255
DUE FROM RELATED PARTY (NOTE 7)	253,163	118,565
DUE FROM MEMBER (NOTE 9)	10,160	5,997
DEFERRED FRANCHISE DEVELOPMENT COSTS - NET (NOTE 4)	23,205	37,860
TOTAL ASSETS	$ 341,776	$ 290,074

LIABILITIES AND MEMBER'S EQUITY

	2025	2024
CURRENT LIABILITIES:		
Accounts payable	$ 59,914	$ 31,753
Credit card payable (Note 5)	4,260	7,127
Income taxes payable (Note 2)	800	-
Insurance payable	15,629	31,005
System marketing reserve fund (Note 6)	330,955	225,142
Due to related party (Note 9)	16,183	-
TOTAL LIABILITIES	427,741	295,027
MEMBER'S EQUITY:		
Member's equity	(85,965)	(4,953)
TOTAL MEMBER'S EQUITY	(85,965)	(4,953)
TOTAL LIABILITIES AND MEMBER'S EQUITY	$ 341,776	$ 290,074

The accompanying notes are an integral part of these financial statements.
See the independent auditor's report.

BEVARIS ALLIANCE FRANCHISE SYSTEM, LLC
STATEMENT OF INCOME (LOSS)
FOR THE YEAR ENDED DECEMBER 31, 2025 AND 2024
(AUDITED)

	2025	2024
REVENUE:		
Franchise fees	$ 816,596	$ 793,123
Other income	100	500
TOTAL REVENUE	816,696	793,623
EXPENSES:		
Accounting & bookkeeping	54,122	65,419
Advertising & marketing	8,805	9,377
Amortization expense	14,656	14,656
Auto expense	9,720	12,404
Bank service charges	2,110	792
Business licenses & permits	3,914	6,847
Computer & internet	5,960	3,859
Consulting	210,151	163,033
Dues & subcriptions	2,134	95
Management fees	390,600	432,000
Meals & entertainment	1,328	1,353
Insurance expense	15,166	31,005
Interest	1,606	525
Legal	30,844	18,140
Outside services	127,200	127,200
Office expenses	471	2,362
Rent	11,731	11,503
Travel	1,708	-
Telephone	3,106	3,530
TOTAL EXPENSES	895,332	904,101
INCOME FROM OPERATIONS	(78,636)	(110,477)
INCOME TAXES	2,376	7,338
NET INCOME (LOSS)	$(81,012)	$(117,815)

The accompanying notes are an integral part of these financial statements.
See the independent auditor's report.

BEVARIS ALLIANCE FRANCHISE SYSTEM, LLC
STATEMENT OF CHANGES IN MEMBER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025 AND 2024
(AUDITED)

	2025	2024
BALANCE, BEGINNING OF YEAR	$(4,953)	$ 112,862
CAPITAL CONTRIBUTIONS	–	–
SHAREHOLDER DISTRIBUTIONS	–	–
NET INCOME (LOSS)	(81,012)	(117,815)
BALANCE, END OF YEAR	$(85,965)	$(4,953)

The accompanying notes are an integral part of these financial statements.
See the independent auditor's report.

BEVARIS ALLIANCE FRANCHISE SYSTEM, LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025 AND 2024
(AUDITED)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income(loss)	$(81,012)	$(117,815)
Adjustments to reconcile net income(loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	14,656	14,656
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	(10,594)	5,404
Prepaid expenses	15,042	1,758
Increase (decrease) in:		
Accounts payable	28,161	2,678
Credit card payable	(2,867)	1,130
Insurance payable	(15,376)	5,078
Income taxes payable	800	-
Total adjustments	29,822	30,704
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(51,190)	(87,111)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Security deposit	-	2,459
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-	2,459
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances to related party	(147,234)	(155,563)
Payments to related party	12,636	27,929
Line of credit payments	-	(1,000)
Marketing reserve - net	105,813	50,815
Advance to member	(4,164)	(5,996)
Due to related party	16,183	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(16,766)	(83,815)
NET INCREASE CASH AND CASH EQUIVALENTS	(67,956)	(168,467)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	90,737	259,204
CASH AND CASH EQUIVALENTS AT DECEMBER 31	$ 22,781	$ 90,737

The accompanying notes are an integral part of these financial statements.
See the independent auditor's report.

