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FRANCHISE DISCLOSURE DOCUMENT

Classic Rock Coffee Co. Franchising, LLC
a Missouri Limited Liability Company
1900 W. Sunset, Suite A116
Springfield, Missouri 65807
(417) 881-4222
www.ClassicRock Coffee.com
info@ClassicRockCoffee.com

We currently offer 1 franchise program for a single Classic Rock Coffee Co. store offering coffee drinks, protein shakes, smoothies, pastries, soups, salads, and sandwiches, equipment, apparel, and related merchandise. The total investment necessary to begin operation of a Classic Rock Coffee Co. franchise ranges from $232,145 to $435,445. This includes $39,000, which must be paid to the franchisor or its affiliate.

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 disclosure in different formats, contact Mr. Kent Morrison or Mr. Brett Payne at 1900 W. Sunset, Suite A116, Springfield, Missouri 65807 or (417) 881-4222.

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

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

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

Issuance Date:

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state administrators listed in Exhibit E for information about the franchisor, about other franchisors, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN MISSOURI. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN MISSOURI THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT MISSOURI LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE LAWS.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

See the Next Page for State Effective Dates

STATE EFFECTIVE DATES

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

This Franchise Disclosure Document is registered, on file or exempt from registration in the following state having franchise registration and disclosure laws, with the following effective date:

California:
North Dakota:
New York:
South Dakota:
Virginia:

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of.

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1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document the words "Classic Rock Coffee Co.," "we," "our" and "us" refer to Classic Rock Coffee Co. Franchising LLC, the franchisor. "You" means the person or entity who buys the franchise. To fully understand all your and our rights and obligations to each other, you must still carefully review the actual agreements that you will execute. These will control if there is any dispute between us.

The Business

We have established a concept to develop and operate, a chain of retail coffee shops (each, a "Classic Rock Coffee Co.") which offer coffee drinks, protein shakes, smoothies, pastries, soups, salads, sandwiches, equipment, apparel, and related merchandise. We currently offer one franchise program in this Disclosure Document, whereby you may execute a franchise agreement in the form attached as Exhibit B ("Franchise Agreement") to operate a single Classic Rock Coffee Co. (the "Store").

Parent(s), Affiliate(s) and Predecessor(s)

We were organized in the State of Missouri on August 2, 2012, under the name Classic Rock Coffee Co. Franchising, LLC. We do business under our company name and under the name "Classic Rock Coffee Co." Our affiliate, Classic Rock Coffee LLC (the "Operating Company"), a Missouri limited liability company, was organized on January 1, 2011. The Operating Company has conducted a business of the type being franchised since January 2011. Our principal business address and the Operating Company's principal business address is 1900 W. Sunset, Suite A116, Springfield, Missouri 65807. Our other affiliate, The Shake Guy, LLC, d/b/a Shake This ("Shake This"), a Missouri limited liability company, was organized on March 12, 2004. Shake This sells supplies to our franchisees and its principal business address is 1900 W. Sunset Street, Springfield Missouri 65807. We have offered franchises in this state since December 2013. We do not conduct a business of the type being franchised. We currently do not engage in any other business activities. Neither we nor our affiliate has offered franchises in any other line of business.

Competition

The typical Classic Rock Coffee Co. Store is on a major thoroughfare or in or adjacent to a retail shopping center. You will compete in the coffee shop and fast casual food business with various established coffee shops and regional or national stores specializing in coffee beverages and café style food, as well as with other bakeries, juice companies and/or smoothie shops selling other kinds of beverages or food. You may also compete with other Classic Rock Coffee Co. Stores, both franchised and company-owned outlets. The general market for your services will be the general public, unless your Store is located at a non- traditional site, in which case your market will be limited to the persons frequenting the facility where your Store is located. The market for the Classic Rock Coffee Co. Store is developed and generally non- seasonal. Special Industry Regulation

You must comply with all local, state, and federal laws that apply to your Store including health, sanitation, no smoking, EEOC, OSHA, discrimination, employment, and sexual harassment laws. The Americans with Disability Act of 1990 requires readily accessible accommodation for disabled people and therefore may affect your building construction, site elements, entrance ramps, doors, seating, bathrooms, drinking facilities, etc. You must obtain all required real estate permits, licenses and operational licenses.

California and other states and local jurisdictions have enacted laws, rules, regulations and ordinances which may apply to the operation of your Store, including those which (a) establish general standards, specifications and requirements for the construction, design and maintenance of the Store premises; (b) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for Stores; employee practices concerning the storage, handling, cooking and preparation of food; restrictions on smoking; availability of and requirements for public accommodations, including restrooms; (c) set standards pertaining to employee health and safety; (d) set standards and requirements for fire safety and general emergency preparedness; (e) govern the use of vending machines; and (f) regulate the proper use, storage and disposal of waste, insecticides, and other hazardous materials. California law requires each food facility that meets specified criteria (which cover 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. The Health Care Reform Bills that became law in March 2010 contain provisions that require disclosure of nutrition and calorie information in chains of more than 20 restaurants. Other states and cities may have laws similar to these laws. You should consult with your attorney concerning these and other local laws and ordinances that may affect your Store. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating your Store and should consider both their effect and cost of compliance.

Agent for Service of Process

Our registered agent(s) for service of process are disclosed in Exhibit E.

2. BUSINESS EXPERIENCE

Kent Morrison – Managing Member

Mr. Morrison has been our Managing Member since our inception. In 2003, Mr. Morrison founded and developed Shake This in Springfield, Missouri. In 2011, Mr. Morrison relocated the Shake This distribution center to Springfield, Missouri and built the first Classic Rock Coffee Co. Store.

Brett Payne – Director of Franchise Operations

Mr. Payne joined Classic Rock Coffee Co. in January 2013. From September 2007 to May 2012, Mr. Payne served as the Chief Executive Officer for Endis, Inc. in Springfield, Missouri.

3. LITIGATION

No litigation is required to be disclosed in this Item.

4. BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

5. INITIAL FEES

Franchise Agreement

All franchisees must pay us a lump sum initial franchise fee of $39,000 upon signing the Franchise Agreement. The initial franchise fee is not refundable under any circumstances.

6. OTHER FEES

Name of Fee[1]	Amount[1]	Due Date	Remarks
Continuing Royalty	5% of total gross sales	Payable weekly	Gross sales include all revenue from the Store. Gross sales does not include refunds or discounts to customers, or sales tax or use tax
Advertising Fee	2% of total gross sales	Same as continuing royalty	
Local Advertising	2 – 4% of total gross sales	As arranged	You must spend 4% of your gross sales on local advertising in the first 12 months of opening your Store and 2% thereafter
Cooperative Advertising	None (currently)	Established by the co-op, if and when formed	If we form a regional advertising co-op, you must contribute to the co-op. Company-owned stores have no vote in these co-ops.
Renewal	20% of current Initial Franchise Fee	Payable on execution of new Franchise Agreement	20% of Initial Franchise Fee is currently $7,800
Training of Staff	$150 per day, for up to 3 individuals	Before start of training	There is no charge for the initial training program for you (or your designated representative) or your manager, but you will be charged for training additional managers or other personnel or for retraining a person who fails to complete

Name of Fee[1]	Amount[1]	Due Date	Remarks
			our initial training program to our satisfaction
Additional Training Courses	Established by us (uniform for all franchisees)	On demand	There is no charge for mandatory additional training courses, but you may be required to pay us a fee for optional training courses that we may offer
Additional training at your Store	Our cost to provide training	On demand	If you request us to provide training at your Store, you must reimburse us for our costs in providing training and supervisory personnel (including all transportation and living expenses of our representative)
Insurance[2]	Amount of unpaid premiums	On demand	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you
Audit	All amounts shown to be due, plus interest, plus the cost of the audit	On demand	Payable only if the audit shows an understatement of gross sales for any period
Interest[3]	The lesser of eighteen percent (18%) per year or the highest rate permitted by applicable law	Continues to accrue until paid	Payable only if sums due us are not paid when due
Transfer Fee	$7,000 (currently)	Before the transfer	Payable when you sell or otherwise transfer your franchise, except to an entity you control

Notes:

1. All fees are imposed by and are payable to us. All fees are non-refundable, unless expressly noted to the contrary. The fees imposed by all Franchise Agreements presently being offered in this state are uniform.
2. You must maintain insurance of the types and minimum amounts (naming us as an additional insured) that we specify in your Franchise Agreement (See Section 16(a) thereof), the operating manual for your Store ("Operating Manual") or in supplementary notices you receive from us. You may obtain additional insurance as you may desire. Insurance policies may not be subject to amendment or cancellation without at least 30 days prior written notice to us. You must provide certificates of insurance evidencing coverage on an ongoing basis.
3. Interest begins on the date of any underpayment.

7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee	$39,000	Lump sum	Upon execution of Franchise Agreement	Us
Rent (1 month plus security deposit) (1)	$2,500 - $8,000	As incurred	Before opening	Lessor
Utility Deposits(2)	$500 - $2,000	As incurred	Before opening	Utility company(ies)
Leasehold Improvements(3)	$0 - $50,000	As arranged	Before opening	Lessor or contractor(s)
Equipment(4)	$47,350 - $76,050	As arranged	Varies with supplier	Approved supplier(s)
Initial Inventory(5)	$11,320 - $21,520	As arranged	Varies with supplier	Approved supplier(s)
Store Supplies	$1,625 - $1,875	As arranged	Varies with supplier	Approved supplier(s)
Furniture	$10,500 - $26,000	As arranged	Varies with supplier	Approved supplier(s)
Sound System	$5,000 - $8,000	As arranged	Varies with supplier	Approved supplier(s)
Cabinetry & Countertops	$12,000 - $30,000	As arranged	Varies with supplier	Approved supplier(s)
Insurance & Licensing	$600 - $1,500	As incurred	Monthly installment	Insurance companies and governmental agencies
Training expenses(6)	$0-$1,500	As incurred	During training	Hotels and Stores

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Signage	$20,000 - $33,000	As arranged	Before opening	Approved supplier(s)
Decorations	$14,250 - $32,000	As arranged	Varies with supplier	Approved supplier(s)
Office Supplies & Computer	$3,000 - $5,000	As arranged	Before opening	Approved supplier(s)
Advertising for Grand Opening	$4,000 - $8,000	As arranged	Before opening	Approved supplier(s)
Miscellaneous Start-Up Expenses	$500 - $2,000	As arranged	Before opening	Approved supplier(s)
Additional Funds (3 months)[7]	$60,000 - $90,000	As incurred	Before opening	Approved supplier(s), employees
TOTAL: [8]	**$232,145-$435,445**			

Notes:

1. The rent estimate contemplates one month's rent plus a lease security deposit of an equal amount, and is based on rent expenses in Springfield, Missouri. Rent expense for a facility from which to operate the Store will vary, based on location, square footage, age and condition of the structure, lease arrangements and other such factors (the typical Classic Rock Coffee Co. will be approximately 1800 to 2000 square feet). All other charges, which may include, without limitation, marketing fund, promotional fund, common area charges, utilities, taxes, insurance, etc., as imposed by the lessor will be as per the lease and your responsibility. Leases sometimes specify minimum rent and percentage rent applicable above a threshold sales volume.
2. Utility companies may require you place a deposit before installing telephone, gas, electricity and related utility services. These deposits may be refundable in accordance with the agreements made with the utility companies.
3. The cost of construction and leasehold improvements depends upon the size and condition of the premises, the local cost of contract work and the location of the Store. The range of figures set forth for a Store is the cost of reasonable renovation or leasehold improvements, and may be less if the lessor provides a construction allowance to you. Included in the estimate are construction charge-backs for landlord-provided work. Fixtures include counters, tables, chairs, wall coverings, decorations and other such fixtures. The cost of fixtures will vary, depending on the seating capacity of the facility, lease or finance terms available to you, the layout of the facility and other relevant factors. The high estimate contemplates leasehold improvements for approximately two thousand (2,000) square feet.
4. The equipment necessary for the operation of a Classic Rock Coffee Co. includes LaMarzocco 3 Group, Mazzer Grinders (for espressos), Ice Machine (Hoshizaki F330C), Iced Tea Brewer, Undercounter Fridge (Everest ETR1), Dual Temp Undercounter (Everest ETRF2), Dual Temp Upright (Everest ESRF2), and POS System, in addition to other equipment. You may purchase or lease approved brands and models from approved suppliers. The cost of the equipment will depend on financing terms available, the size of the Store, brands purchased and other factors.

5. Your initial inventory must be purchased from approved vendors as have been designated in accordance with the Franchise Agreement. Initial inventory consists of various coffee beans, syrups, sauces, protein powders, mugs, grinders, t-shirts, hats, and other supplies to be utilized in the operation of the Store, as well as other merchandise or products to be sold by the Store. The initial inventory expenditure will vary according to anticipated sales volume and current market prices for supplies.
6. You are responsible for making arrangements and paying the expenses for any persons attending the training program including, without limitation, transportation, lodging, meals and wages. The amount expended will depend, in part, on the distance such persons must travel and the type of accommodation you or they choose. The estimate provided contemplates training for three (3) to ten (10) days (at the rate of $150 per day, for up to three (3) individuals) as further provided in Section 5(a)(iii) of the Franchise Agreement.
7. These amounts are the minimum recommended levels to cover operating expenses, including employees' salaries for three (3) months. However, we cannot guarantee that such an amount will be sufficient. Additional working capital may be required if sales are low or fixed costs are high. The disclosure laws require us to include this estimate of all costs and expenses to operate your Store during the "initial phase" of your business, which is defined as three (3) months or a longer period if "reasonable for the industry." We are not aware of any established longer "reasonable period" for the coffee shop industry, so our disclosures cover a three-month period.
8. None of the estimated expenditures listed in the table are refundable, except (i) utility deposits are usually refundable, and (ii) lease security deposits may be refundable. We do not offer, directly or indirectly, financing for any of the above expenditures. The availability and terms of financing will depend on many factors, including the availability of financing generally, your creditworthiness, other security that you may have, and policies of lending institutions concerning the type of business being operated by you. All estimated initial investment expenses are based on figures in Springfield, Missouri. Estimated initial investment expenses can range in greater amounts from the estimated initial investment expenses for locations outside of Springfield, Missouri.

   We have prepared these estimates based on our experience. Except as expressly indicated otherwise, these estimates cover your initial cash investment up to the opening of your Store. They do not provide for your cash needs to cover any financing incurred by you or your other expenses. You should not plan to draw income from your Store during the start-up and development stage of your business, the actual duration of which will vary materially from store to store and cannot be predicted by us for your Store (and which may extend for longer than the three-month "initial phase" described in Note 7 above). You must have additional sums available, whether in cash or through a bank line of credit, or have other assets, which you may liquidate or against which you may borrow, to cover other expenses and any operating losses you may sustain, whether during your start-up and development stage, or beyond. The amount of necessary reserves will vary greatly from franchisee to franchisee and will depend upon many factors, including the rate of growth and success of your Store, which in turn will depend upon factors such as the demographics and economic conditions in the area in which your Store is located, the presence of other Classic Rock Coffee Co.'s or other public awareness of our business and its Marks (as defined below) within the general vicinity of your proposed Store, your ability to operate efficiently and in conformance with our recommended methods of doing business, and competition. Because the exact amount of reserves will vary from operation to operation and cannot be meaningfully estimated by us, we urge you to retain the services of an experienced accountant or financial advisor to develop a business plan and financial projections for your particular operation.

8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approval of Suppliers

We specify certain fixtures, equipment, supplies and other items that you must have before opening, and must maintain for as long as you own your Store. All fixtures, equipment, supplies and other materials required to operate your Store must be procured from us, or from suppliers that we designate or approve. We will provide you with an Operating Manual and various bulletins and notices that will contain the specifications, standards and restrictions for your purchase of products and services. As we determine consumer preferences and trends in the marketplace, or develop new marketing techniques, technologies, products and services, 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 Operating Manual or otherwise via articles, newsletters or other bulletins.

We supply Trussing, Stage Lighting, Retail Display Cabinets, Stereo System, Espresso Machine, Grinders, Coffee Brewing Equipment, Ice Machine, Refrigerators, Freezers, Sandwich Prep Tables, Blenders, Acrylic Containers, etc. and other equipment, supplies, inventory, and materials for your Store, to be updated from time to time.

Our affiliate, Shake This, is the supplier for all Coffees, Flavorings, Sauces, Frappe Powders, Juice Concentrates, Protein Powders, Hot Cups, Cold Cups, Lids, Straws, Java Jackets and other supplies, inventory, and materials for your Store, to be updated from time to time.

U.S. Foods is the supplier of all other items needed to make the "non coffee and protein shake" portion of the menus. These Items include Breads, Meats, Cheeses, Pastry dough and ingredients, fresh, frozen and canned fruits and vegetables, soups, etc. and other equipment, supplies, inventory, and materials for your Store, to be updated from time to time.

Our Managing Member, Kent Morrison, owns Shake This. With this exception, none of our officers own an interest in our approved suppliers.

We will provide an approved vendor list to you that will be updated from time to time.

We may in the future negotiate volume purchase agreements with some vendors for the purchase of goods and equipment needed to operate your Store. At the present time, we do not negotiate volume purchase agreements or receive rebates or any material benefits from any outside supplier for the purchase of goods or services from you or other franchisees. Currently, there are no purchasing or distribution cooperatives in existence.

If you wish to procure any items from a supplier other than from a supplier we designate, you must obtain our approval in the manner set forth in Subsection 8(n) of the Franchise Agreement, which basically requires that you identify the proposed supplier, its name and address, and the items you desire to purchase from that supplier. If product specifications for the item or other approval criteria are not in the Operating Manual, we will furnish the specifications or criteria to you at your request. We may condition our approval on the supplier agreeing in writing not to disclose any confidential information regarding us or our operations, to comply faithfully with our specifications for the items the supplier sells, to sell any materials bearing our Marks (as defined below) only to our franchisees, and on the supplier demonstrating to our reasonable satisfaction that it is able to supply commodities meeting our specifications on a continuing basis and that the supplier is, and will continue to be, of good standing in the business community with respect to its financial soundness and the reliability of its products and services. Unless we otherwise notify you in writing within 15 days after our receipt of written notification and all other information which we request in order to evaluate a proposed supplier, a supplier is deemed not approved by us. We will approve or withdraw our approval of any supplier by written notice to you. We do not charge any fees to secure our approval of suppliers.

We estimate that approximately 80% or more of your expenditures for leases and purchases in establishing your Store and on an ongoing basis will be for goods and services which are subject to sourcing restrictions (that is, for which suppliers must be approved by us, or which must meet our standards or specifications).

Advertising

You may not use any advertising material for local advertising, unless we have expressly approved it in writing before publication or use, and it complies with our requirements concerning format, content and media.

Records

All of your bookkeeping and accounting records, financial statements, and all reports you submit to us must conform to our requirements.

Computer Equipment

We presently require you to purchase or lease computer hardware and software. Under your Franchise Agreement, we may establish such sales reporting systems as we consider appropriate for the accurate and expeditious reporting of gross sales, and you must fully cooperate with us in implementing any such system at your Store and, at your expense, equip the Store with such sales recording devices as we may require, which may include sales recording cash registers or devices that will telecommunicate gross sales directly to us on a daily basis.

Payments from Licensees and Franchisees for Goods and Services

During our fiscal year ended December 31, 2015, none of our total revenue from all sources was received from purchases of products and services by franchisees. We do not provide or withhold material benefits to you (such as renewal rights or the right to open additional stores) based on whether or not you purchase through the sources we designate or approve. However, purchases of unapproved products or from unapproved vendors in violation of the Franchise Agreement will entitle us, among other things, to terminate your Franchise Agreement.

9. FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise 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 Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	Sections 3 and 8 of Franchise Agreement	Item 11
b. Pre-opening purchases/ leases	Sections 8(d), 8(l) and 8(n) of Franchise Agreement	Item 8
c. Site development and other pre-opening requirements	Sections 8(a)-(g) and 10(d) of Franchise Agreement	Items 6, 7 and 11
d. Initial and ongoing training	Sections 5(a)(iii) and 8(g) of Franchise Agreement	Item 11
e. Opening	Section 10(d) of Franchise Agreement	Item 11
f. Fees	Section 6 of Franchise Agreement	Items 5 and 6
g. Compliance with standards and policies / operating manual	Sections 5(b) , 8 and 9 of Franchise Agreement	Item 11
h. Trademarks and proprietary information	Sections 7, 9 and 12 of Franchise Agreement	Items 13 and 14
i. Restrictions on products/services offered	Sections 8(l) and 8(n) of Franchise Agreement	Item 16
j. Warranty and customer service requirements	Sections 8(o) and 8(r) of Franchise Agreement	Item 11
k. Territorial development and sales quotas	Not applicable	
l. Ongoing product/service purchases	Section 8(n) of Franchise Agreement	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 5(b) and 8 of Franchise Agreement	Item 11
n. Insurance	Section 16 of Franchise Agreement	Items 6 and 8
o. Advertising	Sections 8(p)-(q) and 10 of Franchise Agreement	Items 6 and 11
p. Indemnification	Section 18 of Franchise Agreement	Item 6
q. Owner's participation / management / staffing	Sections 8(g), 8(o), 8(v), 12(a)(i) and 13(g) of Franchise Agreement	Items 11 and 15
r. Records and reports	8(u), 10(b)-(c) and 11 of Franchise Agreement	Item 8

Obligation	Section in Agreement	Item in Disclosure Document
s. Inspections and audits	Sections 8(m), 8(s) and 11(a) of Franchise Agreement	Items 6, 8 and 11
t. Transfer	Section 13 of Franchise Agreement	Item 17
u. Renewal	Sections 4(b)-(c) of Franchise Agreement	Item 17
v. Post-termination obligations	Sections 8(i), 11(a),12(b)-(d) and 15 of Franchise Agreement	Item 17
w. Non-competition /Non-solicitation covenants	Section 12 of Franchise Agreement	Item 17
x. Dispute resolution	Section 23 of Franchise Agreement	Item 17
y. Other (Security Interest)	Section 19 of Franchise Agreement	Item 17

10. FINANCING

We do not offer any direct or indirect financing to you. We do not guarantee your note, lease or obligation. If you are a corporation, limited liability company or limited partnership, we may require your shareholders, members and limited partners to guarantee all of your obligations to us.

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

Except as listed below, Classic Rock Coffee Co. is not required to provide you with any assistance.

Pre-Opening Obligations. We have the following obligations to you before you open your Store for business:

1. We will conduct an initial training program as described below. (Franchise Agreement, Section 5(a)(iii).)
2. We will loan to you one copy of the Operating Manual to use confidentially during the term of the Franchise Agreement. The Operating Manual contains our standard operational procedures, policies, rules and regulations with which you must comply. We will allow you to review our Operating Manual before you sign your Franchise Agreement. Before reviewing our Operating Manual, you must sign a Confidentiality Agreement in the form attached as Exhibit C. (Franchise Agreement, Sections 5(a)(v), and 9.)
3. We do not generally own and lease to you, but will review and either approve or disapprove (within 30 days after your request), the proposed location for the Store if not otherwise set forth in the Franchise Agreement. (Franchise Agreement, Section 8(a).) You are solely responsible for selecting the site of your Store, which must be approved by us. If we offer any assistance to you in this regard, you may not construe our assistance as a guarantee or other assurance that the site will necessarily be successful. The factors we consider in approving Store location include general location and neighborhood, traffic patterns, parking, size, physical characteristics of existing buildings and lease terms. If you and we do not agree on a

site for, and you do not open, your Store within 180 days after execution of your Franchise Agreement, we may terminate your Agreement.

4. We will furnish to you, without charge, standards, specifications and/or possible sources for the site, design and layout of a Store and required improvements, fixtures, equipment, furnishings, décor, signs, products and services. (Franchise Agreement, Sections 5(a)(i)-(ii).)

Post-Opening Obligations. We have the following obligations to you during the operation of your business:

If you reasonably request, we will furnish additional assistance and advice concerning your performance under the Franchise Agreement and the operation of your Store. (Franchise Agreement, Section 5(b).)

Advertising Program

We administer an advertising program to promote and enhance the image, identity or patronage of Classic Rock Coffee Co. shops owned by us and by our franchisees. You and other Classic Rock Coffee Co. franchisees will contribute 2% of your and their gross sales to the advertising program (the "Advertising Fund"), which sums are deposited in our general operating account, segregated administratively on our books, but are commingled with our general operating revenues. We allocate for use by the advertising program an amount equal to 2% of the gross sales of each Classic Rock Coffee Co. shop that is operated by us or any of our affiliates. If we spend less than the total of all contributions to the Advertising Fund during any fiscal year, we may accumulate such sums for use in later years. (Franchise Agreement, Sections 10(a)-(b).)