1. ORGANIZATION:

Bevaris Alliance Franchise System, LLC ("the Company", a Delaware limited liability company) offers franchises for ***Bevaris Alliance®*** (the Franchise), which will market, sell and provide home cooked meals that meet the dietary and nutritional needs of students and faculty of private and public schools including institutions of higher learning. The Company will contract with schools, institutions and other businesses to provide a food delivery system and will assign such contract to franchisees. The Company offers franchises throughout the United States of America and will provide trademarks, services marks, and a system which includes operational and marketing policies, procedures and programs as well as training. The Company was formed on March 15, 2021. Membership interest is summarized as follows:

Member	% Interest
Benice Shamoon	100%

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of presentation. The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America.

Cash consists of cash and money market funds which are considered to be cash or cash equivalents.

Deferred Franchise Development Costs. Costs incurred in connection with the development of the franchise concept, offering documents and operations manuals have been deferred. The costs are being amortized using the straight-line method over the 5-year estimated useful life of the asset. Such amortization will begin when franchise sales commence.

Initial franchise fees and royalties. Initial franchise fee is recognized when the obligations required by the franchise agreement has been substantially performed by the Company which is when the franchisee begins operating the franchised business. Initial franchise fees is $25,000 for the first franchise, $12,500 for the second franchise and $12,500 for each franchise thereafter. Such obligations include, site selection, provision of operations manuals, marketing plans, Company sponsored internet site, initial training, and other services necessary for the franchisee to commence operations. The Company has elected to apply the practical expedient pursuant to ASC 952-606-25-2 in which the pre-opening services provided to the franchisees and specified above are treated as a single performance obligation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Royalty revenue from franchisees is primarily based on 10.0% of the franchisee's weekly gross sales receipts and is recognized in

the period in which the related service or sale occurs. In addition to the royalty fee there is a 2% system marketing fee.

The Company contracts directly with each school or location for the services to be provided by the franchisee. The Company then assigns the contract to the franchisee which is responsible for providing the meals, beverages and other services under the contract and billing and collecting revenue from such activity.

Advertising costs are expensed as incurred. Advertising costs for 2025 and 2024 were $8,805 and $9,377, respectively.

Prepaid franchise costs. Costs incurred in connection with the sale and development of a franchised location, prior to the commencement of operations, have been deferred. Such costs are primarily commissions and may include other expenses directly associated with preparing the franchisee for operations. Such costs are charged to expense once the pre-opening obligations under the franchise agreement are met and the related revenue is recognized.

Income taxes. Federal income taxes are not payable by, or provided for, the Company. The member is taxed individually on their share of Company earnings. The Company has elected to be treated as a corporation and taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay federal corporate income taxes on its taxable income and is not allowed a net operating loss carryover or carryback as a deduction. Instead, the member includes their respective share of the Company's net income or loss in their individual income tax returns. Although the State of California follows Subchapter S of the Internal Revenue Code with respect to taxation of individuals on Company earnings, it also imposes a minimum tax of 1.5% on Company earnings.

Use of estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make 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 amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. INTELLECTUAL PROPERTY:

Intellectual property includes trade names, trademarks, service marks, copyrights and other proprietary information. During 2021, the Company incurred $4,466 in costs to develop its intellectual property. Intellectual property as of December 31, 2025 and 2024 is $4,466 and is carried at the cost to acquire the rights.

4. DEFERRED FRANCHISE DEVELOPMENT COSTS:

Deferred Franchise Development Costs at December 31, 2025 and 2024 are presented as follows:

	2025	2024
Deferred franchise development costs	$ 73,279	$ 73,279
Less - accumulated amortization	(50,074)	(35,420)
Deferred franchise development costs - net	$ 23,205	$ 37,859

Amortization expense for 2025 and 2024 was $14,656 for each year.

5. CREDIT CARD PAYABLE:

The Company maintains a credit card with a credit card provider. The aggregate credit limit for this credit card is $20,000. Interest on the credit card is 28.49% per annum. The balance due at December 31, 2025 and 2024 is $4,260 and $7,127, respectively.

6. SYSTEM MARKETING RESERVE FUND:

The Company charges its franchisees a 2% system marketing fund fee to fund the development and expansion of the franchise system which includes advertising and marketing programs. Expenses incurred during 2025 and 2024 for these programs were $60,532 and $107,037, respectively. The system marketing reserve fund balance at December 31, 2025 and 2024 is $330,955 and $225,142, respectively.