The Advertising Fund will not be audited. We will furnish to you on an annual basis an unaudited report certified as correct by a Classic Rock Coffee Co. officer showing the Advertising Fund balance at the beginning of the prior year, the total amount contributed by franchisees and allocated by us on behalf of our Classic Rock Coffee Co., the amount actually expended for the prior year, and remaining balance or deficit in the advertising program fund at the fiscal year end. (Franchise Agreement, Section 10(b).) We are obligated to spend an amount equal to the advertising program fund revenue received or allocated by us for national, regional or local advertising, public relations and promotional campaigns, typically in media such as direct mail advertising, newspapers, radio, online social media, and cable and local television. This sum may also be spent for other items, including but not limited to conducting marketing studies; and the production and purchase of advertising art, commercials, musical jingles, print advertisements, point of sale materials, media advertising, outdoor advertising art, and direct mail pamphlets and literature, and may also be allocated to reimburse us or our affiliates for internal expenses of operating an advertising department and administration of our advertising program. We determine, in our discretion, exercised in good faith, all matters relating to such advertising, public relations and promotional campaigns and we are not required to allocate or expend advertising program contributions for the benefit of any particular franchisee or group of franchisees on a pro rata or proportional basis, or in the area where your Shop is located. (Franchise Agreement, Section 10(a).)

In our most recently concluded fiscal year, no advertising program funds were received or disbursed. No advertising program fund contributions are used to solicit new franchisees. (Franchise Agreement, Section 10(a).)

Local Advertising

You must spend a minimum of 4% of your gross sales on local advertising in the first 12 months after the opening of your Store, and 2% thereafter. (Franchise Agreement, Section 10(c).) However, you must receive written approval from us before you may use any advertising material. (Franchise Agreement, Section 10(g)).

Co-operative Advertising

As of the date of this Disclosure Document, we have not established any local or regional advertising co-operatives ("Co-ops"). If we do so in the future, you must participate in any Co-op for the region in which your Store is located. We may change, dissolve, or merge Co-ops in its sole discretion. Any amount contributed to a Co-op will not be credited against the percentage of gross sales which you must spend on local advertising as described above. (Franchise Agreement, Section 10(h).)

At the present time, there is no advertising council composed of franchisees that advises us on advertising policies, but we reserve the right to form one in the future.

Promotional Campaigns

We may periodically conduct promotional campaigns on a national or regional basis to promote products or marketing themes. You must participate in all promotional campaigns that we may establish for the region in which your Store is located. (Franchise Agreement, Section 10(i).)

Time before Opening

We estimate that the length of time between signing a Franchise Agreement and the opening of your Store will be approximately 120 days. The factors that may affect this time period include your ability to obtain a lease, financing or building permits, zoning and local ordinances, weather conditions, shortages, construction delays, or delayed installation of equipment, fixtures and signs.

Computer Equipment

We presently require you to purchase or lease computer hardware and software. Under your Franchise Agreement, we may establish such sales reporting systems as we consider appropriate for the accurate and expeditious reporting of gross sales, and you must fully cooperate with us in implementing any such system at your Store and, at your expense, equip the Store with such sales recording devices as we may require, which may include sales recording cash registers or devices that will telecommunicate gross sales directly to us on a daily basis. We will have independent access to the information that will be generated or stored in any electronic cash register or computer system. There are no limitations on our right to access this information. The approximate initial cost to you for such computer equipment and related office supplies is $6,500 - $10,000, and the annual cost of any optional or required maintenance, updating, upgrading or support contracts is undetermined at this time.

Training

At all times during the term of your Franchise Agreement after opening of your Store, at least one designated manager employed at your Store must have attended and completed our training course to our satisfaction. Training programs are offered periodically, including as needed to meet the demands of new franchisees. Your designated manager must be approved by us in writing before participating in our training course.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location	Supporting Video
Setting the Grind & Pulling a Shot of Espresso	3	1	Corporate & On Location	YES
Advanced Grinder info (replacing burrs, fine tuning the grind)	1	.25	Corporate & On Location	YES
Steaming & Texturing Milk	2	.5	Corporate & On Location	YES
Building Drinks	1	.25	Corporate & On Location	YES
Chai Tea & Hot Chocolate	.5	.25	Corporate & On Location	YES
Airpot Brewing, Cleaning & Preheating	.5	.25	Corporate & On Location	YES
Pourover Techniques	1	.25	Corporate & On Location	YES
French Press	.5	.25	Corporate & On Location	YES
Making Sandwiches	2	.5	Corporate & On Location	YES
Making Soups	.5	.25	Corporate & On Location	YES
Making Salads	.5	.25	Corporate & On Location	YES
Making Protein Shakes	1	.25	Corporate & On Location	YES
Counting the Drawer	.5	.5	Corporate & On Location	YES
Closing Out our Credit Card System	.5	.25	Corporate & On Location	YES
Running the POS	3	1.5	Corporate & On Location	YES
3 Compartment Sink Requirements	.5	.25	Corporate & On Location	YES

Subject	Hours of Classroom Training	Hours of On-The- Job Training	Location	Supporting Video
General Cleaning	1	.25	Corporate & On Location	YES
Ordering Supplies	.5	.25	Corporate & On Location	NO
Reviewing Job Descriptions	1	.5	Corporate & On Location	NO
Customer Service	1	.5	Corporate & On Location	NO
Espresso Machine Explanation	1	.25	Corporate & On Location	YES
Cleaning the Espresso Machine	1	.25	Corporate & On Location	YES
Classic Rock Coffee Company Mission Principles & Promises	.5	.25	Corporate & On Location	YES
Our Roasting Process (sourcing)	.5	.25	Corporate & On Location	YES
Who are classic rock coffee's employees, what are their traits	.5	.25	Corporate & On Location	NO
Upselling	.5	.25	Corporate & On Location	NO
Menu Review	1	.25	Corporate & On Location	NO
Opening Procedures	1	.25	Corporate & On Location	NO
Closing Procedures	1	.25	Corporate & On Location	NO
Daily Checklist	.5	.25	Corporate & On Location	NO

Our training staff consists of two (2) persons, each of which have at least one (1) year of experience with Classic Rock Coffee Co. in various operational capacities, and at least four (4) years of prior related experience or education.

Instruction materials include our Operating Manual and related workbooks. New managers must go through a three (3) day (24 hours) training schedule at our training facility in Springfield, Missouri before being assigned to your Store. Approximate hours that a new manager or other employee of your Store may be required to spend in classroom training and on-the-job training are depicted above.

We may periodically offer additional training programs to you, your designated manager and/or other employees covering such subjects as proper brewing, new techniques, pulling shots, marketing, bookkeeping, accounting and general operating procedures. Attendance by you or your designated manager may be mandatory or optional, in our discretion. We currently charge a fee of $150.00 per day for training of up to three (3) individuals, and such fees and all travel and living expenses of you and your personnel incurred while attending or obtaining all training will be borne entirely by you.

12. TERRITORY

Under the Franchise Agreement, you may only operate your Store at a specific location (the "Franchised Location"). You do not have the right to establish additional Classic Rock Coffee Co. locations, rights of first refusal or similar rights to acquire additional franchises, although you may apply for the right to operate additional Classic Rock Coffee Co.'s pursuant to separate franchise agreements. You will have a protected territory as outlined by franchisor upon your site selection (the "Protected Territory"). We are not required to grant you a minimum territory, as every market and site has unique populations and landmarks that make it difficult to have the same description to describe a territory. If your location is in a densely populated city, your territory may be a 100,000 population ring; or if your location is in a smaller city, you may have a 1 mile ring territory. The Protected Territory will be outlined once your location is selected. You are required to operate the Franchised Location only at this accepted location and may not relocate the Store without our prior written consent based upon our sole judgment and discretion. Except as provided below, during the term of the Franchise Agreement and subject to your full compliance with the Franchise Agreement, neither we our affiliates, or any other Franchisee, will establish or operate another Store within the Protected Territory.

You will not be granted an exclusive territory under the Franchise Agreement. You may face competition from other Classic Rock Coffee Shops that we or our affiliates franchise or own and that operate traditional sites outside your Protected Territory. Also, you may face competition from other outlets that we franchise or own, or from other channels of distribution or competitive brands we control. There are no restrictions on the location of customers you may solicit to patronize your Store, nor are we or other franchisees restricted from soliciting customers in the area referenced above. We and our affiliates may sell products under our Marks (as defined below) or different trademarks, regardless of proximity to your Store, through any method of distribution, including sales through such channels of distribution as the Internet, catalog sales, telemarketing or other direct marketing sales (together, "alternative distribution channels"). We are not required to pay you any compensation if we do so. You may not use alternative distribution channels to make sales and you will receive no compensation for our sales through alternative distribution channels. You may solicit or accept orders from customers located anywhere, but you may not use alternative distribution channels to solicit or fill orders. Neither we, nor our affiliate currently operates, franchises, or plans to operate or franchise a business under a different trademark, which will sell goods or services similar to those you will offer.

Under the Franchise Agreement, the continuation of your Protected Territory is dependent upon your compliance with your obligations under the Franchise Agreement, as described above.

13. TRADEMARKS

We have filed applications for the following trademarks on the Principal Register of the United States Patent and Trademark Office:

Mark	Registration Number	Registration Date
CLASSIC ROCK COFFEE CO. word mark	4,574,259	July 29, 2014
Classic Rock Coffee Co. Wake Up	4,578,295	August 5, 2014
Atomic Punk Espresso Blend 	4,457,485	December 31, 2013
Back in Black Bold	4,535,619	May 27, 2014
Barracuda Bite 	4,457,486	December 31, 2013
Breakfast in America Morning Brew 	4,453,388	December 24, 2013
Cold Shot Coffee Concentrate 	4,442,437	December 3, 2013
Living After Midnight Amped 	4,353,302	June 18, 2013

Under the Franchise Agreement, you will be licensed to operate a Store using the trademark "CLASSIC ROCK COFFEE CO." (the "Principal Trademark") and associated logos and other marks of Classic Rock Coffee Co. in connection with the Store (collectively with the Principal Trademark, the "Marks"). If our right to use the Marks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We have no agreements presently in effect that would significantly limit our rights to use or license the use of the Marks which are material to you.

If you learn of any claim, suit or demand against you by a third party for any alleged infringement, unfair competition or similar matter due to your use of the Marks, in accordance with the terms of the Franchise Agreement, you must promptly notify us of any the claim, suit or demand. You may not settle or compromise any claim by a third party without our prior written consent. We may defend, compromise or settle any claim at our cost, using attorneys that we choose and you must cooperate fully with us in defending the claim. The Franchise Agreement does not require us to participate in such defense and/or indemnify you for expenses or damages if you are a party to such a proceeding, including if the proceeding is resolved unfavorably to you.

We are not aware of any prior superior rights or infringing uses which might materially affect your use of the Marks licensed to you. If you learn of any infringing use, you must promptly notify us. We will decide in our discretion whether or not to prosecute and our decisions will be final.

We may add to, delete, or modify our Marks. You must accept, use, or cease using, as may be applicable, the Marks, including modified or additional Marks in accordance with our prescribed procedures, policies, rules and regulations, whether contained in the Operating Manual, in the Franchise Agreement, or otherwise. You will not be compensated as a result of any such discontinuation or modification.

14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own rights in, or licenses to, any patents or copyrights, or pending patent applications, material to the franchise described herein and in the Franchise Agreement. However, we claim copyright protection in the Operating Manual and all advertising medium that we may distribute. You must operate your Store in accordance with our standards, specifications, policies and procedures as set forth in the Operating Manual or otherwise communicated to you. You must treat the information contained in the Operating Manual and any other manuals or supplemental material supplied by us as confidential. The Operating Manual is our property and you may not duplicate, copy, disclose or disseminate the contents of the Operating Manual at any time, without our prior written consent. We have the right to modify or supplement the Operating Manual upon notice or delivery to you. You must keep the Operating Manual current at all times, and upon the termination or non-renewal of your franchise return the Operating Manual to us.

You may not divulge or use any confidential information concerning our methods or procedures during or after the term of the Franchise Agreement. Information made available to you may not be divulged to any person other than your employees or financial advisors who reasonably need access to such information for purposes of fulfilling their employment or contractual responsibilities.

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

Unless we approve your employment of a designated manager or managers to operate your Store, you must actively participate in the actual operation of the Store and devote as much of your time as is reasonably necessary for the efficient operation of the Store; in any event, we recommend your participation in, and on-premises supervision of, the Store whenever and to the extent possible. You (if you are an individual) or your approved manager(s) of the Store must attend Classic Rock Coffee Co.'s Training Program. Your manager(s) must complete our initial training program to our sole, subjective satisfaction. We do not require your manager(s) to have an equity interest in the Store. You must require your manager(s) to sign a non-disclosure and non-competition agreement with you, prohibiting such manager(s) from competing in the coffee shop business within five miles of the Store for one year after termination of their employment or disclosing our trade secrets or other confidential information.

16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all, and only, those goods and services that we have approved. We may add, delete, and change items that you may or must offer, in our unrestricted discretion, and this may require you to purchase additional equipment. You may serve clients only from the Store location from which you have been authorized to operate.

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.

THE FRANCHISE RELATIONSHIP

	Provision	Section in Franchise Agreement	Summary
a.	Length of the franchise term	Section 4(a)	Unless you are purchasing an existing franchised store, the term is 10 years from the date of your Franchise Agreement; if you are purchasing an existing franchised store, the term will be equal to the then-remaining term of the Franchise Agreement that relates to the store.
b.	Renewal or extension of the term	Section 4(b)	If you are in good standing you can renew for additional 5-year terms.
c.	Requirements for franchisee to renew or extend	Sections 4(b)-(c)	You must: provide notice, be in good standing, sign a new agreement, pay a fee of 20% of the then current Initial Franchise Fee, and sign a release. You may be asked to sign a Franchise Agreement with materially different terms and conditions than your original Franchise Agreement.
d.	Termination by franchisee	Section 14(b)	You can terminate only through legal process upon our breach of the Franchise Agreement, or otherwise upon our consent.
e.	Termination by franchisor without cause	Not Applicable	

	Provision	Section in Franchise Agreement	Summary
f.	Termination by franchisor with cause	Sections 8(g) and 14(a)	We can terminate only if you fail to satisfactorily complete required training or otherwise default.
g.	"Cause" defined – curable defaults	Section 14(a)	You have 5 days to cure non-payment of fees, 15 days to cure non-compliance with law, and 30 days to cure defaults not listed in Section 13(a).
h.	"Cause" defined – non-curable defaults	Section 14(a)	Non-curable defaults are: bankruptcy, underreporting of gross sales, failure to commence operation of the Store or complete training, false statements, conviction of felony, crime or other offense, breach of confidentiality, repeated defaults even if cured, abandonment or loss of right of possession to the Store, uncured default under any other agreement with us, your lender or your lessor, unapproved transfers, and rebranding of the Store.
i.	Franchisee's obligations on termination/non-renewal	Sections 7(b), 12(b)-(d) and 15	You must de-identify your shop and pay all amounts due (also see r, below).
j.	Assignment of contract by franchisor	Section 13(a)	There is no restriction on our right to assign.
k.	"Transfer" by franchisee – defined	Section 13(b)	A transfer of the Franchise Agreement, your Store or assets, or a change in ownership if you are an entity.
l.	Franchisor approval of transfer by franchisee	Section 13(b)	We have the right to approve all transfers but will not unreasonably withhold our approval.
m.	Conditions for franchisor approval of transfer	Sections 13(c)-(f)	New franchisee must qualify, a transfer fee must be paid, we must approve the purchase agreement, training for the transferee must arranged, you must sign a release and the current-form Franchise Agreement must be signed by the new franchisee (also see r, below).
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 13(l)	For 30 day period, we have right to match offer.

	Provision	Section in Franchise Agreement	Summary
o.	Franchisor's option to purchase franchisee's business	Section 15(h)	Upon termination or expiration of the Franchise Agreement, we have the option to purchase the Franchised Location or a portion of the assets of the Franchised Location. The purchase price for the assets will be 30% of Gross Sales for previous 12 month period; does not include real property other than leasehold interest.
p.	Death or disability of franchisee	Section 13(g)	The franchise must be assigned by your estate to an approved franchisee within 6 months.
q.	Non-competition covenants during the term of the franchise	Section 12(a)(ii)	You may not be involved with any competing business anywhere in the world.
r.	Non-competition covenants after the franchise is terminated or expires	Sections 12(b)-(e)	You may not be involved with any competing business for 3 years that is within 20 miles of the Store (including after assignment).
s.	Modification of the agreement	Section 20(d)	No modifications generally, but the Operating Manual is subject to change.
t.	Integration/merger clause	Section 24(a)	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). No other representations or promises will be binding. Nothing in the Franchise Agreement or in any other related written agreement is intended to disclaim representations made in the franchise disclosure document.
u.	Dispute resolution by arbitration or mediation	Section 23(b)	We must first attempt to resolve all disputes by mediation in Greene County, Missouri, except for certain matters which may be brought in court.
v.	Choice of forum	Section 23(b)	All proceedings will be held in Greene County, Missouri, subject to applicable state law. See the State Specific Addenda (Exhibit F) attached to this Disclosure Document.
w.	Choice of law	Section 23(a)	Missouri, subject to applicable state law. See the State Specific Addenda (Exhibit F) attached to this Disclosure Document.

18. PUBLIC FIGURES

We do not use any public figure to promote its franchise.

19. FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchise 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 provide 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 outlet, however, we may provide you with actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Managing Member, Kent Morrison or our Director of Franchise Operations, Brett Payne at 1900 W. Sunset, Suite A116, Springfield, Missouri 65807 (417) 881-4222; the Federal Trade Commission; and the appropriate state regulatory agencies.

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20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System Wide Outlet Summary for 2014 to 2016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2014	0	0	0
	2015	0	0	0
	2016	2	3	+1
Company-Owned	2014	1	1	0
	2015	1	1	0
	2016	1	1	0
Total Outlets	2014	1	1	0
	2015	1	1	0
	2016	3	2	-1

Table No. 2
Transfers of Outlets from Franchisee to New Owners (other than the Franchisor)
for 2014 to 2016

State	Year	Number of Transfers
None		
	2014	0
	2015	0
	2016	0

Table No. 3
Status of Franchised Outlets for 2014 to 2016

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Connecticut	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
North Dakota	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	1	0	0	0	1	0
Totals	2014	0	0	0	0	0	0	0
	2015	0	2	0	0	0	0	2
	2016	2	2	0	0	0	1	1

Table No. 4
Status of Company-Owned Outlets* for 2014 to 2016

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Missouri	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
Totals	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1

* Our affiliate, the Operating Company, owns one company-owned location in Springfield, Missouri.

Table No. 5
Projected Openings as of December 31, 2016

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchise Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
North Dakota	2	0	0
California	1	0	0
Total	4	4	0

We have franchisees in the U.S. as of the date of this Disclosure Document.

There are no independent franchisee organizations that have asked to be included in this Disclosure Document.

During the last 3 fiscal years we have signed confidentiality clauses with current or former franchisees.

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

21. FINANCIAL STATEMENTS

Attached as Exhibit A are the audited Financial Statements of Classic Rock Coffee Co. Franchising, LLC as of December 31, 2015, December 31, 2014, and December 31, 2013.

22. CONTRACTS

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

Attached as Exhibit C is a copy of our current form of Confidentiality Agreement for Prospective Franchisees.

23. RECEIPTS

You will find copies of a detachable receipt in Exhibit I at the very end of this Disclosure Document.

EXHIBIT A
FINANCIAL STATEMENTS

EXHIBIT B

FRANCHISE AGREEMENT

CLASSIC ROCK COFFEE CO.

STORE FRANCHISE AGREEMENT

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1. PARTIES AND RECITALS

(a) This Franchise Agreement ("Agreement") is entered into as of ____________, 20___ (the "Effective Date") by and between Classic Rock Coffee Co. Franchising, LLC, a Missouri limited liability company, with is principal place of business at 1900 W. Sunset, Suite A116, Springfield, Missouri 65807 ("Franchisor"), and ______________________________ ("Franchisee"), a ______________________________ with its principal place of business at ____.

(b) Franchisor owns or has the right to license certain trade names, trademarks, service marks and/or indicia of origin (the "Licensed Marks") identified on Exhibit 1 attached hereto and incorporated herein by reference, the distinctiveness and value of which are acknowledged by Franchisee. The Franchisor and its affiliated company, Classic Rock Coffee LLC, has developed methods for establishing, operating, and promoting coffee shops offering coffee drinks, protein shakes, smoothies, pastries, soups, salads, and sandwiches, equipment, apparel, and related merchandise (hereinafter referred to as the "Products"). These stores are known as Classic Rock Coffee Co. ("Store(s)"). All Stores are operated with uniform formats, signs, equipment, layout, systems, methods, procedures and designs which utilize a unique architectural design, offer uniform products, and utilize the Licensed Marks. Stores operate at locations that feature a distinctive format and method of doing business, including color scheme, music, signs, equipment, layouts, systems, methods, procedures, designs and marketing and advertising standards and formats (the "Classic Rock Coffee Co. System"), all of which are designed to enhance the reputation and goodwill with the public of establishments operated pursuant to Classic Rock Coffee Co. System. The Classic Rock Coffee Co. System also includes the relationship between Franchisor and its franchisees, Franchisor specified pricing and promotions, restrictions on ownership, standard operating and administrative procedures and management and technical training programs. Franchisor may from time to time, add to, amend, modify, delete or enhance any portion of the Classic Rock Coffee Co. System (including any of the Licensed Marks) as may be necessary in Franchisor's Reasonable Business Judgment (as defined below) to change, maintain or enhance the Classic Rock Coffee Co. System trade names or the reputation, efficiency, competitiveness and/or quality of the Classic Rock Coffee Co. System, or to adapt it to new conditions, materials or technology, or to better serve the public. Franchisee, at its expense, will fully comply with all such additions or modifications reasonably designated as applicable to then-existing franchise owners similarly situated.

(c) Franchisor agrees to use "Reasonable Business Judgment" in the exercise of its rights, obligations and discretion under this Agreement except where otherwise indicated in this Agreement. "Reasonable Business Judgment" means that Franchisor's determination shall prevail even in cases where other alternatives are also reasonable so long as Franchisor is intending to benefit or is acting in a way that could benefit the Classic Rock Coffee Co. System by enhancing the value of the Licensed Marks, increasing customer satisfaction, or minimizing possible customer brand or location confusion. Franchisor shall not be required to consider Franchisee's particular economic or other circumstances when exercising its Reasonable Business Judgment. At no time is Franchisee or any third party (including, but not limited to any third party acting as a trier of fact) entitled to substitute Franchisee's or its judgment for a judgment that has been made by or on behalf of Franchisor and that meets the definition of Reasonable Business Judgment in recognition of the fact that the long-term goals of a franchised system, and the long-term interests of both Franchisor and all franchise owners, taken together, require that Franchisor have the latitude to exercise Reasonable Business Judgment.

(d) Franchisee has investigated and become familiar with the Classic Rock Coffee Co. System, and desires, upon the terms and conditions set forth herein, to obtain a license to develop and operate a business that will utilize the Licensed Marks and the Classic Rock Coffee Co. System (the "Franchised Business"). Franchisor is willing, upon the terms and conditions set forth herein, to license Franchisee to operate the Franchised Business.

2. GRANT OF FRANCHISE

(a) Grant of Franchise. Franchisor grants to Franchisee, and Franchisee accepts from Franchisor, the right to use the Licensed Marks and Classic Rock Coffee Co. System in connection with establishing and continuously operating a Store at the location described in Section 3 throughout the term of this Agreement. Franchisee agrees to use the Licensed Marks and Classic Rock Coffee Co. System, as they are changed, improved, and further developed by Franchisor and its affiliates from time to time, only in accordance with the terms and conditions of this Agreement.

(b) Scope of Franchise Operations. Franchisee agrees at all times faithfully, honestly, and diligently to perform its obligations under this Agreement, to use best efforts to promote its Franchised Location (as hereinafter defined), and not to engage in any other business or activity that conflicts with the operation of the Franchised Location in compliance with this Agreement. Franchisee agrees to utilize the Licensed Marks and Classic Rock Coffee Co. System to operate all aspects of the Franchised Location in accordance with the methods and systems developed and prescribed from time to time by Franchisor, all of which are a part of the Classic Rock Coffee Co. System. The Franchised Location shall offer all products and services designated by Franchisor. Franchisee shall implement any additions and changes to the products and services offered by its Franchised Location that Franchisor requires.

3. FRANCHISED LOCATION

(a) Franchised Location. Franchisee is granted the right to own and operate a Store at a specific address and location ("**Franchised Location**") which will have been approved by Franchisor pursuant to this Section and Section 8 of this Agreement within the Protected Territory as hereinafter defined. Franchisee shall select and propose to Franchisor for approval a specific site for the Franchised Location. Franchisor, at its option, may also present sites to Franchisee for consideration. Franchisor will approve or disapprove a proposed location in accordance with the terms of this Agreement and Franchisor's then-current site selection and approval criteria and procedures. Franchisor may use a variety of criteria and procedures to evaluate a site Franchisee proposes and, if more than one franchisee is seeking a site in a particular area, to determine which franchisee will operate a Store at a particular location. Franchisor may change its procedures from time to time. Once the Franchised Location is established and accepted Franchisee will have a protected territory as outlined by Franchisor ("Protected Territory") as described in Exhibit 2. If Franchisee is unable or refuses to locate or secure a site that meets Franchisor's criteria within that area within the timeframe Franchisor specifies, Franchisor may allow another franchisee to search for a site in that area. Nothing contained herein obligates Franchisor to continue to utilize the procedure described above. Franchisor makes no guaranty or assurance that any particular site in which Franchisee has expressed an interest prior to signing this Agreement will be available or approved by Franchisor, and Franchisee agrees that its obligations under this Agreement are not conditioned upon securing any particular site.