7. DUE FROM RELATED PARTY:

The due from related party account primarily represent payments to and expenses paid by Bevaris Alliance, Inc. on behalf of the Company. Such advances do not bear interest and no formal repayment terms have been established. The activity is summarized as follows:

7. DUE FROM RELATED PARTY (CONTINUED):

Balance, December 31, 2023	$(9,069)
Payments to related party	155,563
Un-reimbursed out of pocket expenses	(27,929)
Balance, December 31, 2024	118,565
Payments to related party	147,234
Un-reimbursed out of pocket expenses	(12,636)
Balance, December 31, 2025	$ 253,163

8. LEASES:

Operating Lease-
On November 6, 2025, the Company's sole member entered into a lease agreement on behalf of the Company and its affiliate for executive offices for use as its corporate headquarters. The monthly rent is $1,880 on the lease which is effective November 6, 2025. The lease term ends on December 31, 2027. The annual lease payment is $22,560, excluding tax. The Company is responsible for most executory costs and additional charges for use of the facility and other business support services not covered under the lease. An affiliate, Bevaris Alliance, Inc., has agreed to split fifty percent of the above monthly rent with the Company.

9. RELATED PARTIES:

The following summarizes entities which are affiliated by common control and operate the same type of business as the Company. Any transactions between the Company and the affiliate and other related parties are also summarized.

Bevaris Alliance, Inc. (BAI) is owned by the member of the Company. BAI paid, on behalf of the Company, legal and professional fees as well as other costs in connection with the establishment of the Company and the development of the franchise network. As discussed in Note 9, the Company shares office space with BAI.

BAI is also a franchisee of the Company. No franchise fees were incurred by BAI and payable to the Company during 2025 and 2024.

During 2025 and 2024, the Company was charged management fees, under an informal management agreement, by the Company's member of $390,600 and $432,000, respectively.

9. RELATED PARTIES:

During 2025 and 2024, the Company advanced $4,164 and $5,996 to it's member. The amount due from member at December 31, 2025 and 2024 is $10,160 and $5,996, respectively.

The due to related party represents amounts advanced to the Company by a family member of the Company's owner during 2025. The advances bear no interest and do not have a specified repayment date. The amount due of as of December 31, 2025 is $16,183.

10. FRANCHISES:

During 2025, no franchise agreements were executed. During 2024, one franchise agreement was executed. During 2025, there were five franchises with 30 schools under contract. During 2024 there were five franchises with 23 schools under contract and three franchises in operation.

Franchise activity is detailed as follows:

	Franchises
In operation, December 31, 2023	4
Commenced operations in 2024	1
Ceased operations in 2024	(-)
In operation, December 31, 2024	5
Commenced operations in 2025	-
Ceased operations in 2025	(-)
In operation, December 31, 2025	5

During 2024, the Company waived initial franchise fees in order to initiate additional franchise sales. As discussed in Note 10, BAI is a franchisee of the Company and operates at one school location.

11. CONCENTRATION OF CREDIT RISK AND ECONOMIC DEPENDENCY:

The Company maintains its cash in bank deposit accounts which at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash.

12. SUBSEQUENT EVENTS:

In preparing the financial statements, the Company has considered events and transactions that have occurred through April 16, 2026, the date the financial statements were available to be issued. The Organization did not have any subsequent events through April 16, 2026.

BEVARIS ALLIANCE FRANCHISE SYSTEM, LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023
(AUDITED)

JOSEPH A. MARTIN, C.P.A., P.C.
Certified Public Accountant

5134 North Central Ave., Suite 104
Phoenix, Arizona 85012

Office: (602) 265-1455
Fax: (602) 265-4033

INDEPENDENT AUDITOR'S REPORT

To the Member
Bevaris Alliance Franchise System, LLC

Opinion

We have audited the accompanying financial statements of Bevaris Alliance Franchise System, LLC (a Delaware limited liability company), which comprises the balance sheet as of December 31, 2024 and 2023, and the related statements of income (loss), changes in member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bevaris Alliance Franchise System, LLC as of December 31, 2024 and 2023, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bevaris Alliance Franchise System, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

To the Member
Bevaris Alliance Franchise System, LLC

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 Bevaris Alliance Franchise System, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bevaris Alliance Franchise System, LLC's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bevaris Alliance Franchise System, LLC's ability to continue as a going concern for a reasonable period of time.