Franchisee acknowledges and agrees that the Franchised Location will be a specific numbered street or mall address at which the Franchised Location will be physically located. During the term of this Agreement, the Franchised Location shall be used exclusively to operate a Store.

Franchisee further acknowledges and warrants that Franchisor's approval of the Franchised Location does not constitute a guarantee, recommendation, or endorsement of the Franchised Location and that the success of the Franchised Location depends upon Franchisee's abilities as an independent businessperson. Once Franchisor has approved the Franchised Location, Franchisor will be deemed to have complied with its obligations under this Agreement to assist Franchisee by providing criteria for the Franchised Location and determining fulfillment of the requisite criteria for the Franchised Location, such determination based on information provided by Franchisee.

(b) **Limitation on Franchise Rights**. The rights granted to Franchisee are for the specific Franchised Location and cannot be transferred to any other location, except with Franchisor's prior written approval. The Licensed Marks and Classic Rock Coffee Co. System are licensed only for the Franchised Location.

(c) **Non-Traditional Stores**. Franchisee may not operate a Store located within a host facility (such as a gas station, convenience store, airport, stadium, university, or hotel), in another "non-traditional" venue, or at any other location where the operation of a Store will, because of its location, vary from the operation of a traditional Store (all referred to as "**Non-Traditional Stores**"), except with Franchisor's prior written consent. Franchisor and Franchisee shall execute an Addendum for Non-Traditional Store if the Store will be located in a convenience store, gas station or other non-traditional or nonstandard facility as determined by Franchisor. Franchisor will determine whether a proposed Store should be classified as a Non-Traditional Store.

(d) **Special Products**. From time to time, Franchisor may offer supplemental programs to be incorporated in certain Stores ("**Special Products**"). Franchisee may not offer a Special Product except with Franchisor's prior written permission, in which case Franchisor and Franchisee shall execute an addendum to this Agreement specified by Franchisor.

(e) **Franchisor's Reservation of Rights**. Franchisee acknowledges that Franchisor and all of its affiliates retain the right: (1) to use, and to license others to use, the Licensed Marks and Classic Rock Coffee Co. System for the operation of Stores at any location other than within the Protected Territory during the Initial Term or any Renewal Term as hereinafter defined; (2) to use the Licensed Marks and Classic Rock Coffee Co. System in connection with services and products, in connection with promotional and marketing efforts or related items, or in alternative channels of distribution, without regard to location; (3) to use and license the use of alternative proprietary marks or methods in connection with the operation of coffee shops or other businesses under names which are not the same as or confusingly similar to the Licensed Marks, which businesses may be the same as, or similar to, or different from a Store; and (4) to engage in any other activities not expressly prohibited in this Agreement.

4. TERM AND RENEWAL

(a) This Agreement, unless previously terminated pursuant to Section 14 hereof, shall extend for ten (10) years from the Effective Date (the "Initial Term").

(b) If Franchisee is not in default under this Agreement, and if Franchisee has the right to continue to occupy the Franchised Location, Franchisee may renew this Franchise for additional terms of five (5) years (each, a "Renewal Term"). At least thirty (30) days prior to each Renewal Term, Franchisee shall pay to Franchisor a renewal fee in an amount equal to twenty percent (20%) of the then-current Classic Rock Coffee Co. System initial franchise fee charged by Franchisor to similarly situated franchise owners thereof executing new franchise agreements therefor, and in accordance with Franchisor's then-current terms and conditions for granting renewal franchises for the Classic Rock Coffee Co. System, which may include: (i) execution of a new and modified franchise agreement with different performance standards, fee structures and/or increased fees; (ii) execution of a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor, its parent, subsidiaries or affiliates (if applicable) and their officers, directors, attorneys, owners and employees; and (iii) a requirement that Franchisee refurbish the Franchised Location to conform to Franchisor's then-current Classic Rock Coffee Co. System standards.

(c) Franchisee shall exercise its option to seek renewal by giving Franchisor written notice of Franchisee's election to renew not less than six (6) months nor more than twelve (12) months prior to the expiration of the Initial Term or any Renewal Term hereafter; otherwise, such renewal right shall expire automatically.

5. OPERATING ASSISTANCE

(a) Prior to Franchisee's commencement of the Franchised Business, Franchisor shall provide Franchisee with the following assistance, on the same basis as it from time to time makes available to other similarly-situated franchise owners of Franchisor:

(i) Information with respect to site evaluation, preliminary plans and layouts for the Franchised Location, and standards and specifications for fixtures, signs, improvements, equipment and other related facilities required for use in typical or similar Classic Rock Coffee Co. System facilities;

(ii) Information concerning possible sources of signs, equipment, fixtures, furnishings, improvements and other products and services available in connection with the operation of Classic Rock Coffee Co. System facilities;

(iii) A minimum of three (3) days of training (and such additional time as Franchisor may deem necessary, up to ten (10) days) in the operation of the Franchised Business prior to its opening for either Franchisee or its designated manager selected by Franchisee and approved by Franchisor. If the Franchised Location is Franchisee's first Classic Rock Coffee Co. System facility, at least five (5) days of such training shall take place at the Franchised Location. Franchisee shall pay all its and its employees' costs incurred in such training, such as travel, room, board, wages and living expenses.

(iv) Such on-Franchised Location, pre-opening, or opening assistance by Franchisor or its representative(s) in the initial operation of the Franchised Business as Franchisor may, in its discretion, deem appropriate;

(v) One (1) set of any written materials that Franchisor may, in its discretion, make available (including, but not limited to, the Confidential Operating Manual, as defined in Section 9 hereof);

(b) Franchisor reserves the right to establish, and to require Franchisee to maintain, standards of quality, appearance and service at all similarly-situated Classic Rock Coffee Co. System facilities, thereby maintaining the public image and reputation of the Classic Rock Coffee Co. System and the demand for the products and services provided thereunder, and to that end Franchisor may, in its Reasonable Business Judgment, provide Franchisee with such of the following ongoing assistance as Franchisor shall deem appropriate:

(i) Periodic assistance in local advertising and marketing;

(ii) Periodic individual or group counseling in the operation of the Franchised Business rendered in person, by seminar, or by newsletters, bulletins, electronic or other means made available from time to time to all Classic Rock Coffee Co. System franchise owners;

(iii) Advice concerning operating problems, new techniques or operating methods disclosed by reports submitted to or inspections made by Franchisor;

(iv) Advice and guidance with respect to new and improved methods of operation or business procedures developed by Franchisor, use of the Confidential Operating Manual, management materials, promotional materials, advertising formats and the Licensed Marks;

(v) The opportunity to participate in group purchasing programs for inventory, supplies, insurance and equipment that Franchisor may, from time to time, use, develop, sponsor or provide, upon such terms and conditions as may be determined solely by Franchisor; and

(vi) Periodic inspections of the Franchised Location and other Classic Rock Coffee Co. System facilities and of the products and services they offer.

6. FEES

(a) In consideration of the execution of this Agreement, Franchisee agrees to pay Franchisor an initial franchise fee in the amount of THIRTY NINE THOUSAND AND NO/100 Dollars ($39,000.00), which shall be paid in full on or before the Effective Date. Upon execution of this Agreement by all parties, such initial franchise fee is nonrefundable.

(b) At all times after the commencement of operation of the Franchised Location by Franchisee, Franchisee shall pay to Franchisor the following recurring fees:

(i) A continuing royalty fee ("Royalty") equal to FIVE PERCENT (5%) of the Gross Volume of Business (as hereinafter defined) per week;

(ii) An advertising and marketing fee ("Advertising and Marketing Fee") to support national, regional and/or local advertising equal to two percent (2%) of the Gross Volume of Business. Such advertising and marketing fee shall be expended in accordance with the terms of Subsections 10(a)-(b) hereof. The level of any or all fees under this paragraph and Subsection 10(c) hereof or the method of determining such fees or both may be revised from time to time by Franchisor for all franchise agreements in the Classic Rock Coffee Co. System (subject to a comparable clause) at the sole option of Franchisor upon sixty (60) days written notice to Franchisee.

(iii) An amount equal to any sales, gross receipts or similar tax assessed against or payable by Franchisor and calculated on continuing payments required to be paid hereunder, unless the tax is an income tax or an optional alternative to an income tax otherwise payable by Franchisor. Such amount is due and payable within ten days after receipt of Franchisor's invoice therefor.

(c) Unless otherwise provided in this Agreement, all fees and other amounts due to Franchisor hereunder shall be paid in the manner, and at the times, set forth in Section 11 of this Agreement. All such payments shall be also accompanied by the statement required under Section 11 hereof.

(d) If any fee or any other amount due under this Agreement is not paid within five days after such payment is due, Franchisee shall pay to Franchisor a service charge equal to the lesser of the annual rate of eighteen percent (18%) of such overdue amount or the highest rate then permitted by applicable law for each day such amount is past due. This charge shall accrue whether or not Franchisor exercises its right to terminate this Agreement pursuant to Section 14 hereof.

(e) The term "Gross Volume of Business," as used in this Agreement, shall mean the aggregate gross amount of all revenues from whatever source derived (whether in the form of cash, credit, agreements to pay or other consideration, and whether or not payment is received at the time of sale or any such amounts prove uncollectible) which arise from or are derived by Franchisee or by any other person from business conducted or which originated in, on, from or through the Franchised Location or the sale of any products or services associated with the use of the Licensed Marks, whether such business is conducted in compliance with or in violation of the terms of this Agreement, excluding only sales tax or other tax receipts (the collection of which is required by law) and promotions, deductions (e.g., coupons, buy-one, get-one-free) and allowances.

(f) All payments by Franchisee pursuant to this Section 6 shall be applied in such order as Franchisor may designate from time to time. Franchisee agrees that it may not designate an order for application of any fees different from that designated by Franchisor and expressly acknowledges and agrees that Franchisor may accept fees paid pursuant to different instructions without any obligation to follow such instructions, even if such payment is made by its terms conditional on such instructions being followed. This provision may be waived only by written agreement signed by Franchisor, which written agreement must be separate from the check or other document constituting payment.

7. LICENSED MARKS

(a) Franchisee expressly acknowledges Franchisor's rights in and to the Licensed Marks and agrees not to represent in any manner that Franchisee has acquired any ownership rights in the Licensed Marks. Franchisee agrees not to use any of the Licensed Marks or any marks, names or indicia which are or may be confusingly similar in its own corporate or business name except as authorized in this Agreement. Franchisee further acknowledges and agrees that any and all goodwill associated with the Classic Rock Coffee Co. System and/or identified by the Licensed Marks (including all future distinguishing characteristics, improvements and additions to or associated with the Classic Rock Coffee Co. System) is Franchisor's property and shall inure directly and exclusively to the benefit of Franchisor and that, upon the expiration or termination of this Agreement for any reason, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Licensed Marks.

(b) Franchisee understands and agrees that any use of the Licensed Marks other than as expressly authorized by this Agreement, without Franchisor's prior written consent, may constitute an infringement of Franchisor's rights therein and that Franchisee's right to use the Licensed Marks granted herein does not extend beyond the termination or expiration of this Agreement. Franchisee expressly covenants that, during the term of this Agreement and thereafter, Franchisee shall not, directly or indirectly, commit any act of infringement, contest or aid others in contesting the validity of Franchisor's right to use the Licensed Marks or take any other action in derogation thereof.

(c) Franchisee shall promptly notify Franchisor of any claim, demand or cause of action that Franchisor may have based upon or arising from any unauthorized attempt by any person or legal entity to use the Licensed Marks, any colorable variation thereof, or any other mark, name or indicia in which Franchisor has or claims a proprietary interest. Franchisee shall assist Franchisor, upon request and at Franchisor's expense, in taking such action, if any, as Franchisor may deem appropriate to halt such activities, but shall take no action nor incur any expenses on Franchisor's behalf without Franchisor's prior written approval. If Franchisor undertakes the defense or prosecution of any litigation relating to the Licensed Marks, Franchisee agrees to execute any and all documents and to do such acts and things as may, in the opinion of Franchisor's legal counsel, be reasonably necessary to carry out such defense or prosecution.

(d) Franchisee further agrees and covenants to operate and advertise only under the names or marks from time to time designated by Franchisor for use by similar Classic Rock Coffee Co. System franchise owners; to adopt and use the Licensed Marks solely in the manner prescribed by Franchisor; to refrain from using the Licensed Marks to perform any activity or to incur any obligation or indebtedness in such a manner as may, in any way, subject Franchisor to liability therefore; to observe all laws with respect to the registration of trade names and assumed or fictitious names, to include in any application therefor a statement that Franchisee's use of the Licensed Marks is limited by the terms of this Agreement, and to provide Franchisor with a copy of any such application and other registration document(s); to observe such requirements with respect to trademark and service mark registrations and copyright notices as Franchisor may, from time to time, require, including, without limitation, affixing "SM", "TM" or ®, as applicable, adjacent to each such Licensed Marks in any and all uses thereof, and to utilize such other appropriate notice of ownership, registration and copyright as Franchisor may require.

(e) Franchisor reserves the right, in its sole discretion, to designate one or more new, modified or replacement Licensed Marks for use by Classic Rock Coffee Co. System franchise owners and to require the use by Franchisee of any such new, modified or replacement Licensed Marks in addition to or in lieu of any previously designated Licensed Marks. Any expenses or costs associated with the use by Franchisee of any such new, modified or replacement Licensed Marks shall be the sole responsibility of Franchisee.

8. STANDARDS OF OPERATION

Franchisor shall establish and Franchisee shall maintain standards of quality, appearance and operation for the Franchised Business. For the purpose of giving distinctiveness to the Licensed Marks, enhancing the public image and reputation of businesses operating under the Classic Rock Coffee Co. System and for the purpose of increasing the demand for services and products provided by Classic Rock Coffee Co. System franchise owners and Franchisor, the Franchisee agrees to operate the Franchised Location in strict conformity with Franchisor's standards and all rules, regulations and policies that are by their terms mandatory, including, without limitation, those contained in the Confidential Operating Manual. Without limiting the foregoing, Franchisee also agrees as follows:

(a) Before commencing any construction of the Franchised Location, Franchisee shall, at its expense, furnish to Franchisor, for its approval, the following:

(i) A proposed site for the operation of the proposed Store, if different from the address of the Franchised Location identified in Subsection 3(a) hereof, which shall comply with such site criteria as Franchisor may prescribe from time to time (and which, upon approval, shall become the Franchised Location).

(ii) All preliminary plans and final plans and specifications (including all changes and modifications) for the proposed Franchised Location, prepared at Franchisee's sole cost and expense. Two sets of final plans with respect to the proposed Franchised Location must be sent to Franchisor, one of which if approved will be returned to Franchisee stamped "APPROVED FOR COMPLIANCE WITH CLASSIC ROCK COFFEE CO. SYSTEM STANDARDS" and must be retained at the Franchised Location construction job site. Material modifications may not be made to such plans without Franchisor's prior written consent.

(iii) All permits and certifications as may be required for the lawful operation of the Franchised Location or the Franchised Business otherwise, together with copies of any building inspection reports applicable to the Franchised Location and certifications from all governmental authorities having jurisdiction over the Franchised Location and the Franchised Business that all necessary permits have been obtained and that all requirements for construction and operation of the Franchised Location have been met.

(iv) A copy of any proposed lease agreement for the Franchised Location, which shall provide Franchisor the right to enter the Franchised Location to make any modification necessary to protect the Licensed Marks, and a "Collateral Assignment of Lease" in the form substantially the same as that attached hereto as Exhibit 3, executed by Franchisee and the lessor of the Franchised Location, providing Franchisor notice of Franchisee's default of the lease, a right to cure such default and the right to assume such lease, as well as the further right to sublease or assign the lease to a Classic Rock Coffee Co. System franchise owner (and, if Franchisor exercises its rights under the Collateral Assignment of Lease, Franchisor shall have the option to acquire all fixtures, equipment and other leasehold improvements on the Franchised

Location at fair market value). Any lease of the Franchised Location shall be for a term that, with renewal options exercisable by Franchisee, is not less than the Initial Term.

(b) Franchisee shall complete or arrange for the completion of the construction of Franchised Location in accordance with the approved site and building plans and, subject to Subsection 8(c) hereof, open the Franchised Business to the public not later than the earlier to occur of the following events: (i) the date on which Franchisee's lease of the Franchised Location requires Franchisee to commence its business; or (ii) one hundred eighty (180) days after the Effective Date hereof. Franchisee shall secure to Franchisor and its agents the right to inspect the construction of the Franchised Location at any reasonable time. Franchisee shall correct, upon request and at Franchisee's expense, any deviation from the approved site layout and plan therefor, and shall furnish to Franchisor a copy of the certificate of completion from Franchisee's architect that the Franchised Location was built in accordance with the approved final plans and specifications, and in compliance with applicable provisions of the Americans with Disabilities Act and other applicable laws and regulations, and obtain Franchisor's approval of the completed construction prior to opening all or any part of the Franchised Business for operation.

(c) The Franchised Business shall be opened to the public after receipt of authorization to do so by Franchisor acting in good faith.

(d) All fixtures, equipment and supplies for the Franchised Business selected by Franchisee must meet the then-current quality standards set forth by Franchisor in the Confidential Operating Manual or otherwise, subject to compliance with applicable laws and regulations.

(e) Subject to compliance with applicable laws and regulations, Franchisee shall acquire all signs as required by Franchisor for use at or in connection with the Franchised Business. All signage must conform to the Classic Rock Coffee Co. System exterior signage specifications and must be submitted to Franchisor for approval prior to purchase and installation.

(f) Franchisee shall make such repairs and replacements to the Franchised Location as Franchisor may require in order to maintain Classic Rock Coffee Co. System standards.

(g) Prior to opening the Franchised Business to the public, Franchisee or, if applicable, its designated manager, shall have been certified by Franchisor as meeting Franchisor's qualifications for management at similar Classic Rock Coffee Co. System facilities. Franchisee agrees that the Franchised Business shall only be operated directly by Franchisee or by a trained manager employed by Franchisee who has previously been approved by Franchisor and not thereafter disapproved. Franchisee shall notify Franchisor in writing at least thirty (30) days prior to employing any such manager, setting forth in reasonable detail all pertinent information relative to the individual's character and business background and experience. No such trained manager shall be employed to operate the Franchised Business (or any part thereof) without Franchisor's prior consent, based upon such standards and requirements as Franchisor may from time to time specify, in writing or otherwise. Notwithstanding the right of Franchisor to protect the goodwill of the Classic Rock Coffee Co. System by disapproving any manager employed by Franchisee, such manager shall not be deemed an employee of Franchisor for any purpose whatsoever. No part of the Franchised Location shall be leased to or managed (either directly or indirectly) by any party other than Franchisee without Franchisor's prior consent. In connection therewith, Franchisee and/or such of its designated managerial personnel as approved by Franchisor shall complete, to Franchisor's reasonable satisfaction, any and all training programs as Franchisor may reasonably require. If any trainee fails to complete the required initial training program satisfactorily, Franchisor shall notify Franchisee of such failure and require Franchisee to designate a substitute trainee. If Franchisee fails to designate a substitute trainee, or if the substitute trainee fails to complete such initial training to Franchisor's satisfaction, with the result being that neither Franchisee, nor, if applicable, a manager selected by Franchisee, completes initial training to the satisfaction of Franchisor prior to the time by which the Franchised Location is required to be open for business in accordance with this Agreement, Franchisor may, in its sole discretion, elect to terminate this Agreement. The Franchised

Location shall at all times continue to be managed by personnel who have met Franchisor's training requirements. Franchisor may, at its option, require others of Franchisee's initial and subsequent management employees to attend and satisfactorily complete all or any part of Franchisor's training programs. All expenses incurred in Franchisor's training of Franchisee and/or Franchisee's employees, including, without limitation, cost of travel, room, board and wages of the person(s) receiving such training, shall be borne by Franchisee. Franchisee shall also bear the cost of any additional training which may be required by Franchisor. Franchisee agrees that at all times during the term of this Agreement there is to be at least one employee of Franchisee (the "designated manager") who:

(i) Is principally responsible for the operation of the Franchised Business on a full-time, in-person basis at the Franchised Location; and

(ii) Has attended and satisfactorily completed such training, retraining or refresher training program(s) as Franchisor may require, in its sole discretion, at such times and places during the term of this Agreement as Franchisor may reasonably designate.

(h) Franchisee agrees to use the Franchised Location solely for the operation of the Franchised Business in the manner and pursuant to the standards prescribed herein, in the Confidential Operating Manual or otherwise in writing, and to refrain from using or permitting the use of any portion of the Franchised Location for any other purpose or activity at any time.

(i) Franchisee agrees that this Agreement shall constitute a lien upon all exterior sign fascia bearing any Licensed Marks which are to be displayed on the exterior of the Franchised Location (or any related building or property) and, in the event of any termination or expiration of this Agreement, Franchisee agrees to immediately remove such fascia. If Franchisee fails to make such alterations within fifteen (15) days after termination or expiration of this Agreement, Franchisee agrees that Franchisor or its designated agents may enter upon the Franchised Location (or any related building or property) at any time to make such alterations, at Franchisee's sole risk and expense, without liability for trespass. Franchisor shall be entitled to acquire all such sign fascia not removed by Franchisee in a timely manner pursuant to this paragraph for the sum of Ten Dollars ($10).

(j) Franchisee agrees to maintain the Franchised Location and all fixtures, furnishings, signs and equipment thereon or therein, in conformity with Franchisor's then-current standards at all times during the term of this Agreement, and to make such repairs and replacements thereto as Franchisor may require. Without limiting the generality of the foregoing, Franchisee specifically agrees:

(i) To keep the Franchised Location and the Franchised Business otherwise at all times in a high degree of sanitation, repair, order and condition, including, without limitation, such periodic repainting of the exterior and interior of the Franchised Location and such maintenance and repairs to all fixtures, furnishings, uniforms, signs and equipment thereof, as Franchisor may from time to time reasonably direct;

(ii) To meet and maintain at all times all governmental standards and ratings applicable to the operation of the Franchised Business or such higher minimum standards and ratings as set forth by Franchisor from time to time in its Confidential Operating Manual or otherwise in writing;

(iii) To make no structural improvements to the Franchised Business or the Franchised Location otherwise without Franchisor's prior approval; and

(iv) To cause its employees to wear apparel that conforms strictly to the specifications, design, color and style approved by Franchisor from time to time.

(k) Franchisee agrees that, in order to maintain a modern, progressive, sanitary and uniform image, Franchisor shall have the right, at any time and from time to time after the expiration of three (3) years from the Effective Date, to require Franchisee to perform such remodeling, repairs, replacements and redecoration in and upon the Franchised Location, and the equipment and furnishings used by Franchisee, as Franchisor shall deem necessary and practical to bring the Franchised Location, including its equipment and fixtures, up to the then-current standards of newly developed Classic Rock Coffee Co. System facilities which are comparable to the Franchised Location.

(l) Franchisee shall be responsible for the day-to-day operations of the Franchised Business, but agrees to operate the Franchised Business in conformity with such methods, standards and specifications as Franchisor may from time to time prescribe in its Confidential Operating Manual to ensure that Franchisor's required degree of quality, service and image is maintained; and shall refrain from deviating therefrom and from otherwise operating in any manner that adversely reflects on Franchisor's name and goodwill, or on the Licensed Marks. Without limiting the generality of the foregoing, Franchisee specifically agrees:

(i) To purchase and install, at Franchisee's expense, all such fixtures, furnishings, signs and equipment, each as may be required by Franchisor, and meet the specifications of the approved site layout and plan, and all other such items as Franchisor may prescribe from time to time; and to refrain from installing, or permitting to be installed, on or about or in connection with the Franchised Location or the Franchised Business, any such item not meeting Franchisor's standards and specifications.

(ii) To maintain in sufficient supply, and use at all times, only operating products, materials, supplies and expendables as conform with Franchisor's then-current standards and specifications, and to refrain from using non-conforming items without Franchisor's prior written consent.

(iii) To sell and to offer for sale all such products, goods and services as Franchisor may, from time to time, require, and only those that Franchisor may, from time to time, approve, in writing, which are not subsequently disapproved, as meeting its quality standards and specifications. In addition to any remodeling, repairs, replacement and redecoration required by Subsection 8(k) hereof, in order to introduce new products or services through all Classic Rock Coffee Co. System facilities, Franchisee may be required to expend additional amounts on new, different or modified equipment or fixtures necessary to offer such new services or products.

(m) To permit Franchisor or its agents, at any reasonable time, to remove from the Franchised Location, at Franchisor's option, samples of any products, materials, supplies and expendables without payment therefor, in amounts reasonably necessary for testing by Franchisor or any independent laboratory, to determine whether such samples meet Franchisor's then-current standards and specifications, with no liability to Franchisee for any damage to such samples as a result of such testing.

(n) Franchisee shall purchase all fixtures, furnishings, signs, equipment, inventory, uniforms, advertising materials, services, and other supplies, products and materials required for the operation of the Franchised Business solely from approved vendors who demonstrate, to the continuing reasonable satisfaction of Franchisor, the ability to meet Franchisor's reasonable standards, specifications and requirements for such items regarding quality, variety, service, safety and health; who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; who have a sound financial condition and business reputation; who will supply such items to a sufficient number of franchise owners to enable Franchisor to economically monitor compliance by the approved vender with Franchisor's standards, specifications and requirements; and who have been approved for such items in writing by Franchisor and not thereafter disapproved. If Franchisee desires to purchase any such items from an unapproved vender, Franchisee shall submit to Franchisor a written request for such approval in accordance with procedures prescribed from time to time by Franchisor. Franchisor reserves the right to increase or decrease the number of approved vendors, designate itself an approved vender and/or make a profit or otherwise receive value in kind or rebates from the designation of approved vendors and/or from the sale of supplies to Franchisee.

(o) Unless otherwise specifically approved by Franchisor in writing, the Franchised Location shall be open for the conduct of business at such times and for the minimum number of hours specified by Franchisor in the Confidential Operating Manual, as may be amended from time to time, or, if different, for such hours as may be required by the terms of any lease of the Franchised Location; and Franchisee shall at all times staff the Franchised Business with such number of employees and operate the Franchised Business diligently so as to maximize the revenues and profits therefrom. (p)Franchisee shall use, for or in connection with the Franchised Business, only business stationery, business cards, marketing materials, advertising materials, printed materials and/or forms which have been previously approved in writing by Franchisor. Franchisee shall not employ any person to act as a representative of Franchisee in connection with local promotion of the Franchised Business in any public media without the prior written approval of Franchisor. Any and all supplies or materials purchased, leased or licensed by Franchisee for or in connection with the Franchised Business shall always meet those standards specified by Franchisor in the Confidential Operating Manual or otherwise in writing.

(q) In all advertising displays and materials and at the Franchised Location, Franchisee shall, in such form and manner as may be specified by Franchisor in the Confidential Operating Manual, notify the public that Franchisee is operating the Franchised Location as a franchise owner of Franchisor and shall identify its business location in the manner specified by Franchisor in the Confidential Operating Manual. Further, at the request of Franchisor, Franchisee shall display, or otherwise make available through flyers in conjunction with delivery of goods or services, literature provided by Franchisor relating to the availability of Classic Rock Coffee Co. System franchises as supplied by Franchisor, and at such location(s), as directed by Franchisor from time to time.

(r) Franchisee shall respond promptly to customer complaints and shall take such other steps as may be required, by Franchisor or otherwise, to ensure positive customer relations.

(s) Franchisee hereby grants to Franchisor and its agents the right to enter upon the Franchised Location, without notice, at any reasonable time for the purpose of conducting inspections of the Franchised Location, the Franchised Business, and Franchisee's books, records and register tapes, and Franchisee agrees to render such assistance as may reasonably be requested by Franchisor and to take such steps as may be necessary or advisable to immediately to correct any deficiencies detected during such an inspection upon the request of Franchisor or its agents.

(t) Because complete and detailed uniformity under many varying conditions may not be possible or practical, and in order to remain competitive and respond to new technology, customer needs and market conditions, Franchisor specifically reserves the right and privilege, in its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any Classic Rock Coffee Co. System franchise owner based upon the peculiarities of a particular site or circumstance, density of population, business potential, population of trade area, existing business practices or any other conditions that Franchisor deems to be of importance to the successful operation of such franchise owner's business. Franchisee shall have no recourse against Franchisor on account of any variation from standard specifications and practices granted to any Classic Rock Coffee Co. System franchise owner and shall not be entitled to require Franchisor to grant Franchisee a like or similar variation hereunder.

(u) Franchisee agrees to install, update or replace any equipment (including, without limitation, cash registers and/or computers) or software designated by Franchisor for use pursuant to the Classic Rock Coffee Co. System, including, without limitation, software designed to facilitate or enhance communications and software designed for the purpose of recording receipts at point of sale, and to utilize equipment (including, without limitation, locked totaling devices and software) of such kind and in such manner as specified by Franchisor in the Confidential Operating Manual or otherwise in writing.

Franchisor shall have independent access to any electronic cash register or computer system used by Franchisee for the Franchised Business. Franchisee acknowledges that there are no limitations on Franchisor's right to access this information.

(v) Franchisee hereby grants to Franchisor the right to take such steps as are necessary to manage the Franchised Business for the account of Franchisee in the event of Franchisee's death or in the event that an independent third party (such as a medical doctor) reasonably determines that Franchisee is incapacitated or incapable of running the Franchised Business, and to receive a reasonable fee for such services.

(w) After the Franchised Business opens to the public, Franchisee shall maintain a competent, conscientious, and trained staff and shall take all steps necessary to ensure that its employees preserve good customer relations, render competent, prompt, courteous, and knowledgeable service, and meet the minimum standards that Franchisor may establish from time to time in the Confidential Operating Manual or otherwise. All employees hired by or working for Franchisee shall be the employees of Franchisee, and Franchisee's alone, and shall not, for any purpose, be deemed to be employees of Franchisor or subject to Franchisor's direct or indirect control. Franchisee acknowledges and agrees that Franchisee shall be solely responsible for all employment decisions and functions at the Franchised Business, including, without limitation, those related to hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees, and shall not request from Franchisor or expect to receive from Franchisor, and Franchisor shall not provide Franchisee, with any advice on these subjects. Franchisee shall indemnify, defend, reimburse and hold Franchisor harmless from any direct and indirect losses, costs and expenses, including attorney's fees, arising out of any claim made by or for the benefit of any employee of Franchisee against Franchisor regarding employment decisions and employee functions at the Franchised Business, including, without limitation, those related to hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees. Franchisee shall cause all employees, while working at the Franchised Business, to wear uniforms of the color, design and other specifications that Franchisor may designate from time to time and to present a neat and clean appearance. If Franchisor removes a type of uniform utilized by Franchisee from the list of approved uniforms, Franchisee shall have ninety (90) days from receipt of written notice of removal to discontinue use of its existing inventory of uniforms and obtain and use the approved type of uniform.

9. CONFIDENTIAL OPERATING MANUAL

(a) To protect the reputation and goodwill of the businesses operating under the Classic Rock Coffee Co. System and to maintain standards of operation under the Licensed Marks, Franchisee shall conduct the Franchised Business in accordance with various written instructions and confidential manuals (collectively, the "Confidential Operating Manual"), including any amendments thereto, as Franchisor may publish or otherwise provide to Franchisee from time to time, all of which Franchisee acknowledges belong solely to Franchisor and shall be on loan from Franchisor during the term of this Agreement. When any provision in this Agreement requires that Franchisee comply with any standard, specification or requirement of Franchisor, unless otherwise indicated, such standard, specification or requirement shall be such as is set forth in this Agreement or as may, from time to time, be set forth in the Confidential Operating Manual or otherwise provided by Franchisor in writing.

(b) Franchisee shall at all times use its best efforts to keep the Confidential Operating Manual and any other manuals, materials, goods and information created or used by Franchisor and designated for confidential use within the Classic Rock Coffee Co. System, and the information contained therein, as confidential and shall limit access to employees of Franchisee on a need-to-know basis. Franchisee acknowledges that the unauthorized use or disclosure of Franchisor's Confidential Information or trade secrets will cause irreparable injury to Franchisor and that damages are not an adequate remedy. Franchisee accordingly covenants that it shall not at any time, without Franchisor's prior written consent, disclose, use, permit the use thereof (except as may be required by applicable law or authorized by this

Agreement), copy, duplicate, record, transfer, transmit or otherwise reproduce such information, in any form or by any means, in whole or in part, or otherwise make the same available to any unauthorized person or source. Any and all information, knowledge and know-how not publically known about the Classic Rock Coffee Co. System and Franchisor's products, services, standards, procedures, techniques and such other information or material as Franchisor may designate as confidential shall be deemed confidential for purposes of this Agreement.

(c) Franchisee understands and acknowledges that Franchisor may, from time to time, revise the contents of the Confidential Operating Manual to implement new or different requirements for the operation of the Franchised Business, and Franchisee expressly agrees to comply with all such changed requirements which are by their terms mandatory.

(d) Franchisee shall at all times ensure that its copy of the Confidential Operating Manual is kept current and up-to-date. In the event of any dispute as to the contents thereof, the terms and dates of the master copy thereof maintained by Franchisor at its principal place of business shall be controlling.

(e) Franchisor also possesses certain proprietary confidential information consisting of the methods, techniques, formats, specifications, procedures, information, systems, methods of business management, sales and promotion techniques, and knowledge of and experience in operating and franchising Classic Rock Coffee Co. shops, whether included in the Confidential Operating Manual or otherwise (the "Confidential Information"). Confidential Information includes, without limitation, tangible and intangible information (whether or not in electronic form) relating to Franchisor's business operations, products and services, sources of materials and equipment, client management and other software, data, other content, formulations, patterns, compilations, programs, devices and processes, business relationships, contact information for industry professionals, designs, developmental or experimental work and services, improvements, discoveries, plans for research, potential new or supplemental products and services, websites, advertisements or ancillary products and services, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators, current customer and prospective customer names and addresses, customer service purchasing histories and prices charged to customers, information regarding the skills and compensation of employees and contractors of Franchisor, designs, drawings, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, trade secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, relationships between Franchisor and other companies, persons or entities, knowledge or know-how concerning the methods of operation of the Franchised Business which may be communicated to Franchisee, or of which Franchisee may be apprised, by virtue of Franchisee's operation of the Franchised Business under the terms of this Agreement, and any other information or material considered proprietary by Franchisor whether or not designated as confidential information by Franchisor, that is not generally known by the public, or which derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or its affiliates and which is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain its secrecy, and any other information in oral, written, graphic or electronic form which, given the circumstances surrounding its disclosure, would be considered confidential. Franchisee does not hold, and shall not acquire, any interest in the Confidential Information, other than the right to utilize it in operation of the Franchised Business, and Franchisee acknowledges that the use or duplication of the Confidential Information in any other business venture would constitute an unfair method of competition. Franchisee acknowledges and agrees that the Confidential Information is proprietary, includes Trade Secrets of Franchisor and Franchisor's Affiliates, and is known or disclosed to Franchisee solely on the condition that Franchisee agrees, and Franchisee does hereby agree that Franchisee (i) shall not use the Confidential Information in any other business or capacity, (ii) shall maintain the absolute confidentiality of Confidential Information during and after the Initial Term and any Renewal Term, (iii) shall not make unauthorized copies of any portion of the Confidential Information disclosed in any written, electronic or other tangible format, and (iv) shall adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Confidential Information.

(f) Franchisor shall require each owner (if Franchisee is a legal entity) and any employee of Franchisee who may have access to any Confidential Information to execute a Confidentiality and Non-Disclosure Agreement in the form attached to this Agreement as Exhibit 5.

10. ADVERTISING AND MARKETING

Recognizing the value of standardized advertising and marketing programs to the furtherance of the goodwill and public image of the Classic Rock Coffee Co. System, and in order to enable such programs in an effective and consistent manner, the parties agree as follows:

(a) Franchisor or its designee shall exclusively maintain and administer any Classic Rock Coffee Co. System advertising program ("Program") for national and/or regional advertising, public relations and marketing programs and market research ("Advertising") and shall direct all such Advertising with sole discretion over the concepts, materials and media used therein. All advertising and marketing fees paid by Franchisee pursuant to paragraph (ii) of Subsection 6(b) hereof shall be part of such Program. Franchisor shall have the sole right to enforce the obligations of Franchisee, and all other franchise owners who are obligated to contribute to the Program, and neither Franchisee nor any other franchise owners who shall be obligated to contribute to the Program shall be deemed a third party beneficiary with respect to said Program or have any right to enforce any obligation to contribute thereto. Franchisee understands and acknowledges that the Program is intended to maximize general public recognition and acceptance of the Licensed Marks for the benefit of Classic Rock Coffee Co. System as a whole and that neither Franchisor nor its designee, if any, shall be required to undertake any obligation in administering the Program to ensure that any particular franchise owner benefits directly or pro rata from the Advertising. Franchisor may, in its sole discretion from time to time, advance monies to the Program and charge the Program interest on such advances at an annual rate reasonably determined by Franchisor and may authorize repayment of such advances from the Program, each in accordance with such terms as Franchisor deems necessary or appropriate from time to time. Franchisee agrees that the Program may otherwise be used to meet any and all costs incident to such Advertising, including joint or collective advertising campaigns of Franchisor's direct or indirect parent or subsidiaries thereof or affiliated companies using the Classic Rock Coffee Co. System. In addition, Franchisor shall have the right to expend all, or any portion of, the monies in the Program for cooperative advertising or promotional programs on a regional or local basis; *provided however,* that such programs shall be available to all similarly-situated Classic Rock Coffee Co. System franchise owners as determined by Franchisor in its Reasonable Business Judgment. Furthermore, Franchisor reserves the right to terminate the Program, but in such event will spend or use all remaining Program assets for Advertising.

(b) Franchisor shall administratively segregate all contributions to the Program on its books and records. All such payments to the Program may be deposited in Franchisor's general operating account; may be commingled with Franchisor's general operating funds; and may be deemed an asset of Franchisor, subject however to Franchisor's obligation to expend the monies in the Program in accordance with the terms hereof. Franchisor may, in its sole discretion, elect to accumulate monies in the Program for such periods of time as it deems necessary or appropriate, with no obligation to expend all monies received in any fiscal year during such fiscal year. In the event Franchisor's expenditures for Advertising in any one fiscal year shall exceed the total amount contributed to the Program during such fiscal year, Franchisor shall have the right to be reimbursed to the extent of such excess contributions from any amounts subsequently contributed to the Program or to use such excess as a credit against its future contributions. The parties do not intend that the Program be deemed a trust.

(c) At its expense and exclusive of any sums paid to the Program, during the first twelve (12) months following commencement of the Franchised Business, Franchisee agrees to conduct on a monthly basis continuing local advertising (in form, content and media approved by Franchisor) in an amount equal to not less than four percent (4%) of Franchisee's prior month's Gross Volume of Business, and to submit evidence of such expenditures on a quarterly basis to Franchisor no later than the tenth day of the fourth, seventh, tenth and thirteenth months following commencement of the Franchised Business. Thereafter, at its expense and exclusive of any sums paid to the Program, Franchisee agrees to conduct on an annual basis continuing local advertising (in form, content and media approved by Franchisor) in an amount equal to not less than two percent (2%) of Franchisee's prior calendar year's Gross Volume of Business, and Franchisee shall submit evidence of such expenditures on an annual basis to Franchisor not later than January 31st of each year for the preceding calendar year. The value of any promotions and deductions (e.g., coupons, buy one—get one free) or other promotional allowances that are excluded from the definition of the Gross Volume of Business in Subsection 6(f) hereof shall not be entitled to be included in any amounts that Franchisee is required to expend under this Subsection 10(c) on local advertising. In the event that Franchisee shall fail to expend such sums on local advertising during any calendar year, Franchisor may, immediately upon notice provided to Franchisee, assess Franchisee for any such deficiency, which shall be deposited to and become part of the Program.

(d) In addition to the local advertising requirements under Subsection 10(c) above, Franchisee agrees to expend an additional amount of at least FOUR THOUSAND AND NO/100 DOLLARS ($4,000.00) on promotion and advertising of the Franchised Business during the period ending sixty (60) days following the opening of the Franchised Business ("Grand Opening Advertising"). Franchisee shall pay such sum to Franchisor prior to and as a precondition of opening the Franchised Location for business. Franchisee shall notify Franchisor of all Grand Opening Advertising expenses Franchisee desires to incur and, if such expenses otherwise comply with this Agreement, Franchisor shall promptly return such amounts (up to the aggregate of such sum) to Franchisee for such purposes. Any Grand Opening Advertising money not so expended by Franchisee shall be deposited to and become part of the Program.

(e) Franchisor may provide Franchisee, from time to time, with local advertising and marketing materials, including without limitation newspaper mats, radio commercial tapes, merchandising materials, sales aids, special promotions and similar advertising at a reasonable price, plus handling.

(f) Franchisee, at its expense and exclusive of any fees paid to the Program, and exclusive of any local advertising under Subsection 10(c) above, shall obtain and maintain any special promotional materials of the kind and size as Franchisor may from time to time require for comparable Classic Rock Coffee Co. System facilities.

(g) Franchisee shall submit to Franchisor for its prior written approval samples of all advertising materials to be used by Franchisee not prepared or previously approved by Franchisor or its designated agents. Franchisee shall include in all advertising any toll-free number or Internet address required by Franchisor.

(h) Franchisee shall participate in all cooperative advertising and/or marketing programs as are from time to time prescribed by Franchisor. The terms and conditions required for participation in any such programs shall be as specified in the Confidential Operating Manual.

(i) Franchisee agrees to participate in all other Classic Rock Coffee Co. System advertising and marketing programs designated by Franchisor as mandatory.

11. STATEMENTS, RECORDS AND FEE PAYMENTS

(a) Franchisee shall, in a manner satisfactory to Franchisor, maintain original, full and complete register tapes, other records, accounts, books, data, licenses, contracts and product vender invoices that shall accurately reflect all particulars relating to Franchisee's business and such statistical and other information or records as Franchisor may require, and shall keep all such information for not less than 3 years, even if this Agreement is no longer in effect. Upon Franchisor's request, Franchisee shall furnish Franchisor with copies of any or all product supply invoices reflecting purchases by or on behalf of the Franchised Business. In addition, Franchisee shall compile and provide to Franchisor any statistical or financial information regarding the operation of the Franchised Business, the products and services sold by it, or data of a similar nature, including, without limitation, any financial data, as Franchisor may reasonably request for purposes of evaluating or promoting the Franchised Business or the Classic Rock Coffee Co. System in general. All data provided to Franchisor under this Section 11 shall belong to Franchisor and may be used and published by Franchisor in connection with the Classic Rock Coffee Co. System in its sole discretion. Franchisor and its designated agents shall have the right to examine and audit such records, accounts, books and data at all reasonable times to insure that Franchisee is complying with the terms of this Agreement. If such inspection discloses that the Gross Volume of Business during any scheduled reporting period actually exceeded the amount reported by Franchisee as its Gross Volume of Business, Franchisee shall bear the cost of such inspection and audit and shall pay any such deficiency, with interest from the date due at the lesser of eighteen percent (18%) per year of such overdue amount or the highest rate permitted by applicable law, immediately upon the request of Franchisor.

(b) The Royalty fee of five percent (5%) and the Advertising and Marketing Fee of two percent (2%) of the Gross Volume of Business at the Franchised Location will be collected weekly upon the opening of the Franchised Location. Franchisee's POS will email week-ending reports every Sunday, which the Royalty and the Advertising and Marketing Fee will be calculated from. The Royalty and the Advertising and Marketing Fee will then be electronically drafted from Franchisee's checking account by Franchisor or its affiliate.

(c) Upon Franchisor's request from time to time, Franchisee shall furnish Franchisor with a copy of each of its reports and returns of sales, use and gross receipt taxes and complete copies of any state or federal income tax returns covering the operation of the Franchised Business, all of which Franchisee shall certify as true and correct.

(d) Franchisee shall prepare and deliver to Franchisor on a quarterly basis, during the term of this Agreement, an unaudited profit and loss statement in a form satisfactory to Franchisor (acting in its sole and subjective discretion) covering the Franchised Business for the prior quarter and such additional reports as Franchisor may require, all of which shall be certified by Franchisee as true and correct. Franchisee shall also submit annually, during the term of this Agreement, an unaudited balance sheet reflecting the financial position of the Franchised Business as of the preceding December 31, within one hundred twenty (120) days after the close of each fiscal year. In addition, Franchisee, as well as each guarantor of this Agreement (each, a "Guarantor"), shall, within sixty (60) days after request from Franchisor, deliver to Franchisor a financial statement, certified as correct and current, in a form satisfactory to Franchisor and that fairly represents the total assets and liabilities of Franchisee and each such Guarantor.

(e) Upon the request of Franchisor, in addition to the foregoing unaudited statements, within one hundred twenty (120) days after the close of each fiscal year of Franchisee during the term of this Agreement, Franchisee shall furnish to Franchisor, at Franchisee's expense, an audited statement of income and retained earnings of Franchisee for such fiscal year, all prepared in accordance with generally accepted accounting principles and certified to by a certified public accountant.

(f) In addition to the foregoing statements, promptly upon request by Franchisor, and also within sixty (60) days after the close of each fiscal year of Franchisee during the term of this Agreement, Franchisee shall furnish to Franchisor a list of all holders of legal and beneficial interests in Franchisee, together with a description of each of such holder's interests and each such holder's percentage amount, name, address and telephone number, all certified as complete by Franchisee. If any of Franchisee's owners, officers or directors ceases to serve as such or any new individual or entity becomes an owner, officer or director of Franchisee after execution of this Agreement, Franchisee will notify Franchisor within ten (10) days after such change.

12. COVENANTS

(a) During the Term of this Agreement, Franchisee, and each Guarantor, covenant individually:

(i) To use its best efforts in operating the Franchised Business and in recommending, promoting and encouraging patronage of all Classic Rock Coffee Co. System facilities; and

(ii) Not to engage, directly or indirectly, as an owner, operator, or in any managerial capacity in any competing business, including, without limitation, any business which derives fifty percent (50%) or more of its sales, whether retail sales and/or wholesale sales from coffee and/or coffee related products ("Competing Business"), other than as a franchise owner of the Classic Rock Coffee Co. System; provided, however, that no person shall be prohibited hereby from owning equity securities of any business whose shares are traded on a stock exchange or on the over-the-counter market so long as such person's ownership interest shall represent two percent (2%) or less of the total number of outstanding shares of such business.

(b) Franchisee specifically acknowledges that prior to becoming a franchisee of Franchisor, Franchisee had no experience, information or knowledge whatsoever about the sale of coffee and/or coffee related products or coffee shops or Classic Rock Coffee Co. shops and that Franchisee's knowledge of the Confidential Information was obtained solely from Franchisor, following Franchisee's training by Franchisor and Franchisee's subsequent operation of the Franchised Business under this Agreement. Franchisee further acknowledges and agrees that pursuant to this Agreement, Franchisee has and will receive valuable specialized training and Confidential Information, including regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the Classic Rock Coffee Co. System. Therefore, in the event this Agreement is terminated, expires or is not renewed, or if Franchisee or any Guarantor assigns or transfers its interest herein to any person or business organization except pursuant to Subsection 13(j) hereof, then in such event Franchisee and any such Guarantor covenant, for a period of three (3) years after such termination, expiration, non-renewal, transfer or assignment not to engage, directly or indirectly, as an owner, operator, or in any managerial capacity, in any Competing Business at or within a ten (10)-mile radius of any Classic Rock Coffee Co. System facility, other than as an authorized franchise owner of another Classic Rock Coffee Co. System facility. It is understood and agreed that the purpose of this covenant is not to deprive any person of a means of livelihood and will not do so, but is rather to protect the goodwill and interest of Franchisor and the Classic Rock Coffee Co. System.

(c) During the Term of this Agreement and thereafter, Franchisee and each Guarantor covenant not to communicate, directly or indirectly, nor to divulge to or use for its benefit or the benefit of any other person or legal entity, any trade secrets that are proprietary to Franchisor or any information, knowledge or know-how deemed confidential under Section 9 hereof, except as permitted by Franchisor in writing. In the event of any termination, expiration or non-renewal of this Agreement, Franchisee and each Guarantor agrees that it will never use Franchisor's Confidential Information, trade secrets, methods of operation or any proprietary components of the Classic Rock Coffee Co. System in the design, development or operation of any Competing Business. Franchisee and each Guarantor agrees that if it engages as an owner, operator or in any managerial capacity in any Competing Business, it will assume the burden of proving that it has not used Franchisor's Confidential Information, trade secrets, methods of operation or any proprietary components of the Classic Rock Coffee Co. System. The protection granted hereunder shall be in addition to and not in lieu of all other protections for such trade secrets and Confidential Information as may otherwise be afforded in law or in equity. In addition, Franchisee agrees to execute employee non-disclosure and non-competition agreements with its managers as set forth in

Exhibit 5, which shall prohibit competition by such persons during and for a period of not less than one year after termination of their employment with Franchisee in any Competing Business at or within not less than a ten (10)-mile radius of any Classic Rock Coffee Co. System facility and which shall further prohibit disclosure by such parties to any other person or legal entity of any trade secrets or any other information, knowledge or know-how deemed confidential by Franchisor concerning the operation of the Franchised Business. Such employee non-disclosure agreements shall be subject to the prior written approval of Franchisor and shall also be for the benefit of Franchisor. Franchisor shall be a third party beneficiary of such agreements and Franchisee shall not amend, modify or terminate any such agreement without Franchisor's prior written consent in each instance.