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

April 17, 2025

Joseph A. Martin, C.P.A., P.C.

Joseph A Martin, CPA, PC

BEVARIS ALLIANCE FRANCHISE SYSTEM, LLC
BALANCE SHEET
DECEMBER 31, 2024 AND 2023
(AUDITED)

ASSETS

	2024	2023
CURRENT ASSETS:		
Cash (Notes 2,12)	$ 90,737	$ 259,204
Accounts receivable	-	5,404
Prepaid expenses	30,241	31,999
TOTAL CURRENT ASSETS	120,978	296,607
ORGANIZATION COSTS	953	953
INTELLECTUAL PROPERTY (NOTE 3)	4,466	4,466
SECURITY DEPOSIT	1,255	3,714
DUE FROM RELATED PARTY (NOTE 8)	118,565	-
DUE FROM MEMBER (NOTE 8)	5,997	-
DEFERRED FRANCHISE DEVELOPMENT COSTS - NET (NOTE 4)	37,860	52,517
TOTAL ASSETS	$ 290,074	$ 358,257

LIABILITIES AND MEMBER'S EQUITY

	2024	2023
CURRENT LIABILITIES:		
Accounts payable	$ 31,753	$ 29,075
Credit card payable (Note 5)	7,127	5,997
Income taxes payable (Note 2)	-	-
Insurance payable	31,005	25,927
System marketing reserve fund (Note 7)	225,142	174,327
Line of credit (Note 6)	-	1,000
Due to related party (Note 8)	-	9,069
TOTAL LIABILITIES	295,027	245,395
MEMBER'S EQUITY:		
Member's equity	(4,953)	112,862
TOTAL MEMBER'S EQUITY	(4,953)	112,862
TOTAL LIABILITIES AND MEMBER'S EQUITY	$ 290,074	$ 358,257

The accompanying notes are an integral part of these financial statements.
See the independent auditor's report.

BEVARIS ALLIANCE FRANCHISE SYSTEM, LLC
STATEMENT OF INCOME (LOSS)
FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023
(AUDITED)

	2024	2023
REVENUE:		
Franchise fees	$ 793,123	$ 844,819
Vending income	-	1,205
Other income	500	1,900
TOTAL REVENUE	793,623	847,924
EXPENSES:		
Accounting & bookkeeping	65,419	53,011
Advertising & marketing	9,377	1,229
Amortization expense	14,656	14,656
Auto expense	12,404	541
Bank service charges	792	813
Business licenses & permits	6,847	2,280
Computer & internet	3,859	2,482
Consulting	163,033	153,520
Dues & subcriptions	95	373
Management fees	432,000	486,000
Meals & entertainment	1,353	595
Insurance expense	31,005	6,312
Interest	525	91
Legal	18,140	26,244
Outside services	127,200	126,166
Office expenses	2,362	346
Rent	11,503	13,280
Research & development	-	2,500
Travel	-	500
Telephone	3,530	13,850
TOTAL EXPENSES	904,101	904,789
INCOME FROM OPERATIONS	(110,477)	(56,865)
INCOME TAXES	7,338	800
NET INCOME (LOSS)	$(117,815)	$(57,665)

The accompanying notes are an integral part of these financial statements.
See the independent auditor's report.

BEVARIS ALLIANCE FRANCHISE SYSTEM, LLC
STATEMENT OF CHANGES IN MEMBER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023
(AUDITED)

	2024	2023
BALANCE, BEGINNING OF YEAR	$ 112,862	$ 170,724
CAPITAL CONTRIBUTIONS	-	-
SHAREHOLDER DISTRIBUTIONS	-	(197)
NET INCOME (LOSS)	(117,815)	(57,665)
BALANCE, END OF YEAR	$(4,953)	$ 112,862

The accompanying notes are an integral part of these financial statements.
See the independent auditor's report.