(d) Franchisee and each Guarantor agrees that during the Term of this Agreement and for a period of two (2) years from and after the expiration or termination of this Agreement for any reason, Franchisee shall not directly or indirectly solicit, recruit, hire or otherwise interfere with the employment of any employees of Franchisor or its affiliates.

(e) The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. Should any part of one or more of such restrictions be found to be unenforceable by virtue of its scope in terms of area, business activity prohibited or length of time, and should such part be capable of being made enforceable by reduction of any or all such restrictions, the parties agree that the same shall be enforced to the fullest extent permissible under the law. In addition, Franchisor may, unilaterally, at any time and in its sole discretion, revise any of the covenants in this Section 12 so as to reduce the obligations of Franchisee or any Guarantor hereunder. The running of any period of time specified in this Section 12 shall be tolled and suspended for any period of time in which Franchisee and/or Guarantor is found by a court of competent jurisdiction to have been in violation of any restrictive covenant. Franchisee and Guarantor further expressly agree that the existence of any claim it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 12.

13. TRANSFER AND ASSIGNMENT

(a) This Agreement and all rights and duties hereunder may be freely assigned or transferred by Franchisor, in whole or in part, without Franchisee's consent, in its sole discretion to any person or legal entity that agrees to assume Franchisor's obligations hereunder, including a competitor of Franchisor, and shall be binding upon and inure to the benefit of Franchisor's successors and assigns including, without limitation, any entity which acquires all or a portion of the capital stock of Franchisor or any entity resulting from or participating in a merger, consolidation or reorganization in which Franchisor is involved, and to which Franchisor's rights and duties hereunder (in whole or in part), are assigned or transferred.

(b) Franchisee understands and acknowledges that the rights and duties created by this Agreement are personal to Franchisee (and Franchisee's owners, if Franchisee is a legal entity), and that Franchisor has granted the right to operate the Franchised Business to Franchisee in reliance on many factors, including, without limitation, the individual or collective character, skill, aptitude and business and financial capacity of Franchisee and any persons owning an interest in Franchisee. Accordingly, neither Franchisee, nor any person owning any direct or indirect equity interest therein, shall, without Franchisor's prior written consent, directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in: (i) this Agreement or any portion or aspect thereof, (ii) the Franchised Business, (iii) the Franchised Location, or (iv) any equity or voting interest in Franchisee, nor permit the Franchised Business to be operated, managed, directed or controlled, directly or indirectly, by any person other than Franchisee other than as specifically permitted in this Agreement (any such act or event is referred to as a "Transfer"), without the prior written approval of Franchisor. Any such purported Transfer occurring by operation of law or otherwise, including any Transfer by a trustee in bankruptcy, without Franchisor's prior written consent, shall be a material default of this Agreement, but the transferor shall remain obligated under this Agreement until released by Franchisor, or until this Agreement is terminated and all post-term obligations pursuant to Section 15 are fulfilled. In addition, in the event Franchisee is a corporation, the stock of such corporation shall not be publicly sold or traded on any securities exchange or in the over-the-counter market without the express prior written consent of Franchisor, which consent may be given or denied in Franchisor's sole discretion. In the event of a proposed transfer by Franchisee, Franchisor will not unreasonably withhold its consent or delay the transfer.

(c) Franchisee understands and acknowledges the vital importance of the performance of the Franchised Business to the market position and overall image of Franchisor. Franchisee also recognizes that there are many subjective factors that comprise the process by which Franchisor selects a suitable Classic Rock Coffee Co. System franchise owner. The consent of Franchisor to a Transfer by Franchisee shall remain a subjective determination and shall include, but not be limited to, the following conditions:

(i) The proposed transferee is a person or entity that meets Franchisor's standards of qualification then-applicable with respect to all new applicants for similar Classic Rock Coffee Co. System franchise owners;

(ii) The proposed Transfer is at a price and upon such terms and conditions as Franchisor shall deem reasonable;

(iii) As of the effective date of the proposed Transfer, all obligations of Franchisee hereunder and under any other agreements between Franchisee and Franchisor are fully satisfied;

(iv) As of the effective date of the proposed Transfer, all obligations of the proposed transferee to Franchisor under all other agreements of any kind between the proposed transferee and Franchisor are fully satisfied; and

(v) As of the effective date of the proposed Transfer, Franchisor shall have forwarded to Franchisee its approval, granted in its Reasonable Business Judgment, of the proposed Transfer to the proposed transferee, in accordance with the following provisions of this Section 13.

(d) Franchisee shall submit to Franchisor prior to any proposed Transfer of any equity or voting interest in Franchisee, and at any other time upon request, a list of all holders of direct or indirect equity and voting interests in Franchisee reflecting their respective present and/or proposed direct or indirect interests in Franchisee, in such form as Franchisor may require.

(e) Franchisor may require, as a condition of its approval of any proposed Transfer, satisfaction of the additional requirements set forth in Subsection 13(f) below, in the event Franchisee is a partnership or privately held corporation and the proposed Transfer, alone or together with all other previous, simultaneous and/or proposed Transfers, would have the effect of reducing directly or indirectly to less than a majority of the percentage of equity and voting interest (as reasonably determined by Franchisor) owned in Franchisee by the initial equity and voting owners identified in Section 2 of Exhibit 1 attached hereto, or (ii) in the event Franchisee is a natural person and the proposed Transfer, alone or together with other simultaneous or proposed Transfers, would have the effect of reducing directly or indirectly Franchisee's equity or voting interest as reasonably determined by Franchisor in the Franchised Business to less than a majority, or (iii) in any case which would result in a change of control, meaning a change of the unrestricted power to direct the management and/or policies of Franchisee (including those related to payment of financial obligations and a change of control with respect to a general partnership interest), directly or indirectly, whether through ownership of interests, by contract or otherwise. In computing the percentages of equity and voting interest owned in Franchisee for purposes of this Subsection 13(e), general partnership interests shall not be distinguished from limited partnership interests.

(f) The requirements for all such Transfers under Subsection 13(e) are as follows:

(i) Franchisee must request that Franchisor provide the prospective transferee with the Franchisor's current form of disclosure document required by the Federal Trade Commission's Trade Regulation Rule on Franchising and/or other applicable state franchise registration/disclosure laws, and a receipt for such document shall be delivered to Franchisor; *provided further,* Franchisor shall not be liable for any representations other than those contained in such disclosure document;

(ii) The proposed transferee must execute a new Classic Rock Coffee Co. System franchise agreement in Franchisor's then-current form, which may contain terms and conditions substantially different from those in this Agreement, for an initial term equal to and not less than the time remaining in the term of this Agreement as of the date of such transfer;

(iii) There shall have been paid to Franchisor, together with the application for consent to the transfer, the transfer fee (currently $7,000.00) then required by Franchisor of comparable Classic Rock Coffee Co. System franchise owners;

(iv) If permitted by applicable law, the transferor and the transferee shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor, its parent, subsidiaries, affiliates and their officers, directors, attorneys, owners, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances arising out of, or connected with, the performance of this Agreement or any other agreement;

(v) The transferee shall demonstrate to Franchisor's sole satisfaction that it meets all of Franchisor's requirements for becoming a Classic Rock Coffee Co. System franchise owner, including, without limitation, that it meets Franchisor's managerial and business standards then in effect for similarly-situated Classic Rock Coffee Co. System franchise owners; possesses a good moral character, business reputation and satisfactory credit rating; is not a competitor of Franchisor; will comply with all instruction and training requirements of Franchisor and has the aptitude and ability to operate the Franchised Business (as may be evidenced by prior related business experience or otherwise); and

(vi) The transferee and/or its designated managerial personnel (as applicable) shall have completed, to Franchisor's satisfaction, the training then required by Franchisor.

(vii) Franchisee, as transferor, shall execute a continuing guarantee in favor of Franchisor of the performance and payment by transferee, of all obligations and debts to Franchisor and its affiliates under the new Franchise Agreement. Transferee shall additionally execute all other documents and agreements required by Franchisor to consummate the Transfer.

(g) Upon the death or mental or physical incompetency of any person with any direct or indirect interest in Franchisee and who has managerial responsibility for the operation of the Franchised Business, the executor, administrator or personal representative of such person shall transfer such person's interest in Franchisee to a third party approved by Franchisor within six (6) months after such death or finding of incompetency. The disability of any person with any direct or indirect interest in the Franchisee shall be determined by three physicians chosen in the following manner: Franchisee shall select one physician and the Franchisor shall select one physician, and the two physicians so chosen shall select a third physician. The decision of the majority of the physicians so chosen shall be conclusive. Such transfers shall be subject to the same conditions as any lifetime Transfer hereunder. If the heirs or beneficiaries of any such person are unable to meet the conditions in Subsection 13(f) hereof, Franchisor may terminate this Agreement.

(h) Notwithstanding the foregoing, it is understood that Franchisee (if an individual) may assign this Agreement, the Franchised Business, and/or Franchisee's rights and obligations hereunder on one occasion to a legal entity organized by Franchisee for that purpose only, if at least a majority of all the equity interest of which shall be owned and voted continuously by Franchisee, and further provided that Franchisor shall have approved in advance all others holding equity or voting interests, which consent shall not be unreasonably withheld. Franchisor shall be given written notice of such assignments and delegation, and thereupon such entity shall have all of such rights and obligations, and the term "Franchisee" as used herein shall refer to such legal entity; *provided however,* that such assignment shall in no way affect the obligations hereunder of the individual above designated "Franchisee," who shall remain fully bound by and responsible for the performance of all of such obligations, jointly and severally with such legal entity. Such legal entity shall at no time engage in any business or activities other than the exercise of the rights herein granted to the Franchisee and the performance of its obligations as Franchisee hereunder.

(i) Franchisor's consent to a Transfer of any interest by or in Franchisee granted herein or hereby shall not constitute a waiver of any claims Franchisor may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferor and/or transferee.

(j) Franchisor will not require approval of the assignment of all or any part of the assets of the Franchised Business or the equity interests in Franchisee, excluding this Agreement or the Franchise, to a bank or other lending institution as collateral security for any loan(s) made directly to or for the benefit of the Franchised Business. However, such approval will be required for any proposed assignment or hypothecation of this Agreement or the Franchised Business, which approval will not permit further transfers or assignments of this Agreement or the Franchised Business without compliance by the transferee or assignee with the provisions of Section 13 hereof.

(k) If Franchisee is an entity, all certificates of equity interest in Franchisee, whether already or hereafter issued, shall, from and after the Effective Date, bear a legend sufficient under applicable law to constitute notice of the restrictions on such equity interest contained in this Agreement and to allow such restrictions to be enforceable. Such legend shall appear in substantially the following form.

> *"The sale, transfer, pledge or hypothecation of this equity interest is restricted pursuant to Section 13 of a Franchised Agreement dated ______________ ___, 20__, between Classic Rock Coffee Co. Franchising, LLC and the issuer hereof."*

(l) Franchisee grants to Franchisor a thirty (30) day right of first refusal to purchase such rights, interest, or assets on the same terms and conditions as are contained in this Section 13; provided, however, the following additional terms and conditions shall apply: (a) the right of first refusal will be effective for each proposed transfer, and any material change in the terms or conditions of the proposed transfer shall be deemed a separate offer for which Franchisor shall have a new thirty (30) day right of first refusal; (b) the thirty (30) day right of first refusal period will run concurrently with the period in which the Franchisor has to approve or disapprove the proposed transferee; (c) if the consideration or manner of payment offered by a proposed transferee is such that Franchisor cannot reasonably be expected to furnish the same, then Franchisor may purchase the interest proposed to be sold for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the cash consideration, an independent appraiser shall be designated by Franchisor, whose determination will be binding upon the parties; all expenses of the appraiser shall be paid for equally by Franchisor and Franchisee; and, despite subparagraph (b), Franchisor will have fifteen (15) days after determination of the cash consideration to exercise its right of first refusal; and (d) if Franchisor chooses not to exercise its right of first refusal, Franchisee shall be free to complete the transfer subject to compliance with this Sections 13. Franchisor has the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section.

14. DEFAULT AND TERMINATION

(a) Franchisor may not terminate this Agreement prior to the expiration of its term except for "good cause," which shall mean the occurrence of any event of default described below. Upon the occurrence of any event of default, Franchisor may, at its option, and without waiving its rights hereunder or any other rights available at law or in equity, including its rights to damages, terminate this Agreement and all of Franchisee's rights hereunder effective immediately upon the date Franchisor gives written notice of termination, upon such other date as may be set forth in such notice of termination, or, in those instances enumerated below in paragraph (i) of this Subsection 14(a), automatically upon the occurrence of, or the lapse of the specified period following, an event of default. The occurrence of any one or more of the following events shall constitute an event of default and grounds for termination of this Agreement by Franchisor:

(i) Automatically, without notice or action required by Franchisor, if Franchisee becomes insolvent or makes a general assignment for the benefit of creditors, or, unless otherwise prohibited by law, if a petition in bankruptcy is filed by Franchisee, or such a petition is filed against and consented to by Franchisee or not dismissed within thirty (30) days, or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee, or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed; or if a final judgment in excess of Five Thousand and No/100 Dollars ($5,000.00) remains unsatisfied or of record for sixty (60) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment in the relevant jurisdiction);

(ii) If Franchisee fails to pay any financial obligation pursuant to this Agreement within five (5) days of the date on which Franchisor gives notice of such delinquency, or immediately upon written notice if such payment has not been made within sixty (60) days after the date on which it is required to be paid, or immediately upon written notice if Franchisee is determined to have under-reported its Gross Volume of Business during any month by three percent (3%) or more of the actual Gross Volume of Business during such month on two or more occasions during the term of this Agreement, whether or not Franchisee subsequently rectifies such deficiency;

(iii) If Franchisee fails to commence operation of the Franchised Business as required by Subsection 8(b) hereof;

(iv) If Franchisee makes, or has made, any materially false statement or report to Franchisor in connection with this Agreement or application therefor;

(v) If there is any violation of any transfer or assignment provision contained in Section 13 of this Agreement;

(vi) If Franchisee receives from Franchisor three (3) or more notices to cure the same or similar defaults or violations of this Agreement during any 12-month period or receives five (5) or more notices to cure any defaults or violations of this Agreement during its term;

(vii) If Franchisee or its designated manager, if any, fails to complete to Franchisor's reasonable satisfaction any of the training required pursuant to Subsection 8(g) of this Agreement;

(viii) If Franchisee fails, for a period of fifteen (15) days after notification of non-compliance by an appropriate authority, to comply with any law or regulation applicable to the operation of the Franchised Business;

(ix) If Franchisee violates any covenant of confidentiality or non-disclosure contained in Sections 9 or 12 of this Agreement or otherwise discloses, uses, permits the use of, copies, duplicates, records, transmits or otherwise reproduces any manuals, materials, goods or information created or used by Franchisor and designated for confidential use within the Classic Rock Coffee Co. System without Franchisor's prior written approval;

(x) If Franchisee or any person controlling, controlled by or under common control with Franchisee, or any principal officer or employee of Franchisee or any such person, owning an interest in the Franchise is convicted of a felony, or any other crime or offense (even if not a crime) that is reasonably likely, in the sole opinion of Franchisor, to adversely affect the Classic Rock Coffee Co. System, any Classic Rock Coffee Co. System facility, the Licensed Marks or the goodwill associated therewith;

(xi) If Franchisee fails to perform or breaches any covenant, obligation, term, condition, warranty or certification herein or fails to operate the Franchised Business as specified by Franchisor in the Confidential Operating Manual or fails to pay promptly any undisputed bills from vendors, and fails to cure such non-compliance or deficiency within thirty (30) days (or such longer term as granted by Franchisor) after Franchisor's written notice thereof;

(xii) If Franchisee abandons or ceases to operate all or any part of the Franchised Business conducted under this Agreement for twenty (24) hours or longer (except as otherwise provided herein) or defaults under any mortgage, deed of trust or lease with Franchisor or any third party covering the Franchised Business or the Franchised Location, and Franchisor or such third party treats such act or omission as a default, and Franchisee fails to cure such default to the satisfaction of Franchisor or such third party, as applicable, within any applicable cure period granted Franchisee by Franchisor or such third party, as the case may be;

(xiii) If Franchisee or any Guarantor defaults on any other agreement with Franchisor, or any parent, subsidiary or affiliate of Franchisor, and such default is not cured in accordance with the terms of such other agreement;

(xiv) If Franchisee's interest in any lease relating to the operation of the Franchised Business at the Franchised Location is terminated or expires, or if Franchisee's right of possession of the Franchised Location shall be terminated at any time for any cause whatsoever; or

(xv) If Franchisee shall default in any obligation under this Agreement or any other agreement between the parties that is not by its nature capable of being cured by Franchisee.

(b) Franchisee may not terminate this Agreement prior to the expiration of its term except through legal process resulting from Franchisor's material breach of this Agreement or otherwise with Franchisor's written consent. In the event that Franchisee shall claim that Franchisor has failed to meet any obligation under this Agreement, Franchisee shall provide Franchisor with written notice of such claim, within one (1) year of its occurrence, specifically enumerating all alleged deficiencies and providing Franchisor with an opportunity to cure, which shall in no event be less than thirty (30) days from the date of receipt of such notice by Franchisor from Franchisee. Failure to give such notice shall constitute a waiver of any such alleged default.

15. POST TERM OBLIGATIONS

Upon the expiration or termination of this Agreement, Franchisee shall immediately:

(a) Cease to be a franchise owner of Franchisor under this Agreement and cease to operate the former Franchised Business under the Classic Rock Coffee Co. System. Franchisee shall not thereafter, directly or indirectly, represent to the public that the former Franchised Business is or was operated or in any way connected with the Classic Rock Coffee Co. System or hold itself out as a present or former franchise owner of Franchisor at or with respect to the Franchised Location;

(b) Pay all sums due and owing to Franchisor, including those invoiced to Franchisee after this Agreement expires or is terminated. Upon termination pursuant to any default by Franchisee, such sums shall include, but not be limited to, actual and consequential damages, costs and expenses (including reasonable attorneys' fees) incurred by Franchisor as a result of the default;

(c) Return to Franchisor the Confidential Operating Manual and all trade secret and other confidential materials, including without limitation any customer lists or client lists, equipment and other property owned by Franchisor, and all copies thereof. Franchisee shall retain no copy or record of any of the foregoing; *provided however,* Franchisee may retain its copy of this Agreement, any correspondence between the parties hereto, and any other document that Franchisee reasonably needs for compliance with any applicable provision of law;

(d) Take such action as may be required by Franchisor to transfer and assign to Franchisor or its designee or to disconnect and forward all telephone numbers, websites, white and yellow page telephone references and advertisements, and all trade and similar name registrations and business licenses, in each case of or related to the former Franchised Business, and to cancel any interest that Franchisee may have in the same;

(e) Cancel or assign to Franchisor all right, title and interest in any Internet and website home pages, domain name listings, and registrations that contain the Licensed Marks, or any of them, in whole or in part, and shall notify applicable domain name registrars and all listing agencies, upon the termination or expiration hereof, of the termination of Franchisee's right to use any domain name, web page and other Internet device associated with Franchisor or the Classic Rock Coffee Co. System, and authorize and instruct their cancellation or transfer to Franchisor, as directed by Franchisor. Franchisee is not entitled to any compensation from Franchisor if Franchisor exercises its rights or options pursuant to this Subsection 15(e); and

(f) Cease to use in advertising, or in any manner whatsoever, any methods, procedures or techniques associated with the Classic Rock Coffee Co. System in which Franchisor has a proprietary right, title or interest; cease to use the Licensed Marks and any other marks and indicia of operation associated with the Classic Rock Coffee Co. System and remove all trade dress, physical characteristics, color combinations and other indications of operation under the Classic Rock Coffee Co. System from the Franchised Location and the former Franchised Business otherwise. Without limiting the generality of the foregoing, Franchisee agrees that, in the event of any termination or expiration of this Agreement, it will remove all signage bearing the Licensed Marks and, upon Franchisor's request, deliver the facia for such signs to Franchisor, and will remove any items that are characteristic of the Classic Rock Coffee Co. System trade dress from the Franchised Location and repaint the interior and exterior of the Franchised Location, each as necessary, in color schemes that are not confusingly similar to standardized and recognizable colors of the Classic Rock Coffee Co. System. Franchisee agrees that Franchisor or Franchisor's designated agent may enter upon the Franchised Location at any time, even after expiration or termination of this Agreement, to make such changes at Franchisee's sole risk and expense and without liability for trespass.

(h) Except in the case of a renewal under Section 4, upon termination or expiration of this Agreement for any reason, Franchisor shall have the option to purchase the Franchised Location, or a portion of the assets of the Franchised Location (including any furniture, fixtures, equipment and improvements), which may include, at Franchisor's option, all of Franchisee's leasehold interest in and to the real estate upon which the Franchised Location is located, but not including any other interest in real property. The purchase price for the assets to be transferred will be thirty percent (30%) of the Gross Sales of the Franchised Location during the twelve (12) calendar months immediately preceding the date of termination or expiration and will be adjusted by setting off and reducing the purchase price by any amount then owing by Franchisee to Franchisor or its affiliates, including any amounts paid by Franchisor to cure Franchisee's defaults with third parties such as landlords (the decision to pay such cure amounts to be the sole decision of Franchisor). Franchisor may, in its discretion, require that Franchisee lease or sell its real estate to the Franchisor or any of its affiliates, as the case may be, upon termination or expiration of this Agreement. The following additional terms shall apply to Franchisor's exercise of this option:

(i) Franchisor's option shall be exercisable by providing Franchisee with written notice of its intention to exercise the option no later than twenty (20) days following the effective date of termination, in the case of termination (unless Franchisee terminates without notice or Franchisee terminates for cause, in which case Franchisor shall have thirty (30) days after receipt of actual notice of the termination or such additional time as is reasonably necessary given the circumstances), or at least thirty (30) days prior to the expiration of the term of the franchise, in circumstances where no renewal is granted;

(ii) Franchisor and Franchisee agree that the terms and conditions of this right and option to purchase may be recorded, if deemed appropriate by Franchisor, in the real property records, and Franchisor and Franchisee further agree to execute such additional documentation as may be necessary and appropriate to effectuate such recording;

(iii) The closing for the purchase will take place no later than sixty (60) days after delivery to Franchisee of written notice of Franchisor's exercise of its option. Franchisor has the unrestricted right to assign this option to purchase at any time to a third party, who then will have the rights described in this Section. Franchisor will pay the purchase price in full at the closing. Franchisee must sign all documents of transfer reasonably necessary for purchase of the customary representations and warranties from Franchisee as to ownership and condition of, and title to, the assets of the Franchised Location being transferred. All assets must be transferred free and clear of all liens and encumbrances, with all sales and transfer taxes paid by Franchisee. Franchisee and its owners further agree to sign general releases, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates and their respective shareholders, officers, directors, employees, agents, successors, and assigns; and

(iv) Franchisee agrees that it shall be obligated to operate the Franchised Location, according to this Agreement's terms, during the period in which Franchisor or the third party assignee is deciding whether to exercise its option to purchase and until the closing takes place, and that a condition to closing is that the Franchised Location has remained open during that time period. Franchisor or the third party assignee may decide not to exercise its option to purchase at any time before closing if it determines that any of the conditions noted above have not been or cannot be satisfied.

In the event that Franchisor or a third party assignee does not exercise its right to repurchase the Franchised Location as set forth above, Franchisee will be free, after such termination or expiration, to keep or to sell to any third party all of the physical assets of the Franchised Location; provided, however, that all Licensed Marks are first removed in a manner approved in writing by Franchisor.

16. INSURANCE

(a) Franchisee shall, at its expense and no later than the earliest date on which Franchisee uses any of the Licensed Marks, opens the Franchised Location for business or otherwise conducts the Franchised Business in any way, procure and maintain in full force and effect throughout the term of this Agreement the types of insurance enumerated in the Confidential Operating Manual or otherwise in writing which shall be in such amounts as may from time to time be required by Franchisor and which shall designate Franchisor as an additional named insured, including the following:

(i) Employer's liability and workers' compensation insurance as prescribed by law; and

(ii) Comprehensive general liability insurance covering the operation of the Franchised Business.

(b) Franchisee shall make timely delivery of certificates of all required insurance to Franchisor, each of which shall contain a statement by the insurer that the policy will not be cancelled or materially altered without at least thirty (30) days' prior written notice to Franchisor.

(c) The procurement and maintenance of such insurance shall not relieve Franchisee of any liability to Franchisor under any indemnity requirement of this Agreement.

17. TAXES, PERMITS, INDEBTEDNESS, COMPLIANCE WITH LAWS

(a) Franchisee shall promptly pay when due any and all federal, state and local taxes, including without limitation, unemployment and sales taxes, levied or assessed with respect to any services or products furnished, used or licensed pursuant to this Agreement and all accounts or other indebtedness of every kind incurred by Franchisee in the operation of the Franchised Business.

(b) Franchisee shall comply with all applicable federal, state and local laws, rules and regulations; Franchisee shall also timely obtain any and all permits, certificates and licenses for the full and proper conduct of the Franchised Business.

(c) Franchisee hereby expressly covenants and agrees to accept full and sole responsibility for any and all debts and obligations incurred in the operation of the Franchised Business.

18. INDEMNIFICATION AND INDEPENDENT CONTRACTOR

(a) Franchisee agrees to protect, defend, indemnify, and hold Franchisor, and its respective directors, officers, agents, attorneys and owners (jointly and severally, "Indemnitees") harmless and promptly to reimburse Indemnitees for, from and against all claims, actions, proceedings, damages, costs, expenses and other losses and liabilities, consequently, directly or indirectly incurred (including without limitation attorneys' and accountants' fees) as a result of, arising out of or connected with the operation of the Franchised Business.

(b) In all dealings with third parties, including, without limitation, employees, vendors and customers, Franchisee shall disclose in an appropriate manner acceptable to Franchisor that it is an independent entity licensed by Franchisor. Nothing in this Agreement is intended by the parties hereto to create a fiduciary relationship between Franchisor or Franchisee nor to constitute Franchisee an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of Franchisor for any purpose whatsoever. It is understood and agreed that Franchisee is an independent contractor and is in no way authorized to make any contract, warranty or representation or to create any obligation on behalf of Franchisor.

19. SECURITY INTEREST

(a) Franchisee grants Franchisor a security interest ("**Security Interest**") in all of the furniture, fixtures, equipment, signage, and realty (including Franchisee's interests under all real property and personal property leases) of the Franchised Location, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Franchised Location. All items in which a security interest is granted are referred to as the "**Collateral**."

(b) The Security Interest is to secure payment of the following (the "**Indebtedness**"):

(i) All amounts due under this Agreement or otherwise by Franchisee;

(ii) All sums which Franchisor (or its affiliates) may, at its option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness;

(iii) All expenses, including reasonable attorneys' fees, which Franchisor (or its affiliates) incurs in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting its rights under the Security Interest and this Agreement; and

(iv) All other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of Franchisee to Franchisor or third-parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not Franchisee executes any extension agreement or renewal instruments.

(c) Franchisee will from time to time as required by Franchisor join with Franchisor in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to Franchisor.

(d) Upon default and termination of Franchisee's rights under this Agreement, Franchisor shall have the immediate right to possession and use of the Collateral.

(e) Franchisee agrees that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at the option of Franchisor and without notice, become due and payable immediately, and Franchisor shall then have the rights, options, duties, and remedies of a secured party under, and Franchisee shall have the rights and duties of a debtor under, the Uniform Commercial Code of Missouri, including, without limitation, Franchisor's right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by Franchisor in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to Franchisee pursuant to the notice provisions set forth below.

(f) This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

20. WRITTEN APPROVALS, WAIVERS, FORMS OF AGREEMENT AND AMENDMENT

(a) Whenever this Agreement requires, or Franchisee desires to obtain, Franchisor's approval, Franchisee shall make a timely written request. Unless a different time period is specified in this Agreement, Franchisor shall respond with its approval or disapproval within fifteen (15) days of receipt of such request. If Franchisor has not specifically approved a request in writing within such fifteen (15)-day period, such failure to respond shall be deemed disapproval of any such request.

(b) No failure of Franchisor to exercise any power reserved to it by this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms herein. No waiver or approval by Franchisor of any particular breach or default by Franchisee, nor any delay, forbearance or omission by Franchisor to act or give notice of default or to exercise any power or right arising by reason of such default hereunder, nor acceptance by Franchisor of any payments due hereunder, shall be considered a waiver or approval by Franchisor of any preceding or subsequent breach or default by Franchisee of any term, covenant or condition of this Agreement.

(c) No warranty or representation is made by Franchisor that any or all Classic Rock Coffee Co. System franchise agreements heretofore or hereafter issued by Franchisor do or will contain terms substantially similar to those contained in this Agreement. Further, Franchisee recognizes and agrees that Franchisor may, in its Reasonable Business Judgment, due to local business conditions or otherwise, waive or modify comparable provisions of other franchise agreements heretofore or hereafter granted to other Classic Rock Coffee Co. System franchise owners in a non-uniform manner, subject, however, to those provisions of this Agreement that require Franchisor to act toward its franchise owners on a reasonably non-discriminatory basis.

(d) Except as otherwise provided in Subsections 12(d) or 24(a) hereof, no amendment, change or variance from this Agreement shall be binding upon either Franchisor or Franchisee except by mutual written agreement. If an amendment of this Agreement is executed at Franchisee's request, any legal fees or costs of preparation in connection therewith shall, at the option of Franchisor, be paid by Franchisee.

21. ENFORCEMENT

(a) To ensure compliance with this Agreement and to enable Franchisor to carry out its obligation under this Agreement, Franchisee agrees that Franchisor and its designated agents shall be permitted, with or without notice, full and complete access during business hours to inspect the Franchised Location and all records thereof, including but not limited to records relating to Franchisee's customers, vendors, employees and agents. Franchisee shall cooperate fully with Franchisor and its designated agents requesting such access.

(b) Franchisor or its designee shall be entitled to obtain, without bond, declarations, temporary and permanent injunctions, and orders of specific performance in order to enforce the provisions of this Agreement relating to Franchisee's use of the Licensed Marks, the obligations of Franchisee upon termination or expiration of this Agreement, and assignment of the Franchised Business and ownership interests in Franchisee or to prohibit any act or omission by Franchisee or its employees that constitutes a violation of any applicable law or regulation, that is dishonest or misleading to prospective or current customers of businesses operated under the Classic Rock Coffee Co. System, that constitutes a danger to other Classic Rock Coffee Co. System franchise owners, employees, customers or the public, or that may impair the goodwill associated with the Licensed Marks.

(c) If Franchisor secures any declaration, injunction or order of specific performance pursuant to Subsection 21(b) hereof, if any provision of this Agreement is enforced at any time by Franchisor or if any amounts due from Franchisee to Franchisor are, at any time, collected by or through an attorney at law or collection agency, Franchisee shall be liable to Franchisor for all costs and expenses of enforcement and collection including, but not limited to, court costs and reasonable attorneys' fees.

22. NOTICES

Any notice required to be given hereunder shall be in writing and shall be either mailed by certified mail, return receipt requested or delivered by a recognized courier service, receipt acknowledged. Notices to Franchisee shall be addressed to it at the address listed in Subsection 1(a) hereof. Notices to Franchisor shall be addressed to it at the address listed in Subsection 1(a) hereof, Attention: Managing Member. Any notice complying with the provisions hereof shall be deemed to be given three (3) days after mailing, or on the date of receipt, whichever is earlier. Each party shall have the right to designate any other address for such notices by giving notice thereof in the foregoing manner, and in such event all notices to be mailed after receipt of such notice shall be sent to such other address.

23. GOVERNING LAW AND DISPUTE RESOLUTION

(a) This Agreement is accepted by Franchisor in the State of Missouri (the "State") and shall be governed by and construed in accordance with the laws thereof, which laws shall prevail in the event of any conflict; *provided however,* that the service charge provisions in Subsection 6(d) hereof may be governed by the laws of the state where the Franchised Business is operated and the restrictive covenants contained in Section 12 hereof shall be construed in accordance with the laws of the state(s) where such restrictions are to apply, and the laws of such state(s) shall determine the enforceability of such covenants to be performed in such state(s). Moreover, if any provision of this Agreement would not be enforceable under the laws of Missouri, and if the Franchised Business is located outside of Missouri and such provision would be enforceable under the laws of the state in which the Franchised Business is located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Subsection 23(a) is intended by the parties to subject this Agreement to any franchise or similar law, rules, or regulation of any state to which it would not otherwise be subject.

(b) The parties hereto agree that it is in their best interest to resolve disputes between them in an orderly fashion and in a consistent manner. Therefore, the parties hereby agree as follows:

(i) The parties pledge to attempt first to resolve any dispute pursuant to mediation conducted in accordance with the Commercial Mediation Rules of the AAA unless Franchisor and Franchisee agree on alternative rules and a mediator within fifteen (15) days after either Party first gives notice of mediation. Mediation shall be conducted in Greene County, Missouri, and shall be conducted and completed within forty-five (45) days following the date either party first gives notice of mediation unless otherwise agreed to in writing by Franchisor and Franchisee. The fees and expenses of the mediator shall be shared equally by Franchisor and Franchisee. The mediator shall be disqualified as a witness, expert or counsel for any party with respect to the dispute and any related matter. Mediation is a compromise negotiation and shall constitute privileged communications under Missouri and other applicable laws. The entire mediation process shall be confidential and the conduct, statements, promises, offers, views and opinions of the mediator and Franchisor and Franchisee shall not be discoverable or admissible in any legal proceeding for any purpose; provided, however, that evidence which is otherwise discoverable or admissible shall not be excluded from discovery or admission as a result of its use in the mediation. Notwithstanding anything to the contrary set forth in this Agreement, any party that fails to reasonably cooperate in scheduling and completing a mediation within forty-five (45) days after giving or receiving notice thereof shall be precluded from recovering costs, expenses, and/or prevailing party attorneys' fees in any subsequent legal action. If any dispute remains unresolved ninety (90) days after a demand for mediation by either party, Franchisor and Franchisee shall each be free to pursue their respective legal remedies under Subsection 23(b)(ii).

(ii) To the extent the parties have not resolved a dispute by negotiation, mediation, internal appeal procedures, or otherwise, Franchisee consents and agrees that the following courts shall have personal jurisdiction over it in all lawsuits relating to or arising out of this Agreement and hereby waives any defense Franchisee may have of lack of personal jurisdiction in any such lawsuits filed in these courts and further consents and agrees that venue shall be proper in any of the following courts in all lawsuits relating to or arising out of this Agreement and hereby waives any defense it may have of improper venue in any such lawsuits filed in the state and federal courts within Greene County, Missouri. In the event any of these courts are abolished, Franchisee agrees that venue shall be proper in the state or federal court in the State that most closely approximates the subject-matter jurisdiction of the abolished court as well as any of these courts that are not so abolished. All lawsuits filed by Franchisee against Franchisor relating to or arising out of this Agreement shall be required to be filed in one of these courts; *provided however,* that if none of these courts has subject-matter jurisdiction over such a lawsuit such lawsuit may be filed in any court having such subject matter jurisdiction if in-personam jurisdiction and venue in such court are otherwise proper. Lawsuits filed by Franchisor against Franchisee may be filed in any of the courts named in this paragraph or in any court in which jurisdiction and venue are proper.

(iii) In all lawsuits relating to or arising out of the Agreement, Franchisee consents and agrees that it may be served with process outside the State in the same manner as service may be made within the State by any person authorized to make service by the laws of the state, territory, possession or country in which service is made or by any duly qualified attorney in such jurisdiction, and Franchisee hereby waives any defense it may have of insufficiency of service of process relating to such service. This method of service shall not be the exclusive method of service available in such lawsuits and shall be available in addition to any other method of service allowed by law. EACH PARTY WAIVES ANY RIGHT TO A JURY TRIAL, WITH RESPECT TO ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW.

24. SEVERABILITY AND CONSTRUCTION

(a) Should any provision of this Agreement be for any reason held invalid, illegal or unenforceable by a court of competent jurisdiction, such provision shall be deemed restricted in application to the extent required to render it valid; and the remainder of this Agreement shall in no way be affected and shall remain valid and enforceable for all purposes, both parties hereto declaring that they would have executed this Agreement without inclusion of such provision. In the event such total or partial invalidity or unenforceability of any provision of this Agreement exists only with respect to the laws of a particular jurisdiction, this subsection shall operate upon such provision only to the extent that the laws of such jurisdiction are applicable to such provision. Each party agrees to execute and deliver to the other any further documents that may be reasonably required to effectuate fully the provisions hereof. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, on a temporary or permanent basis, to reduce the scope of any covenant or provision of this Agreement binding upon Franchisee, or any portion hereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof and Franchisee agrees that it will comply forthwith with any covenant as so modified, which shall be fully enforceable. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

(b) This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute one and the same instrument.

(c) The table of contents, headings and captions contained herein are for the purposes of convenience and reference only and are not to be construed as a part of this Agreement. All terms and words used herein shall be construed to include the number and gender as the context of this Agreement may require. The parties agree that each section of this Agreement shall be construed independently of any other section or provision of this Agreement.

25. ACKNOWLEDGMENTS

Franchisee hereby acknowledges the following:

(a) FRANCHISEE HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE FRANCHISED BUSINESS AND UNDERSTANDS AND ACKNOWLEDGES THAT THE FRANCHISED BUSINESS INVOLVES SIGNIFICANT BUSINESS RISKS, MAKING THE SUCCESS OF THE VENTURE LARGELY DEPENDENT UPON THE BUSINESS ABILITIES AND PARTICIPATION OF FRANCHISEE AND ITS EFFORTS AS AN INDEPENDENT BUSINESS OPERATOR. FRANCHISEE AGREES THAT NO CLAIMS OF SUCCESS OR FAILURE HAVE BEEN MADE TO IT PRIOR TO SIGNING THIS AGREEMENT; AND THAT IT UNDERTAKES ALL OF THE TERMS AND CONDITIONS OF THIS AGREEMENT. THIS AGREEMENT CONTAINS ALL OF THE ORAL AND WRITTEN AGREEMENTS, REPRESENTATIONS AND ARRANGEMENTS BETWEEN THE PARTIES HERETO, ANY RIGHTS WHICH THE RESPECTIVE PARTIES HERETO MAY HAVE HAD UNDER ANY OTHER PREVIOUS CONTRACTS ARE HEREBY CANCELLED AND TERMINATED, AND NO REPRESENTATIONS OR WARRANTIES ARE MADE OR IMPLIED, EXCEPT AS SPECIFICALLY SET FORTH HEREIN. THIS AGREEMENT CANNOT BE CHANGED OR TERMINATED ORALLY. WITHOUT LIMITING THE FOREGOING, FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED OR RELIED UPON ANY, WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE FRANCHISED BUSINESS OR ANY OTHER VENTURE CONTEMPLATED BY THIS AGREEMENT, OR AS TO THE SUITABILITY OF THE FRANCHISED LOCATION OR ANY OTHER POTENTIAL SITE FOR THE FRANCHISEE'S STORE AS A SUCCESSFUL LOCATION FOR THE FRANCHISEE'S STORE.

Initial

(b) FRANCHISEE HAS NO KNOWLEDGE OF ANY REPRESENTATIONS BY FRANCHISOR OR ITS MEMBERS, MANAGERS, OWNERS, EMPLOYEES, AGENTS OR SERVANTS ABOUT THE FRANCHISED BUSINESS THAT ARE CONTRARY TO THE TERMS OF THIS AGREEMENT OR THE DOCUMENTS INCORPORATED HEREIN. FRANCHISEE REPRESENTS, AS AN INDUCEMENT TO FRANCHISOR'S ENTRY INTO THIS AGREEMENT, THAT IT HAS MADE NO MISREPRESENTATIONS IN OBTAINING THIS AGREEMENT.

Initial

(c) FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR'S APPROVAL OR ACCEPTANCE OF FRANCHISEE'S FRANCHISED LOCATION DOES NOT CONSTITUTE RECOMMENDATION OR ENDORSEMENT OF THE FRANCHISED LOCATION, NOR ANY ASSURANCE BY FRANCHISOR THAT THE OPERATION OF A STORE AT THE FRANCHISED LOCATION WILL BE SUCCESSFUL OR PROFITABLE.

Initial

(d) FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR OR ITS AGENT HAS PROVIDED FRANCHISEE WITH A FRANCHISE DISCLOSURE DOCUMENT NOT LATER THAN THE EARLIER OF THE FIRST PERSONAL MEETING HELD TO DISCUSS THE SALE OF A FRANCHISED BUSINESS, FOURTEEN CALENDAR DAYS BEFORE THE EXECUTION OF THIS AGREEMENT, OR FOURTEEN CALENDAR DAYS BEFORE ANY PAYMENT OF ANY CONSIDERATION. FRANCHISEE FURTHER ACKNOWLEDGES THAT FRANCHISEE HAS READ SUCH FRANCHISE DISCLOSURE DOCUMENT AND UNDERSTANDS ITS CONTENTS.

Initial

(e) FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR HAS PROVIDED FRANCHISEE WITH A COPY OF THIS AGREEMENT AND ALL RELATED DOCUMENTS, FULLY COMPLETED, AT LEAST FOURTEEN CALENDAR DAYS PRIOR TO FRANCHISEE'S EXECUTION HEREOF.

Initial

(f) FRANCHISEE ACKNOWLEDGES THAT IT HAS HAD AMPLE OPPORTUNITY TO CONSULT WITH ITS OWN ATTORNEYS, ACCOUNTANTS AND OTHER ADVISORS AND THAT THE ATTORNEYS FOR FRANCHISOR HAVE NOT ADVISED OR REPRESENTED FRANCHISEE WITH RESPECT TO THIS AGREEMENT OR THE RELATIONSHIP THEREBY CREATED.

Initial

(g) FRANCHISEE, TOGETHER WITH ITS ADVISERS, HAS SUFFICIENT KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS TO MAKE AN INFORMED INVESTMENT DECISION WITH RESPECT TO THE FRANCHISED BUSINESS.

Initial

(h) FRANCHISEE IS AWARE OF THE FACT THAT OTHER PRESENT OR FUTURE FRANCHISEES OF FRANCHISOR MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENT(S), AND CONSEQUENTLY THAT FRANCHISOR'S OBLIGATIONS AND RIGHTS WITH RESPECT TO ITS VARIOUS FRANCHISEES MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES.

Initial

(i) FRANCHISEE ACKNOWLEDGES THAT THIS INSTRUMENT CONSTITUTES THE ENTIRE AGREEMENT OF THE PARTIES. THIS AGREEMENT TERMINATES AND SUPERSEDES ANY PRIOR AGREEMENT BETWEEN THE PARTIES CONCERNING THE SAME SUBJECT MATTER.

Initial

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first written above.

FRANCHISOR:

By:______________________________________

Title: ____________________________________

FRANCHISEE:

By:______________________________________

Title: ____________________________________

GUARANTY OF FRANCHISEE'S UNDERTAKINGS

In consideration of, and as an inducement to, the execution of the foregoing Franchise Agreement ("Agreement") dated as of ____________, 20___, by Classic Rock Coffee Co. Franchising, LLC ("Franchisor") and ________________________ ("Franchisee"), each of the undersigned parties to this Guaranty of Franchisee's Undertakings ("Guaranty") hereby guarantees unto Franchisor that Franchisee will perform during the term of the Agreement each and every covenant, payment, agreement and undertaking on the part of Franchisee contained and set forth in such Agreement, and that Franchisee's representations and warranties in the Agreement are true and correct.

Franchisor, its successors and assigns, may, from time to time and without notice to the undersigned: (a) resort to the undersigned for payment of any of the liabilities of Franchisee to Franchisor (collectively, "Liabilities"), whether or not it or its successors have resorted to any property securing any of the Liabilities or proceeded against any other of the undersigned or any party or parties or primarily or secondarily liable on any of the Liabilities, (b) release or compromise any liability of any of the undersigned hereunder or any liability of any party or parties primarily or secondarily liable on any of the Liabilities, and (c) extend, renew or credit any of the Liabilities for any period (whether or not longer than the original period); alter, amend or exchange any of the Liabilities; or give any other form of indulgence, whether under the Agreement or not.

Each of the undersigned agrees to comply with and abide by the restrictive covenants and nondisclosure provisions contained in Section 12 of the Agreement, as well as the provisions in the Agreement relating to the Licensed Marks and Transfers, to the same extent as and for the same period of time as Franchisee is required to comply with and abide by such covenants and provisions, except to the extent otherwise required by the Agreement. These obligations of the undersigned shall survive any expiration or termination of the Franchise Agreement or this Guaranty.

Each of the undersigned further waives presentment, demand, notice of dishonor, protest, nonpayment and all other notices whatsoever, including without limitation: notice of acceptance hereof; notice of all contracts and commitments; notice of the existence or creation of any liabilities under the foregoing Agreement and of the amount and terms thereof; and notice of all defaults, disputes or controversies between Franchisee and Franchisor resulting from such Agreement or otherwise, and the settlement, compromise or adjustment thereof.

The undersigned agrees to pay all expenses paid or incurred by Franchisor in enforcing the foregoing Agreement and this Guaranty against Franchisee and against the undersigned, and in collecting or attempting to collect any amounts due thereunder and hereunder, including but not limited to reasonable attorneys' fees if such enforcement or collection is by or through an attorney-at-law. Any waiver, extension of time or other indulgence granted from time to time by Franchisor, its agents or its successors or assigns with respect to the foregoing Agreement shall in no way modify or amend this Guaranty, which shall be continuing, absolute, unconditional and irrevocable.

If more than one person has executed this Guaranty, the term "the undersigned" as used herein shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several.

IN WITNESS WHEREOF, each of the undersigned has executed this Guaranty effective as of the date of the Agreement.

Printed Name	Signature
Printed Name	Signature
Printed Name	Signature
Printed Name	Signature
Printed Name	Signature

[ADD SIGNATURE BLOCKS AS NECESSARY TO INCLUDE ALL OWNERS, AND SPOUSES OF OWNERS, OF FRANCHISEE IF APPLICABLE]

Exhibit 1

LICENSED MARKS AND ACKNOWLEDGMENT REGARDING OWNERSHIP OR OTHER INTERESTS

FRANCHISE AGREEMENT DATED ______________, 20___, BETWEEN CLASSIC ROCK COFFEE CO. FRANCHISING, LLC AND ____________________.

1. *Licensed Marks.* Franchisor is the sole and exclusive licensor of the following service marks and trademarks currently used in connection with the Classic Rock Coffee Co. System:

CLASSIC ROCK COFFEE CO.

ATOMIC PUNK ESPRESSO BLEND

BACK IN BLACK BOLD

BARRACUDA BITE

BREAKFAST IN AMERICA MORNING BREW

CLASSIC ROCK COFFEE CO. WAKE UP

COLD SHOT COFFEE CONCENTRATE

LIVING AFTER MIDNIGHT AMPED

Franchisee shall be authorized to utilize only such Licensed Marks as from time to time are authorized hereunder.

2. *Acknowledgment Regarding Controlling Persons.* Franchisee hereby acknowledges that Franchisee is a (n):

☐ individual

☐ partnership

☐ joint venture

☐ corporation

☐ limited liability company

☐ other business form ________________(describe)

(check one)

If Franchisee is not an individual, Franchisee hereby warrants and represents that the following persons own, either legally or beneficially, any equity or voting interest in Franchisee, each of which, and their respective spouses, shall execute a guaranty, in form and substance acceptable to Franchisor in its sole discretion, of Franchisee's undertakings pursuant to the Agreement:

NAME, ADDRESS, TELEPHONE NUMBER	TYPE OF OWNERSHIP (LEGAL OR BENEFICIAL)	PERCENTAGE OF INTEREST OWNED

Franchisee hereby acknowledges that Franchisor is relying on these representations as a material basis for entering into this Agreement, and that the information set forth above is true and correct.

FRANCHISEE

By:______________________________

Date:____________________________

Exhibit 2

DESCRIPTION OF PROTECTED TERRITORY

Franchisee's Protected Territory shall consist of the following:

Exhibit 3

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned Franchisee, ____________________________ ("Assignor")

hereby assigns, transfers and sets over unto Classic Rock Coffee Co. Franchising, LLC, a Missouri limited liability company ("Assignee"), all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Schedule 1 (the "Lease"), respecting the Franchised Location located at ____. Such assignment is for collateral purposes only and, except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this assignment of the Lease unless Assignee shall take possession of the Franchised Location pursuant to the terms hereof and shall assume the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein, and that Assignor has not previously, and is not obligated to, assign or transfer any of its interest in the Lease or the Franchised Location to any other person or entity.

Upon a default by Assignor under the Lease or under the franchise agreement for a Classic Rock Coffee Co. System Store between Assignee and Assignor (the "Franchise Agreement"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered to take possession of the Franchised Location and expel Assignor therefrom, and, in such event, Assignor shall have no further right, title or interest in the Lease.

Assignor agrees it will not allow or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that such option must be exercised, unless Assignee otherwise agrees in writing. Upon the failure of Assignee to otherwise agree in writing, and upon the failure of Assignor to so elect to extend or renew the Lease as stated herein, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting such extension of renewal.

[SIGNATURES AT END OF EXHIBIT]

CONSENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the afore-described Lease hereby:

(a) Agrees to notify Assignee in writing of and upon the failure of Assignor to cure any default by Assignor under the Lease;

(b) Agrees that Assignee shall have the right, but shall not be obligated, to cure any default by Assignor under the Lease within thirty (30) days after delivery by Lessor of notice thereof in accordance with subsection (a) above;

(c) Consents to the foregoing Collateral Assignment of Lease and agrees that, if Assignee shall take possession of the Franchised Location and confirm to Lessor the assumption of the Lease by Assignee as tenant thereunder, Lessor shall recognize Assignee as tenant under the Lease, provided that Assignee cures within such thirty (30)-day period the defaults of Assignor under the Lease;

(d) Agrees that Assignee may further assign the Lease or its interest therein or sublet the Franchised Location to a person or entity who is a Classic Rock Coffee Co. System franchise owner who is reasonably acceptable to Lessor. In the case of such an assignment, Assignee shall have no further liability or obligation under the Lease as assignee, tenant or otherwise. In the case of an assignment or sublease, this Consent and Agreement of Lessor shall apply with respect to any such subsequent Classic Rock Coffee Co. System franchise owner.