BEVARIS ALLIANCE FRANCHISE SYSTEM, LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023
(AUDITED)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income(loss)	$(117,815)	$(57,665)
Adjustments to reconcile net income(loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	14,656	14,656
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	5,404	24,425
Prepaid expenses	1,758	(30,241)
Increase (decrease) in:		
Accounts payable	2,678	3,612
Credit card payable	1,130	3,068
Insurance payable	5,078	25,929
Income taxes payable	-	(3,742)
Total adjustments	30,704	37,707
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(87,111)	(19,958)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Security deposit	2,459	(2,354)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	2,459	(2,354)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances to related party	(155,563)	(77,869)
Payments to related party	27,929	-
Line of credit advances - net	-	1,000
Line of credit payments	(1,000)	-
Marketing reserve - net	50,815	102,108
Advance to member	(5,996)	-
Capital distributions	-	(197)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(83,815)	25,042
NET INCREASE CASH AND CASH EQUIVALENTS	(168,467)	2,730
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	259,204	256,474
CASH AND CASH EQUIVALENTS AT DECEMBER 31	$ 90,737	$ 259,204

The accompanying notes are an integral part of these financial statements.
See the independent auditor's report.

1. ORGANIZATION:

Bevaris Alliance Franchise System, LLC ("the Company", a Delaware limited liability company) offers franchises for ***Bevaris Alliance®*** (the Franchise), which will market, sell and provide home cooked meals that meet the dietary and nutritional needs of students and faculty of private and public schools including institutions of higher learning. The Company will contract with schools, institutions and other businesses to provide a food delivery system and will assign such contract to franchisees. The Company offers franchises throughout the United States of America and will provide trademarks, services marks, and a system which includes operational and marketing policies, procedures and programs as well as training. The Company was formed on March 15, 2021. Membership interest is summarized as follows:

Member	% Interest
Benice Shamoon	100%

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of presentation. The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America.

Cash consists of cash and money market funds which are considered to be cash or cash equivalents.

Deferred Franchise Development Costs. Costs incurred in connection with the development of the franchise concept, offering documents and operations manuals have been deferred. The costs are being amortized using the straight-line method over the 5-year estimated useful life of the asset. Such amortization will begin when franchise sales commence.

Initial franchise fees and royalties. Initial franchise fee is recognized when the obligations required by the franchise agreement has been substantially performed by the Company which is when the franchisee begins operating the franchised business. Initial franchise fees is $25,000 for the first franchise, $12,500 for the second franchise and $12,500 for each franchise thereafter. Such obligations include, site selection, provision of operations manuals, marketing plans, Company sponsored internet site, initial training, and other services necessary for the franchisee to commence operations. The Company has elected to apply the practical expedient pursuant to ASC 952-606-25-2 in which the pre-opening services provided to the franchisees and specified above are treated as a single performance obligation.

Royalty revenue from franchisees is primarily based on 10.0% of the franchisee's weekly gross sales receipts and is recognized in

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

the period in which the related service or sale occurs. In addition to the royalty fee there is a 2% system marketing fee.

The Company contracts directly with each school or location for the services to be provided by the franchisee. The Company then assigns the contract to the franchisee which is responsible for providing the meals, beverages and other services under the contract and billing and collecting revenue from such activity.

Advertising costs are expensed as incurred. Advertising costs for 2024 and 2023 were $9,377 and $1,230, respectively.

Prepaid franchise costs. Costs incurred in connection with the sale and development of a franchised location, prior to the commencement of operations, have been deferred. Such costs are primarily commissions and may include other expenses directly associated with preparing the franchisee for operations. Such costs are charged to expense once the pre-opening obligations under the franchise agreement are met and the related revenue is recognized.

Income taxes. Federal income taxes are not payable by, or provided for, the Company. The member is taxed individually on their share of Company earnings. The Company has elected to be treated as a corporation and taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay federal corporate income taxes on its taxable income and is not allowed a net operating loss carryover or carryback as a deduction. Instead, the member includes their respective share of the Company's net income or loss in their individual income tax returns. Although the State of California follows Subchapter S of the Internal Revenue Code with respect to taxation of individuals on Company earnings, it also imposes a minimum tax of 1.5% on Company earnings.

Use of estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make 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 amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. INTELLECTUAL PROPERTY:

Intellectual property includes trade names, trademarks, service marks, copyrights and other proprietary information. During 2021, the Company incurred $4,466 in costs to develop its intellectual property. Intellectual property as of December 31, 2024 and 2023 is $4,466 and is carried at the cost to acquire the rights.