Dated:

ASSIGNOR

____

By:________________________________

Title: ______________________________

ASSIGNEE

CLASSIC ROCK COFFEE CO. FRANCHISING, LLC

By: ______________________________________

Title: _____________________________________

LESSOR

____

By: ______________________________________

Title: _____________________________________

Exhibit 4

SPECIAL STIPULATIONS

FRANCHISE AGREEMENT DATED ______________, 20___, BETWEEN CLASSIC ROCK COFFEE CO. FRANCHISING, LLC AND ______________________.

To the extent of any conflict between the following and the printed provisions of the Franchise Agreement, the Special Stipulations shall control:

FRANCHISOR:

CLASSIC ROCK COFFEE CO. FRANCHISING, LLC

By: ______________________________________

Title: _____________________________________

FRANCHISEE:

____

By: ______________________________________

Title: _____________________________________

EXHIBIT 5

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

THIS EMPLOYEE CONFIDENTIALITY AGREEMENT (this "**Agreement**") is made this ___ day of ________________________________, 20____ (the "**Effective Date**"), by and between ____________________________("**Franchisee**"), on the one hand, and ________________________ ("**Recipient**"), on the other hand, with reference to the following facts:

A. Classic Rock Coffee Co. Franchising, LLC, a Missouri limited liability company ("**Franchisor**"), has developed the Classic Rock Coffee Co. System for the establishment and operation of Classic Rock Coffee Co. Stores ("**Stores**") which both use the trade name and service mark "**Classic Rock Coffee Co.**" and other related trademarks, service marks, logos and commercial symbols (the "**Licensed Marks**"). The Licensed Marks used to identify the Classic Rock Coffee Co. System may be modified by Franchisor, from time to time. Franchisor continues to develop, use and control the use of the Licensed Marks in order to identify for the public the source of services and products marketed under the Licensed Marks and the Classic Rock Coffee Co. System, and to represent the Classic Rock Coffee Co. System's high standards of quality, appearance and service.

B. The "**Classic Rock Coffee Co. System**" includes, without limitation, the operations and training manuals and any other written directives related to the Classic Rock Coffee Co. System, as they may be amended, issued and revised from time to time (the "**Confidential Operating Manual**"), Franchisor's operating methods and business practices related to Classic Rock Coffee Co. Stores, including interior and exterior Store design, items of trade dress, specifications for equipment, fixtures and uniforms, defined product offerings, preparation methods, the relationship between Franchisor and its franchisees, Franchisor specified pricing and promotions, restrictions on ownership, standard operating and administrative procedures, management and technical training programs, and marketing and public relations programs, all of which may be modified by Franchisor from time to time and may be disclosed to Recipient by Franchise (collectively, the "**Confidential Information**").

C. Franchisor has and continues to protect the confidentiality of the Confidential Information by, among other things, (i) not revealing the confidential contents of the Confidential Information to unauthorized parties, (ii) requiring Classic Rock Coffee Co. franchisees to acknowledge and agree in writing that the Confidential Information is confidential, (iii) requiring Classic Rock Coffee Co. franchisees to agree in writing to maintain the confidentiality of the Confidential Information, (iv) monitoring electronic access to the Confidential Information by the use of passwords and other restrictions so that electronic access to the Confidential Information is limited to authorized parties, and (v) requiring its franchisees to return all Confidential Information to Franchisor upon the expiration and termination of their Franchise Agreements.

D. Franchisor and Franchisee have entered into a Franchise Agreement under which Franchisor has granted Franchisee the right to own and operate a Classic Rock Coffee Co. Store (the "**Franchised Business**") and to use the Classic Rock Coffee Co. System, the Licensed Marks, the Confidential Operating Manual, and the Confidential Information in the operation of the Franchised Business.

E. Franchisee is obligated under its Franchise Agreement with Franchisor to obtain a written agreement from each employee employed by Franchisee and each independent contractor engaged by Franchisee who may have access to the Confidential Information and who may be the recipient of the disclosure of the Confidential Information to maintain the confidentiality of the Confidential Information, to obtain the written agreement of each employee and independent contractor to not use the Confidential Information other than in the course of his or her employment or engagement by Franchisee and to not disclose any of the Confidential Information to any unauthorized parties during the period of time that he or she is providing services for Franchisee and forever after his or her employment or engagement by Franchisee ends.

NOW, THEREFORE, IT IS AGREED:

1. **ACKNOWLEDGMENTS OF RECIPIENT**.

1.1 **No Prior Experience, Information or Knowledge**. Except as otherwise described below, prior to his or her employment or engagement by Franchisee, Recipient had no experience, information or knowledge whatsoever about the sale of coffee or coffee related products or the operation of a coffee shop. Recipient's knowledge of the Confidential Information was obtained only from Franchisee following the Effective Date and only in the course of Recipient's employment or engagement by Franchisee. Prior experience (if any):____.

1.2 **Confidential Information**. The Confidential Information includes all of the items included elsewhere in this Agreement and, in addition, without limitation, all tangible and intangible information relating to Franchisor's business operations, products and services, routines, methods, techniques, manuals, materials, related written content, disclaimers, handout items, equipment, teaching aids, sources of materials and equipment, client management and other software, data, other content, formulations, patterns, compilations, programs, devices and processes, know-how, business relationships, customer lists, customer contact information and other data about the customer serviced by Franchisee as customers of Franchisee, contact information for industry professionals, designs, developmental or experimental work and services, improvements, discoveries, plans for research, potential new or supplemental products and services, websites, advertisements or ancillary products and services, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators and customers, information regarding the skills and compensation of employees and contractors of Franchisor, designs, drawings, specifications, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, trade secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, the relationship between Franchisor and other companies, persons or entities, the Confidential Operating Manual, the Licensed Marks and any other information or material considered proprietary by Franchisor, whether or not designated as Confidential Information by Franchisor. Confidential Information also includes the manner in which any of the above-described items may be combined with other information or products or synthesized or used by Franchisor, Franchisee or Recipient. Confidential Information does not include any information that: (i) was in the lawful and unrestricted possession of Recipient prior to its disclosure to Recipient by Franchisee, (ii) is or becomes generally available to the public by acts other than those of Recipient after receiving it, (iii) has been received lawfully and in good faith by Recipient from a third party who did not derive it from Franchisee or Franchisor, or (iv) is shown by acceptable evidence to have been independently developed by Recipient.

1.3 **Independent Value**. The Confidential Information (i) is not generally known by the public or parties other than Franchisor, its affiliates, its franchisees and Franchisee, (ii) derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or Franchisee, and (iii) is the subject of extensive efforts by Franchisor that are reasonable under the circumstances to maintain the secrecy of the Confidential Information.

1.4 **Valuable and Proprietary.** The Confidential Information has been developed by Franchisor, its founder and their affiliates by the investment of time, skill, effort and money and is widely recognized by the public, of substantial value, and is proprietary, confidential and constitutes trade secrets of Franchisor, its founder and their affiliates.

2. **COVENANTS OF RECIPIENT.**

Recipient agrees that so long as Recipient is employed or engaged by Franchisee and forever after his or her employment or engagement by Franchisee ends:

2.1 **Maintain Confidentiality.** Recipient will fully and strictly maintain the confidentiality of the Confidential Information, will exercise the highest degree of diligence in safeguarding the Confidential Information and will not disclose or reveal the Confidential Information to any person other than Franchisee or another person employed or engaged by Franchisee while an employee or independent contractor of Franchisee and will then do so only to the degree necessary to carry out Recipient's duties as an employee or independent contractor of Franchisee.

2.2 **No Reproduction or Use.** Recipient will not directly or indirectly reproduce or copy any Confidential Information and will make no use of any Confidential Information for any purpose whatsoever except as may be required while Recipient is employed or engaged by Franchisee and will then do so only in accordance with the provisions of this Agreement and only to the degree necessary to carry out Recipient's duties as an employee or independent contractor of Franchisee.

2.3 **Restrictions.** Recipient specifically acknowledges and agrees Recipient may receive valuable specialized training and Confidential Information, including, without limitation, Confidential Information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the Classic Rock Coffee Co. System, which are unique and proprietary to Franchisor, derive independent economic value from not being generally known to the public and are the subject of Franchisor's efforts and that are reasonable under the circumstances to maintain their secrecy. Recipient therefore covenants that while employed or engaged by Franchisee, Recipient shall not, either directly or indirectly, for himself or herself, or through, on behalf of, or in conjunction with any person, or legal entity (i) divert or attempt to divert any present or prospective Classic Rock Coffee Co. customer to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Licensed Marks and the Classic Rock Coffee Co. System, (ii) employ or seek to employ any person who is or has been within the previous thirty (30) days employed by Franchisor, Franchisee or an affiliate of Franchisor or Franchisee as a salaried managerial employee, or otherwise directly or indirectly induce the person to leave his or her employment, or (iii) own (either beneficially or of record), engage in or render services to, whether as an investor, partner, lender, director, officer, manager, employee, consultant, representative or agent, any business that offers coffee or coffee related products for sale to the public and any business which looks like, copies, imitates, or operates a business similar to a Classic Rock Coffee Co. Shop.

2.4 **Third Party Beneficiary**. Franchisor is, and shall be and remain, a third party beneficiary of this Agreement and will have the independent right to enforce the terms of this Agreement.

3. **GENERAL TERMS**.

3.1 **Injunction**. Recipient recognizes the unique value and secondary meaning attached to the Confidential Information and the elements of the Classic Rock Coffee Co. System and agrees that Recipient's noncompliance with the terms of this Agreement or any unauthorized or improper use of the Confidential Information by Recipient will cause irreparable damage to Franchisor and its franchisees. Recipient therefore agrees that if Recipient should engage in any unauthorized or improper use or disclosure of the Confidential Information, Franchisor and Franchisee, independently, will be entitled to both permanent and temporary injunctive relief from any court of competent jurisdiction without notice or the posting of any bond, to prevent any unauthorized or improper use or disclosure of the Confidential Information in addition to any other remedies prescribed by law. Due to the irreparable damage that would result to Franchisor and Franchisee from any violation of this Agreement, Recipient acknowledges and agrees that any claim Recipient believes he or she may have against Franchisor or Franchisee will be deemed to be a matter separate and apart from Recipient's obligations under this Agreement and will not entitle Recipient to violate or justify any violation of the provisions of this Agreement.

3.2 **Heirs and Successors; Entire Agreement**. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns. This Agreement represents the entire understanding between the parties regarding the subject matter of this Agreement and supersedes all other negotiations, agreements, representations and covenants, oral or written. This Agreement may not be modified except by a written instrument signed by Franchisor, Franchisee and Recipient that expressly modifies this Agreement. The parties intend this Agreement to be the entire integration of all of their agreements on this subject of any nature regarding the subject matter of this Agreement. No other agreements, representations, promises, commitments or the like, of any nature, exist between the parties.

3.3 **No Right to Use the Licensed Marks or Classic Rock Coffee Co. System**. This Agreement is not a license of any sort, and does not grant Recipient any right to use or to license the use of, the Confidential Information, which right is expressly reserved by Franchisor.

3.4 **Waiver and Validity.** Failure by Franchisor to enforce any rights under this Agreement shall not be construed as a waiver of such rights. Any waiver, including a waiver of default in any one instance, shall not constitute a continuing waiver or a waiver in any other instance. Any invalidity of any portion of this Agreement shall not affect the validity of the remaining portions and unless substantial performance of this Agreement is frustrated by any such invalidity, this Agreement shall continue in full force and effect.

3.5 **Headings and Gender.** The headings in this Agreement are for purposes of convenience only and shall not be used in construing the provisions of this Agreement. As used in this Agreement, the male gender shall include the female and neuter genders, the singular shall include the plural and the plural, the singular.

3.6 **Attorneys' Fees.** If Franchisor becomes a party to any legal proceedings concerning this Agreement by reason of any act or omission of Recipient, Recipient shall be liable to Franchisor for the reasonable attorneys' fees and court costs incurred by Franchisor in the legal proceedings. If any party to this Agreement commences any legal proceeding against another party arising out of or in connection with this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable attorneys' fees and costs of suit.

3.7 **Cumulative Remedies.** Any specific right or remedy set forth in this Agreement, legal, equitable, or otherwise, shall not be exclusive, but shall be cumulative with all other rights or remedies set forth herein or allowed or allowable by law.

3.8 **Notices**. Except as otherwise expressly provided herein, all written notices and reports permitted or required to be delivered by the parties under this Agreement shall be deemed delivered at the time delivered by hand, one (1) business day after transmission by fax or email (with a confirmation copy sent by regular United States mail), or three (3) days after placement in the United States mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed as follows:

Any notice or demand to Franchisee shall be given to:

____
____
____
Fax: ________________

With a copy to:

Classic Rock Coffee Co. Franchising, LLC
1900 W. Sunset, Suite A116
Springfield, Missouri 65807
Attention: Managing Member

Any notice or demand to Recipient shall be given to:

____
____
____
Fax: ________________

Any party may change its address for the purpose of receiving notices, demands and other communications by a written notice given in the manner set forth above to the other party.

3.9 **Governing Law and Venue**. This Agreement takes effect upon its acceptance and execution by Franchisor in Missouri, and shall be interpreted and construed under the laws of Missouri. If, however, any provision of this Agreement would not be enforceable under the laws of Missouri, and if the Franchised Business is located outside of Missouri and such provision would be enforceable under the laws of the state in which the Franchised Business is located, then such provision shall be interpreted and construed under the laws of that State. The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought in the state and federal courts of Greene County, Missouri. To the fullest extent that the Parties may do so under Applicable Law, the Parties waive the defense of inconvenient forum to the maintenance of an action in these Courts and agree not to commence any action of any kind except in these Courts.

3.10 **<u>Counterparts and Electronic Copies</u>**. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Signatures transmitted electronically or by facsimile will be deemed original signatures. Electronic copies of this Agreement shall constitute and be deemed an original copy of this Agreement for all purposes, provided that such electronic copies are fully executed, dated and identical in form to the original hard copy version of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the Effective Date.

FRANCHISEE:

______________________________,
A ______________________________

By:
Name: ____________________________
Title: ____________________________

RECIPIENT:

____

EXHIBITC
CONFIDENTIALITY AGREEMENT FOR PROSPECTIVE FRANCHISEES

CLASSIC ROCK COFFEE CO. FRANCHISING, LLC
CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (this "**Agreement**") is made this ______ day of ________________________, 20__, by and between **CLASSIC ROCK COFFEE CO. FRANCHISING, LLC**, a Missouri limited liability company ("**Franchisor**"), on the one hand, and ______________________, a ______________________________ ("**Candidate**"), on the other hand, with reference to the following facts:

A. Franchisor has developed the "**Classic Rock Coffee Co. System**" for the establishment and operation of Classic Rock Coffee Co. Stores which offer coffee drinks, protein shakes, smoothies, pastries, soups, salads, and sandwiches, equipment, apparel, and related merchandise ("**Classic Rock Coffee Co. Stores**"), and use the trade name and service mark "**Classic Rock Coffee Co.**" and other related trademarks, service marks, logos and commercial symbols (the "**Marks**"). The "**Classic Rock Coffee Co. System**" means the unique system developed by Franchisor that includes operating methods and business practices related to Classic Rock Coffee Co. Stores, the relationship between Franchisor and its franchisees, interior and exterior Classic Rock Coffee Co. Store design, other items of trade dress, specifications for equipment, fixtures and uniforms, defined product offerings, recipes and preparation methods, Franchisor specified pricing and promotions, restrictions on ownership, standard operating and administrative procedures, management and technical training programs, marketing and public relations programs, and Franchisor's website, all as Franchisor may modify the same from time to time.

B. Franchisor has the right to use, and to license others to use, the Marks and the Classic Rock Coffee Co. System, and has, as a result of its expenditure of time, skill, effort, and money, developed a distinctive franchise model for qualified franchisees to obtain the right to operate an Classic Rock Coffee Co. Store using the Marks and the Classic Rock Coffee Co. System.

C. Franchisor may provide Candidate with confidential and proprietary information regarding the Classic Rock Coffee Co. System prior to granting or declining to grant Candidate a franchise. Franchisor desires that Candidate maintain the confidentiality of all such confidential and proprietary information on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, IT IS AGREED:

1. **INCORPORATION OF RECITALS.**

The recitals set forth in Paragraph A through Paragraph C above are true and correct and are hereby incorporated by reference into the body of this Agreement.

2. **CONFIDENTIALITY.**

Candidate acknowledges and agrees:

2.1. **Confidential Information**. That Candidate's knowledge of the elements of the Classic Rock Coffee Co. System and any other proprietary data that may be disclosed to Candidate by Franchisor, or any affiliate of Franchisor, including, without limitation, any and all confidential and/or proprietary knowledge, data or information of a party and any and all confidential and/or proprietary knowledge, data or information which a party has obtained or obtains from another person or entity and which a party treats as proprietary or designates (whether or not in writing or electronic form) as "**Confidential Information**". By way of illustration, but not limitation, "**Confidential Information**" includes tangible and intangible information (whether or not in electronic form) relating to Franchisor's business operations, styles, products and services, recipes, sources of materials and equipment, client management and other software, data, other content, formulations, patterns, compilations, programs, devices and processes, business relationships, contact information for industry professionals, developmental or experimental work and services, improvements, discoveries, plans for research, potential new or supplemental products and services, websites, advertisements or ancillary products and services, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators, current customer and prospective customer names and addresses, information regarding credit extensions to customers, customer service purchasing histories and prices charged to customers, information regarding the skills and compensation of employees and contractors of Franchisor, designs, drawings, specifications, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, trade secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, relationships between Franchisor and other companies, persons or entities, the Classic Rock Coffee Co. System, and any other information or material considered proprietary by Franchisor whether or not designated as confidential information by Franchisor, that is not generally known by the public, or which derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or its affiliates and which is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain its secrecy, and any other information in oral, written, graphic or electronic form which, given the circumstances surrounding its disclosure, would be considered confidential. Confidential Information also includes the manner in which any of the above described items may be combined with any other information or products or synthesized or used by Candidate. Confidential Information does not include any information that was in the lawful and unrestricted possession of Candidate prior to its disclosure by Franchisor; is or becomes generally available to the public by acts other than those of Candidate after receiving it; has been received lawfully and in good faith by Candidate from a third party who did not derive it from Franchisor or Candidate; or is shown by acceptable evidence to have been independently developed by Candidate.

2.2. **Value**. That the Confidential Information has been developed by Franchisor and its affiliates by the investment of time, skill, effort and money and is widely recognized by the public and is of substantial value.

2.3. **Proprietary**. That the Confidential Information is proprietary, confidential and constitutes a trade secret of Franchisor and its affiliates.

2.4. **Maintain Confidentiality**. That Candidate will fully and strictly maintain the confidentiality of the Confidential Information, will exercise the highest degree of diligence in safeguarding the Confidential Information and will not disclose or reveal the Confidential Information to any person other than another person who is actively and directly participating in the acquisition of the franchise with Candidate, but only after first disclosing the identity of such person to Franchisor in writing and obtaining such person's signature on a Non-Disclosure Agreement similar to this Agreement, unless covered by attorney-client privilege.

2.5. **Reproduction and Use**. That Candidate will not directly or indirectly reproduce or copy any Confidential Information or any part thereof and will make no use of any Confidential Information for any purpose whatsoever unless and until Candidate becomes a franchisee of Franchisor, and then only in accordance with the provisions of Candidate's Franchise Agreement.

3. GENERAL.

3.1. **Injunction**. Candidate recognizes the unique value and secondary meaning attached to the Confidential Information and the elements of the Classic Rock Coffee Co. System and agrees that any noncompliance with the terms of this Agreement or any unauthorized or improper use of the Confidential Information will cause irreparable damage to Franchisor and its franchisees. Candidate therefore agrees that if Candidate should engage in any such unauthorized or improper use of the Confidential Information, Franchisor shall be entitled to both permanent and temporary injunctive relief from any court of competent jurisdiction without notice or the posting of any bond, in addition to any other remedies prescribed by law.

3.2. **Heirs and Successors**. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

3.3. **Entire Agreement**. This Agreement represents the entire understanding between the parties regarding the subject matter of this Agreement and supersedes all other negotiations, agreements, representations and covenants, oral or written. This Agreement may not be modified except by a written instrument signed by Franchisor and Candidate that expressly modifies this Agreement. The parties intend this Agreement to be the entire integration of all of their agreements on this subject of any nature regarding the subject matter of this Agreement. No other agreements, representations, promises, commitments or the like, of any nature, exist between the parties.

3.4. **No Warranties**. Candidate acknowledges and agrees that Franchisor has made no promises, representations or warranties to Candidate that are inconsistent with the terms of this Agreement or Franchisor's Franchise Disclosure Document concerning the profitability or likelihood of success of the Classic Rock Coffee Co. Store, that Candidate has been informed by Franchisor that there can be no guaranty of success in the Classic Rock Coffee Co. Store and that Candidate's business ability and aptitude are primary in determining his success.

3.5. **No Right to Use the Classic Rock Coffee Co. System or the Marks**. This Agreement is not a Franchise Agreement or a license of any sort, and does not grant Candidate any right to use or to franchise or license the use of, the Confidential Information, which right is expressly reserved by Franchisor.

3.6. **Waiver**. Failure by Franchisor to enforce any rights under this Agreement shall not be construed as a waiver of such rights. Any waiver, including a waiver of default, in any one instance shall not constitute a continuing waiver or a waiver in any other instance.

3.7. **Validity**. Any invalidity of any portion of this Agreement shall not affect the validity of the remaining portions and unless substantial performance of this Agreement is frustrated by any such invalidity, this Agreement shall continue in full force and effect.

3.8. **Headings and Gender**. The headings herein are for purposes of convenience only and shall not be used in construing the provisions hereof. As used herein, the male gender shall include the female and neuter genders, the singular shall include the plural and the plural, the singular.

3.9. **Attorneys' Fees**. If Franchisor becomes a party to any legal proceedings concerning this Agreement by reason of any act or omission of Candidate or its authorized representatives, Candidate shall be liable to Franchisor for the reasonable attorneys' fees and court costs incurred by Franchisor in the legal proceedings. If either party commences a legal proceeding against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

3.10. **Cumulative Remedies.** Any specific right or remedy set forth in this Agreement, legal, equitable, or otherwise, shall not be exclusive, but shall be cumulative with all other rights or remedies set forth herein or allowed or allowable by law.

3.11. **Notices**. All notices or demands to be given under this Agreement shall be in writing and shall be served in person, by air courier delivery or by certified mail. Service shall be deemed conclusively made (i) at the time of service, if personally served, (ii) three (3) business days after delivery by the Party giving the notice, statement or demand if by air courier with a guaranteed tracking facility, and (iii) three (3) business days after placement in the United States mail by Certified Mail, Return Receipt Requested, with postage prepaid. Notices and demands shall be given to the respective Parties at the following addresses, unless and until a different address has been designated by written notice to the other Party:

Notices to Franchisor:

Classic Rock Coffee Co. Franchising, LLC
1900 W. Sunset, Suite A116
Springfield, Missouri 65807
Attention: Managing Member

Notices to Candidate:

____
____
____
____
Attention: ________________

Either party may change its address for the purpose of receiving notices, demands and other communications by a written notice given in the manner set forth above to the other party.

3.12. **Governing Law**. This Agreement takes effect upon its acceptance and execution by Franchisor in Missouri, and shall be interpreted and construed under the laws of Missouri.

3.13 **Venue**. The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought within the city and county in which Franchisor has its principal place of business at the time the action is initiated, and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

3.14. **Counterparts and Electronic Copies**. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Signatures transmitted electronically or by facsimile will be deemed original signatures. Electronic copies of this Agreement shall constitute and be deemed an original copy of this Agreement for all purposes, provided that such electronic copies are fully executed, dated and identical in form to the original hard copy version of this Agreement.

FRANCHISOR:	**CANDIDATE**:
CLASSIC ROCK COFFEE CO. FRANCHISING, LLC, a Missouri limited liability company	
By: ______________________________	By: ______________________________
Name: ______________________________	Name: ______________________________
Title: ______________________________	Title: ______________________________

EXHIBITD

GENERAL RELEASE

GENERAL RELEASE AGREEMENT

THIS GENERAL RELEASE AGREEMENT (this "**Release Agreement**") is made and entered into as of ____________ (the "**Effective Date**"), by and among **CLASSIC ROCK COFFEE CO. FRANCHISING, LLC**, a Missouri limited liability company ("**Franchisor**"), on the one hand, and ______________________, a __________________________ ("**Franchisee**"), and _________________________________ ("**Owner**"), on the other hand, who are collectively referred to in this Release Agreement as the "**Releasing Parties**", with reference to the following facts:

A. Franchisor and Franchisee are parties to that certain Franchise Agreement dated ________________________ (the "**Franchise Agreement**") for the Classic Rock Coffee Co. store (the "**Classic Rock Coffee Co. Store**") located at ________________________ (the "**Franchised Location**").

B. Franchisee desires to enter into a ______________________________.

C. This Release Agreement has been requested at a juncture in the relationship of the parties where Franchisor is considering either a change or an expansion of the relationship between the parties and/or their affiliates. Franchisor is unwilling to make the anticipated change or expansion in the relationship of the parties unless it is certain that it is proceeding with a "clean slate" and that there are no outstanding grievances or Claims against it. Releasing Parties, therefore, gives this Release Agreement as consideration for receiving the agreement of Franchisor to an anticipated change or expansion of the relationship between the parties. Releasing Parties acknowledges that this Release Agreement is intended to wipe the slate clean.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. __**Definitions**__. As used herein, the following capitalized terms have the meanings ascribed to them.

1.1 "__**Claims**__" means all actual and alleged claims, demands, Losses, charges, agreements (whether written or oral), covenants, responsibilities, warranties, obligations, contracts (whether oral or written), debts, violations, suits, counterclaims, cross claims, third party claims, accounts, liabilities, costs, expenses (including attorneys' fees and court costs), rights to terminate and rescind, rights of action and causes of action of any kind or nature.

1.2 "__**Constituents**__" means past, present and future affiliates, subsidiaries, divisions, partners, members, trustees, receivers, executors, representatives, administrators, owners, shareholders, distributors, parents, predecessors, officers, directors, agents, managers, principals, employees, insurers, successors, assigns, representatives and attorneys and the past, present and future officers, directors, agents, managers, principals, members, employees, insurers, successors, assigns, representatives and attorneys of each of the foregoing.

1.3 "__**Excluded Matters**__" means Franchisor's continuing contractual obligations which arise or continue under and pursuant to the Franchise Agreement on and after the date of this Release Agreement (this Release Agreement is not intended to terminate or amend the Franchise Agreement; this Release Agreement is intended to relieve Franchisor and its Constituents of responsibility for its or their failure, if any, to have timely performed or completed obligations which by the terms of the Franchise Agreement were to have been performed or completed prior to the Effective Date).

1.4 "**Franchisor Released Parties**" means Franchisor and each of its Constituents.

1.5 "**Losses**" means all damages, debts, liabilities, accounts, suits, awards, judgments, payments, diminutions in value and other losses, costs and expenses, however suffered or characterized, all interest thereon, all costs and expenses of investigating any Claim, reference proceeding, lawsuit or arbitration and any appeal therefrom, all actual attorneys' fees incurred in connection therewith, whether or not such Claim, reference proceeding, lawsuit or arbitration is ultimately defeated and, all amounts paid incident to any compromise or settlement of any such Claim, reference proceeding, lawsuit or arbitration.

2. **General Release Agreement**. Releasing Parties, for themselves and their Constituents, hereby release and forever discharge the Franchisor Released Parties from any and all Claims, whether known or unknown, based upon anything that has occurred or existed, or failed to occur or exist, from the beginning of time to the Effective Date, except for the Excluded Matters and obligations under this Release Agreement.

3. **Waiver of Unknown Claims**. With respect to those claims being released pursuant to Section 2, Releasing Parties, for themselves and their Constituents, acknowledge that they are releasing unknown claims. Releasing Parties acknowledge that this general release extends to claims which Releasing Parties do not know or suspect to exist in favor of Releasing Parties at the time of executing this Release Agreement, which if known by Releasing Parties may have materially affected their decision to enter into this Release Agreement. It is understood by Releasing Parties that the facts under which this Release Agreement is given may hereafter turn out to be other than or different from the facts known or believed to be true. Releasing Parties therefore, expressly assume the risk of the facts turning out to be so different and agree that this Release Agreement shall be in all respects effective and not subject to termination or rescission by any such difference in facts.

4. **Representations and Warranties**. Releasing Parties hereby represent and warrant to the Franchisor that, in entering into this Release Agreement, they (i) are doing so freely and voluntarily upon the advice of counsel and business advisor of their own choice (or declined to do so, free from coercion, duress or fraud); (ii) have read and fully understand the terms and scope of this Release Agreement; (iii) realize that it is final and conclusive, and intends to be final and conclusive, as to the matters set forth in this Release Agreement; and (iv) have not assigned, transferred, or conveyed to any third party all or any part of or partial or contingent interest in any of the Claims which are released by this Release Agreement now or in the future, that they are aware of no third party who contends or claims otherwise, and that they shall not purport to assign, transfer, or convey any such claim hereafter.

5. **Covenants Not to Sue**. Releasing Parties hereby irrevocably covenant to refrain from, directly or indirectly, asserting any claim or demand, or commencing, initiating or causing to be commenced, any proceeding of any kind against any of the Franchisor Released Parties based upon any matter released hereby.

6. **Indemnity**. Without in any way limiting any of the rights and remedies otherwise available to the Franchisor Released Parties, Releasing Parties shall defend, indemnify and hold harmless each Franchisor Released Party from and against all Claims whether or not involving third-party Claims, arising directly or indirectly from or in connection with (i) the assertion by or on behalf of Releasing Parties or their

Constituents of any Claim or other matter released pursuant to this Release Agreement, (ii) the assertion by any third party of any Claim or demand against any Franchisor Released Party which Claim or demand arises directly or indirectly from, or in connection with, any Claims or other matters released pursuant to this Release Agreement; and (iii) any breach of representations, warranties or covenants hereunder by Releasing Parties or its Constituents.

7. **Miscellaneous**.

7.1 This Release Agreement cannot be modified, altered or otherwise amended except by an agreement in writing signed by all of the parties hereto.

7.2 This Release Agreement, together with the agreements referenced herein, constitute the entire understanding between and among the parties hereto with respect to the subject matter hereof.

7.3 This Release Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Signatures transmitted electronically or by facsimile will be deemed original signatures. Electronic copies of this Release Agreement shall constitute and be deemed an original copy of this Release Agreement for all purposes, provided that such electronic copies are fully executed, dated and identical in form to the original hard copy version of this Release Agreement.

7.4 This Release Agreement shall be binding upon and inure to the benefit of the parties to this Release Agreement and their respective successors and permitted assigns.

7.5 The rule that an agreement is to be construed against the party drafting the agreement is hereby waived by the parties hereto, and shall have no applicability in construing this Release Agreement or the terms of this Release Agreement.

7.6 Any provision of this Release Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

7.7 Each of the parties acknowledges that it had the right and opportunity to seek independent legal counsel of its own choosing in connection with the execution of this Release Agreement, and each of the parties represents that it has either done so or that it has voluntarily declined to do so, free from coercion, duress or fraud.

7.8 This Release Agreement supersedes any prior negotiations and agreements, oral or written, with respect to its subject matter. The Release Agreement may not be amended except in a writing signed by all of the parties. No representations, warranties, agreements or covenants have been made with respect to this Release Agreement, and in executing this Release Agreement, none of the parties are relying upon any representation, warranty, agreement or covenant not set forth herein.

7.9 This Agreement shall be interpreted and construed under the laws of Missouri. In the event of any conflict of law, the laws of Missouri shall prevail, without regard to the application of Missouri conflict of law rules. If, however, any provision of this Release Agreement would not be enforceable under the laws of Missouri, and if the Classic Rock Coffee Co. Store is located outside of Missouri and such provision would be enforceable under the laws of the state in which the Classic Rock Coffee Co. Store is located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Section 7.9 is intended by the parties to subject this Agreement to any franchise or similar law, rules, or regulation of the state of Missouri to which it would not otherwise be subject. The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought in Greene County, Missouri, and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

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

FRANCHISOR:

CLASSIC ROCK COFFEE CO. FRANCHISING, LLC,
A Missouri limited liability company

By: ______________________________ Name:

Title: ______________________________

FRANCHISEE:

____

A ______________________________ By:

Name: ______________________________ Title:

OWNER:

____

____________________, an individual

EXHIBITE
LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS, STATE AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, California 90013 (213) 576-7505 (866) 275-2677	Commissioner of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, California 90013 (213) 576-7505 (866) 275-2677
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs P.O. Box 40 Honolulu, Hawaii 96810 (808) 586-2722	Commissioner of Securities, Department of Commerce & Consumer Affairs 335 Merchant Street Room 203 Honolulu, Hawaii 96813 (808) 586-2722
ILLINOIS	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
INDIANA	Indiana Secretary of State Securities Division, E-111 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360	Maryland Securities Commissioner Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
MICHIGAN	Consumer Protection Division, Antitrust and Franchising Unit Michigan Department of Attorney General 670 G. Mennen Williams Building 525 West Ottawa Lansing, Michigan 48933 (517) 373-7177	Michigan Department of Commerce Corporations and Securities Bureau P.O. Box 30054 6546 Mercantile Way Lansing, Michigan 48909
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2198 (651) 296-4026	Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2198 (651) 296-4026
NEW YORK	New York State Department of Law Bureau of Investor Protection and Securities 120 Broadway New York, New York 10271-0332 (212) 416-8000	Secretary of the State of New York 41 State Street Albany, New York 12231 (518) 474-4750

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fifth Floor Department 414 Bismarck, North Dakota 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fifth Floor Department 414 Bismarck, North Dakota 58505-0510 (701) 328-4712
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387
RHODE ISLAND	Director, Securities Division State of Rhode Island Department of Business Regulation in the Service of Process, Disclosure Document and State Administrators Sections Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue, Cranston, RI 02920 (401) 462 9582	Securities Division Department of Business Regulation, Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue, Cranston, RI 02920 (401) 462 9582
SOUTH DAKOTA	Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-4823	Director, Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-4823
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising Ninth Floor 1300 East Main Street Richmond, Virginia 23219 (804) 371-9672	Clerk, State Corporation Commission 1300 East Main Street Richmond, Virginia 23219 (804) 371-9672
WASHINGTON	Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501 (360) 902-8760	Director, Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501
WISCONSIN	Franchise Registration Division of Securities Department of Financial Institutions 201 W. Washington Avenue, Suite 300 Madison, Wisconsin 53703	Division of Securities Department of Financial Institutions 201 W. Washington Avenue, Suite 300 Madison, Wisconsin 53703

EXHIBIT F
STATE SPECIFIC ADDENDA

CALIFORNIA
ADDENDUM TO DISCLOSURE DOCUMENT

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the DEPARTMENT OF BUSINESS OVERSIGHT, prior to a solicitation of a proposed material modification of an existing franchise.

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.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

1. The following language is added to the end of Item 3 of the disclosure document:

   Neither we nor any person identified in Item 2, or an affiliate or franchise broker offering franchises under our principal trademark 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.

2. The following language is added to the end of Item 6 of the disclosure document:

   The highest interest rate in California is 10%.

3. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

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

   California Business and Professions Code Sections 20034 through 20043 provide rights to franchisees concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

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

   The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise.

   Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions

Code Section 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement provides that the parties must first attempt to resolve all disputes by mediation in Greene County, Missouri. The fees and expenses of the mediator will be shared equally by Franchisor and Franchisee.

NORTH DAKOTA
ADDENDUM TO DISCLOSURE DOCUMENT

In North Dakota, the Disclosure Document is amended as follows to conform to North Dakota law:

1. Item 17 (c) (requirements for franchisee to renew or extend) of the Disclosure Document is amended as follows: "Any provision in the Franchise Agreement which requires the franchisee to sign a general release upon renewal of the Franchise Agreement is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law."

2. Item 17 (r) (non-competition covenants) of the Disclosure Document is amended as follows: "Any provision in the Franchise Agreement restricting competition is contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust or inequitable within the intent of Section 51-09-09 of the North Dakota Franchise Investment Law".

3. Item 17 (u) (dispute resolution) of the Disclosure Document is amended as follows: "Any provision in the Franchise Agreement which provides that the parties agree to an arbitration or mediation of disputes which place at a location that is remote from the site of Franchisee's business is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law."

4. Item 17 (v) (venue) of the Disclosure Document is amended as follows: "Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the Franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota."

5. Item 17 (w) (governing law) is amended as follows: "Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law."

NORTH DAKOTA
ADDENDUM TO FRANCHISE AGREEMENT FOR THE STATE OF NORTH DAKOTA

The Franchise Agreement is amended as follows:

1. Any provision in the Franchise Agreement requiring the Franchisee to consent to a waiver of exemplary and punitive damages is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

2. In North Dakota, provisions of the Franchise Agreement which unreasonably limit the statute of limitations or remedies under the North Dakota Franchise Investment Law, such as the right to jury trial, may not be enforceable.

3. Provisions of the Franchise Agreement requiring the Franchisee to consent to liquidated damages or termination penalties, requiring the Franchisee to consent to a limitation of claims or requiring the Franchisee to pay all of Franchisor's costs and expenses incurred in enforcing the agreement may not be enforceable under North Dakota law.

4. Provisions of the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

5. Provisions of the Franchise Agreement which provide that the parties agree to arbitration or mediation of disputes at a location that is remote from the site of Franchisee's business is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

6. Provisions of the Franchise Agreement which designate jurisdiction or venue or require the Franchisee to agree to jurisdiction or venue in a forum outside of North Dakota are void with respect to any cause of action which is otherwise enforceable in North Dakota.

7. Provisions of the Franchise Agreement requiring a franchisee to sign a general release upon the renewal of the Franchise Agreement are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

8. Provisions of the Franchise Agreement restricting competition are contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust or inequitable within the intent of Section 51-09-09 of the North Dakota Franchise Investment Law.

(Signature Page Follows)

FRANCHISOR:

CLASSIC ROCK COFFEE CO. FRANCHISING, LLC
A Missouri limited liability company

By: ______________________________ ______________________, 20____
Managing Member

FRANCHISEE:

______________________________ ______________________, 20 _____

____

NEW YORK
ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs. Tit. 13, §§200.1 through 201.16), the Franchise Disclosure Document shall be amended as follows to conform to New York law:

Cover Page

SPECIAL RISK FACTORS:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT G OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW BUREAU OF INVESTOR PROTECTION AND SECURITIES 120 BROADWAY, 23RD FLOOR, NEW YORK, N.Y. 10271.

Item 3. Litigation

Item 3, "Litigation," shall be supplemented by the addition of the following paragraphs at the end of this Item:

Except as described above, neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has any administrative, criminal, or a material civil or arbitration action (or a significant number of civil or arbitration actions irrespective of materiality) pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint on trade, unfair or deceptive practices, misappropriation of property, or comparable allegations.

Except as described above, neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has been convicted of a felony or pleaded nolo contendere to any other felony charge or, during the ten-year period immediately preceding the application for registration, been convicted or a misdemeanor or pleaded nolo contendere to any misdemeanor charge or been found liable in an arbitration proceeding or a civil action by final judgment, or been the subject of any other material complaint or legal or arbitration proceeding if such misdemeanor conviction or charge, civil action, complaint, or other such proceeding involved a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegation.

Except as described above, neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, is subject to any currently effective injunctive or restrictive order or decree relating to franchises, or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, action affecting a franchise as a real estate broker or sales agent.

Accordingly, other than the actions described above, no other litigation is required to be disclosed in this disclosure document.

Item 4. Bankruptcy

The paragraph under Item 4, "Bankruptcy" shall be supplemented by the addition of the following at the end of the Item:

Except as described above, neither the franchisor, nor any predecessor or current officer of the Franchisor, during the ten-year period immediately preceding the date of this disclosure document, has filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; obtained a discharge of its debts under the bankruptcy code; or was a principal officer in a company, or a general partner in a partnership that either filed as a debtor (or had filed against) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year of the time that the officer or general partner held this position in the company or partnership.

Item 17. Renewal, Termination, Transfer and Dispute Resolution

Item 17, "Renewal, Termination, Transfer, and Dispute Resolution," shall be amended by deleting the following rows and replacing same with the following rows:

Provision	Section	Summary
Termination by You without cause	None	Pursuant to New York General Business Law, the franchisee may terminate the Franchise Agreement upon any grounds available by law.
Assignment of contract by Us	None	There are no limits on our right to assign the Franchise Agreement. No assignment will be made except to an assignee who, in Franchisor's judgment, is willing and able to assume the Franchisor's obligation under the Franchise Agreement.
Choice of law	Section 23 of the Franchise Agreement	State and federal judicial district where we have our principal place of business at the time an action is initiated. The foregoing choice of law should not be considered as a waiver of any right conferred upon the franchisor or franchisee

		by the General Business Law of the State of New York, Article 33.

4. There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if the franchisee is domiciled in or the franchise will be opened in New York. We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

<u>VIRGINIA</u>

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT FOR THE STATE OF VIRGINIA

The Disclosure Document is amended as follows:

1. All references in Items 5 and 17 of the Disclosure Document which provide that the Franchise Agreement may be terminated for any reason are in violation of Section 13.1-564 of the Virginia Retail Franchising Act and are unenforceable.

2. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for Classic Rock Coffee Co. Franchising, LLC to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement or other agreements does not constitute "reasonable cause" as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

<u>**VIRGINIA**</u>

ADDENDUM TO FRANCHISE AGREEMENT FOR THE STATE OF VIRGINIA

The undersigned hereby acknowledge and agree that:

1. All references in the Franchise Agreement which provide that the Franchise Agreement may be terminated for any reason are in violation of Section 13.1-564 of the Virginia Retail Franchising Act and are unenforceable.

2. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Addendum.

CLASSIC ROCK COFFEE CO.

CLASSIC ROCK COFFEE CO. FRANCHISING, LLC
A Missouri limited liability company

By: ______________________________ ______________________________, 20____
Managing Member

EXHIBITG
COMPLIANCE CERTIFICATE

CLASSIC ROCK COFFEE CO. FRANCHISING, LLC

FRANCHISE COMPLIANCE CERTIFICATE

The undersigned Franchisee desires to enter into a Franchise Agreement with Classic Rock Coffee Co. Franchising, LLC, a Missouri limited liability company ("**Franchisor**"). Franchisor requires that Franchisee complete this Questionnaire in order to enable Franchisor to confirm that Franchisor and its employees and representatives have fully complied with all applicable franchise registration and disclosure laws.

1. Full name of Franchisee:

____

2. Franchised Location:

____

____

3. Franchisee is: (Check applicable box)

[ ] An individual,

[ ] A corporation,

[ ] A general partnership,

[ ] A limited partnership

4. If Franchisee is other than an individual, indicate the capacity in which the undersigned is authorized to act on behalf of Franchisee: (Check applicable box)

[ ] Officer (insert title):______________________________

[ ] General Partner: ______________________________

[ ] Other (please explain):______________________________

5. Did Franchisee receive a Franchise Disclosure Document from Franchisor? [ ] Yes [ ] No

6. On what date was the Franchise Disclosure Document received, and by whom?

Recipient:______________________________

Date: ______________________________

7. Below, please indicate the contracts proposed to be executed by Franchisee in connection with execution of the Franchise Agreement (the "**Agreements**") and the date that the final form of each of the Agreements was delivered to Franchisee:

	Agreement	**Date Received**
[ ]	Franchise Agreement	____________
[ ]	______________________________	____________

8. Name of salesperson(s) handling this sale for Franchisor:

____

9. Were any oral or written statements made to Franchisee by Franchisor, the salesperson(s) listed above, or any other representatives of Franchisor concerning the actual sales, profits or earnings of any franchised or company-owned unit(s), or potential sales, profits or earnings that could be anticipated at any location? [ ] Yes [ ] No.

If yes, please explain in detail (attach additional sheet if necessary) and if none, write "none":

____

____

____

____

10. Did Franchisee carefully review and understand the Franchise Disclosure Document and the Franchise Agreement, as applicable, and the other Agreements? [ ] Yes [ ] No

If no, please explain:

____

____

____

11. Did Franchisee ask Franchisor any questions concerning the Franchise Disclosure Document or Agreements that were not satisfactorily answered? [ ] Yes [ ] No

If yes, please explain:

____

____

12. Did the salesperson(s) listed above, or any other employee or representative of Franchisor, make any statement to Franchisee which is inconsistent with the information described in the Franchise Disclosure Document? [ ] Yes [ ] No

If yes, please explain:

____

____

____

13. Did any employee or other person on Franchisor's behalf make any statement or promise about Franchisor's affiliated companies other than the information contained in the Franchise Disclosure Document?

[ ] Yes [ ] No

If yes, please explain:

____

____

____

14. Did Franchisee contact other franchisees of Franchisor to discuss Franchisee's possible execution of the Franchise Agreement? [ ] Yes [ ] No

15. If your answer to question 14 was yes, please identify these franchisees (attach extra sheets if necessary):

____

____

____

16. Did Franchisee employ an attorney to render advice to Franchisee concerning the execution of the Franchise Agreement? [ ] Yes [ ] No.

If yes, please insert the name address and telephone number of such attorney:

____

____

17. Did Franchisee consult with an accountant or other financial advisor in connection with the execution of the Franchise Agreement? [ ] Yes [ ] No.

If yes, please insert the name address and telephone number of such accountant or financial advisor:

[ ] Accountant

[ ] Other (please describe) ______________________________

____

____

____

18. Has Franchisee, directly or through one or more affiliated business entities, previously owned and/or operated a business similar to a Classic Rock Coffee Co. Store [ ] Yes [ ] No; if "yes", how many, where and for how long?____.

19. Has Franchisee, directly or through one or more affiliated business entities, previously owned and/or operated a Classic Rock Coffee Co. Store [ ] Yes [ ] No; if "yes", for how long?_____.

20. If Franchisee has checked "yes" to question 19, Franchisee represents and agrees that Franchisee is entering into the Franchise Agreement based on Franchisee's own knowledge of, and experience with the Classic Rock Coffee Co. System, and not in reliance upon any statements or information made or provided, or alleged to have been made or provided, by Franchisor or its affiliates, or any of its or their officers, directors, agents, employees or representatives.

AGREED:____________
Franchisee's Initials

Franchisee understands that Franchisor is acting in reliance on the truthfulness and completeness of Franchisee's responses to the questions above in entering into the Franchise Agreement with Franchisee. FRANCHISEE ACKNOWLEDGES AND AGREES THAT IN THE EVENT THAT ANY DISPUTE ARISES, THIS QUESTIONNAIRE SHALL BE ADMISSIBLE AS EVIDENCE IN ANY LEGAL ACTION, AND FRANCHISEE HEREBY WAIVES, TO THE FULLEST EXTENT PERMISSIBLE UNDER THE LAW, ANY OBJECTION TO SUCH ADMISSION OF THIS QUESTIONNAIRE.

FRANCHISEE:

By: ______________________________

Name: ______________________________

Title: ______________________________

Date: ______________________________

EXHIBITH
LIST OF FRANCHISEES

List of Franchisees

HJE Inc.
23 Main Street
East Haven, Connecticut 06512
(475) 227-3692

Sagvold, Inc.
1650 45th Street S.
Fargo, North Dakota 58103
(701) 212-4957

EXHIBITI
RECEIPTS

EXHIBIT I
RECEIPT
(YOUR COPY)

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Classic Rock Coffee Co. offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Michigan, New York and Rhode Island require that we give you this Disclosure Document at the earlier of 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Classic Rock Coffee Co. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state agency listed on Exhibit E.

The following is the name, principal business address and telephone number of each franchise seller offering this franchise: Kent Morrison and Brett Payne; Classic Rock Coffee Co. Franchising, LLC, 1900 W. Sunset, Suite A116, Springfield, Missouri 65807; (417) 881-4222

Date of Issuance:

See Exhibit E for our registered agent(s) authorized to receive service of process.

I received a Disclosure Document dated , that included the following Exhibits:

A. Financial Statements
B. Franchise Agreement
C. Confidentiality Agreement for Prospective Franchisees
D. General Release
E. List of State Administrators and Agents for Service of Process
F. State Specific Addenda
G. Compliance Certificate
H. List of Franchisees
I. Receipts

Date:______________________________

Prospective Franchisee:
By:_____________________________________
Name:___________________________________
Individually and on behalf of the following entity:
Company Name:_________________________________
Title:____

EXHIBIT I
RECEIPT
(OUR COPY)

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E. List of State Administrators and Agents for Service of Process
F. State Specific Addenda
G. Compliance Certificate
H. List of Franchisees
I. Receipts

Date:________________________

Prospective Franchisee:
By:________________________
Name:________________________
Individually and on behalf of the following entity:
Company Name:________________________
Title:________________________

FRANCHISOR'S COSTS AND SOURCE OF FUNDS

1. Disclose the Franchisor's total costs for performing its pre-opening obligations to provide goods or services in connection with establishing each franchised business, including real estate, improvements, inventory, training and other items stated in the offering:

Category	Costs
Real Estate:	$____
Improvements:	$____
Equipment:	$____
Inventory:	$____
Training:	$500.00
Other Items:	$1,000.00
Total:	$1,500.00

2. The source of these funds is the operating cash flow and working capital of the corporation.