4. DEFERRED FRANCHISE DEVELOPMENT COSTS:

Deferred Franchise Development Costs at December 31, 2024 and 2023 are presented as follows:

	2024	2023
Deferred franchise development costs	$ 73,279	$ 73,279
Less - accumulated amortization	(35,420)	(20,762)
Deferred franchise development costs - net	$ 37,859	$ 52,517

Amortization expense for 2024 and 2023 was $14,656 for each year.

5. CREDIT CARD PAYABLE:

The Company maintains a credit card with a credit card provider. The aggregate credit limit for this credit card is $20,000. Interest on the credit card is 27.49% per annum. The balance due at December 31, 2024 and 2023 is $7,127 and $5,997, respectively.

6. LINE OF CREDIT:

The Company maintains a line of credit in the amount of $40,000 with a finance company. Interest on the line of credit is 59.9% per annum. Line of credit activity during 2024 included advances payments of $1,000. Line of credit activity during 2023 included advances of $2,000 and payments of $1,000. As of December 31, 2024 and 2023, the outstanding balance on the line of credit was $ 0 and $1,000, respectively.

7. SYSTEM MARKETING RESERVE FUND:

The Company charges its franchisees a 2% system marketing fund fee to fund the development and expansion of the franchise system which includes advertising and marketing programs. The system marketing reserve fund balance at December 31, 2024 and 2023 is $225,142 and $174,327, respectively.

8. DUE TO RELATED PARTY:

The due to related party account primarily represent expenses paid by the Bevaris Alliance, Inc. on behalf of the Company. Such advances do not bear interest and no formal repayment terms have been established. The activity is summarized as follows:

8. DUE TO RELATED PARTY (CONTINUED):

Balance, December 31, 2022	$(86,938)
Payments to related party	77,869
Balance, December 31, 2023	(9,069)
Payments to related party	155,563
Un-reimbursed out of pocket expenses	(27,929)
Balance, December 31, 2024	$ 118,565

9. LEASES:

Operating Lease-
On August 16, 2023, the Company's sole member entered into a lease agreement on behalf of the Company for executive offices for use as its corporate headquarters. The monthly rent is $2,075 on the lease which is effective August 29, 2023. The lease term ends on August 31, 2025. The annual lease payment is $24,900, excluding tax. The Company is responsible for most executory costs and additional charges for use of the facility and other business support services not covered under the lease. An affiliate, Bevaris Alliance, Inc., has agreed to split fifty percent of the above monthly rent with the Company.

10. RELATED PARTIES:

The following summarizes entities which are affiliated by common control and operate the same type of business as the Company. Any transactions between the Company and the affiliate and other related parties are also summarized.

Bevaris Alliance, Inc. (BAI) is owned by the member of the Company. BAI paid, on behalf of the Company, legal and professional fees as well as other costs in connection with the establishment of the Company and the development of the franchise network.

As discussed in Note 9, the Company shares office space with BAI.

BAI is also a franchisee of the Company. Franchise fees incurred by BAI and payable to the Company during 2024 and 2023 were $ 0 and $99,547, respectively.

During 2024 and 2023, the Company was charged management fees, under an informal management agreement, by the Company's member of $432,000 and $486,000, respectively.

During 2024, the Company advanced $5,996 to it's member.

11. FRANCHISES:

During 2024, one franchise agreement was executed. During 2023, no franchise agreements were executed. During 2024 there were six franchises with 23 schools under contract and three franchises in operation. During 2023 there were five franchises with 26 schools under contract.

Franchise activity is detailed as follows:

	Franchises
In operation, December 31, 2022	5
Commenced operations in 2023	-
Ceased operations in 2023	(-)
In operation, December 31, 2023	5
Commenced operations in 2024	1
Ceased operations in 2024	(-)
In operation, December 31, 2024	6

During 2024, the Company waived initial franchise fees in order to initiate additional franchise sales. As discussed in Note 10, BAI is a franchisee of the Company and operates at one school location.

12. CONCENTRATION OF CREDIT RISK AND ECONOMIC DEPENDENCY:

The Company maintains its cash in bank deposit accounts which at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash.

13. SUBSEQUENT EVENTS:

In preparing the financial statements, the Company has considered events and transactions that have occurred through June 20, 2024, the date the financial statements were available to be issued. The following events occurred subsequent to year end:

Subsequent to year end, one franchise agreement was executed.

EXHIBIT C
LIST OF STATE AGENCIES; AGENT FOR SERVICE OF PROCESS

CALIFORNIA

Department of Financial Protection and Innovation
2101 Arena Boulevard
Sacramento, California 95834
Ask.DFPI@dfpi.ca.gov
www.dfpi.ca.gov
Toll Free (866) 275-2677

Agent for Service of Process:
Department of Financial Protection and Innovation
2101 Arena Boulevard
Sacramento, California 95834
Ask.DFPI@dfpi.ca.gov
www.dfpi.ca.gov
Toll Free (866) 275-2677

DELAWARE

Delaware Secretary of State
Division of Corporations
John G. Townsend Bldg.
401 Federal Street, – Suite 4
Dover, DE 19901

Agent for Service of Process:
Corporation Trust Center
1209 Orange Street
Wilmington, Delaware 19801

EXHIBIT D
LIST OF FRANCHISEES

Benice Shamoon
Bevaris Alliance, Inc.
407 N. Maple Drive, Ground Floor, Suite #1
Beverly Hills, CA 90210
(800) 277-3599

Xenia Guzman
Rosas Café, Inc.
11432 South Street, #363,
Cerritos, CA 90703
(562) 980-6363

Klaymond Gorgin
KG Alliance, Inc.
18017 Chatsworth St, Suite 100,
Granada Hills, CA 91344
(818) 298-9091

Jennifer Turner
Guerita's Catering, DBA
4119 N. Mountain View Avenue,
San Bernardino, CA 92407
(909) 263-2708

David D'Souza
DFD Alliance, Inc.
3940 Laurel Canyon Blvd., Suite 3007,
Studio City, CA 91604
(818) 645-2001

Josue Guzman
Guz Alliance, Inc.
11432 South St 363,
Cerritos, CA 90703
(562) 410-3601

Robert Fletcher
Goodie Food, Inc.
142 22nd Ave. San Mateo, CA 94403
(713) 716-6400

There are no former franchises who have left the franchise system.

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EXHIBIT F

STATE ADDENDA

STATE SPECIFIC ADDENDA
CALIFORNIA
ADDENDUM TO DISCLOSURE DOCUMENT

1. **The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the Commissioner.**

2. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

3. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

4. 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 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.

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

6. The following language is added to the end of Item 3 of the Disclosure Document:

Neither we, our parent, predecessor or affiliates nor any person 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 and Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in such association or exchange.

7. The following paragraph is added at the end of Item 5:

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 preopening 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.

8. Item 6 is amended by adding the following to the Remarks in the “Late Fee and Interest on Overdue Payments” section:

The maximum allowable interest rate in California is 10% per annum.

9. The following paragraphs are added at the end of Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, and the law applies, the law will control.

The Franchise Agreement contains a covenant not to compete that extends beyond termination of the franchise. This provision might not be enforceable under California law.

The Franchise Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sections 101 et seq.).

The Franchise Agreement require application of the laws of the State of California. This provision might not be enforceable under California law.

EXHIBIT G

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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	April 17, 2026

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 H

RECEIPT

This franchise disclosure document summarizes provisions of the franchise agreement and other information in plain language. Read this franchise disclosure document and all agreements carefully.

If we offer you a franchise, we must provide this franchise disclosure document to you fourteen calendar days before you sign a binding agreement with or make a payment to us.

If we do not deliver this franchise 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, D.C. 20580 and the appropriate state agency identified on **Exhibit C**.

The franchisor is Bevaris Alliance Franchise System, LLC 407 N. Maple Drive, Ground Floor, Suite #1 Beverly Hills, CA 90210.

Issuance Date: April 17, 2026

We authorize the respective state agencies identified on **Exhibit C** to receive service of process for Bevaris Alliance Franchise System, LLC in the particular state.

I have received a Franchise Disclosure Document issued April 17, 2026, that includes the following Exhibits:

A	Franchise Agreement
B	Financial Statements
C	List of State Agencies; Agent for Service of Process
D	List of Franchisees
E	Operations Manual Table of Contents
F	State Addenda
G	State Effective Dates
H	Receipt

Date: ____________________

____
Franchisee Name

By ________________________________
Its: _______________________________

WITNESS:

____

(Date, Sign and Keep for Your Records and Our Records)