

2026
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FRANCHISE DISCLOSURE DOCUMENT

FOR



FRANCHISE DISCLOSURE DOCUMENT

CLEAN EATZ FRANCHISING LLC

a North Carolina limited liability company

4389 Oleander Drive, Wilmington NC, 28403

Phone: 910-399-7103 Website: www.CleanEatz.com



Clean Eatz Franchising LLC ("Clean Eatz") offers franchises to operate a healthy restaurant that features weekly meal plans and individual meals for in Café and take-home eating. We also grant qualified franchisees the right to develop Clean Eatz Cafes under a Development Agreement.

The total investment necessary to begin operation of a Clean Eatz Franchise is \$307,500 to \$733,500. This includes a \$49,500 that must be paid to the franchisor or its affiliate. If you sign a Development Agreement, you will pay us a Development Fee, in addition to your Initial Franchise Fee, equal to \$49,500 for each additional Café you agree to open under the Development Agreement.

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 the 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 government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Don Varady, at Clean Eatz, 4389 Oleander Drive, Wilmington, NC 28403, (910) 399-2073

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as *"A Consumer's Guide to Buying a Franchise,"* which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 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 of this Franchise Disclosure Document: April 30, 2026.

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Exhibit B includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Clean EatZ business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Clean EatZ franchisee?	Item 20 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibits E.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The Franchise Agreement requires you to resolve disputes with us by arbitration only in New Hanover County, North Carolina. Out of state arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate with us in North Carolina than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Mandatory Minimum Payments.** You must make minimum royalty and marketing fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor is Clean EatZ Franchising LLC. To simplify the language in this Franchise Disclosure Document, “we”, “us”, “Clean EatZ Franchising LLC”, or “Clean EatZ” means Clean EatZ Franchising LLC, the Franchisor. “You” means the person or entity that buys the franchise (the “Franchisee”). If an entity is the Franchisee, “you” includes the Franchisee’s owners.

The Company, Parents, Predecessors and Affiliates

Clean EatZ Franchising LLC is limited liability company formed under the laws of North Carolina on May 12, 2015. We do business as Clean EatZ Franchising LLC and Clean EatZ and operate under no other name. Our principal business address is 4389 Oleander Drive, Wilmington NC 28403. We offer and grant Clean EatZ franchises. We first began offering Clean EatZ Franchises on May 12, 2015. Clean EatZ offers Express style franchises to qualified candidates under the Clean EatZ Express business model, and began doing so in January 2025. Clean EatZ has no business other than offering franchises and assisting franchisees.

CE Kitchen, Inc is a business corporation formed under the laws of North Carolina on November 5, 2019. CE Kitchen, Inc.’s business address is 306 Old Diary Road, Wilmington, NC 28405. CE Kitchen, Inc. is an approved supplier from whom franchisees acquire prepackaged snack items and Clean EatZ branded paper products (cups, napkins, etc.) to sell in their Cafes. If you purchase a Clean EatZ franchise, you must purchase exclusively from CE Kitchen, Inc. all required inventory of prepackaged snack items. CE Kitchen, Inc. has never offered franchises or operated a business that is the same or similar to the franchise offered to You.

Lifestyle Provisionz LLC, whose principal office address is 4389 Oleander Drive, Wilmington, NC 28403, and was formed December 11, 2024. If you purchase a Clean EatZ franchise, you must purchase exclusively from Lifestyle Provisionz LLC certain proteins (i.e., chicken, beef, etc.), except as provided herein. Lifestyle Provisionz LLC has never offered franchises or operated a business that is the same or similar to the franchise offered to You.

V & V Holdings, LLC owns one-hundred percent (100%) of Clean EatZ Franchising, LLC and Lifestyle Provisions LLC is therefore both entities’ parent. V & V Holdings, LLC is owned by the original founders of Clean EatZ, Don and Evonne Varady. V & V Holdings, LLC’s principal office address is 4389 Oleander Drive, Wilmington, NC 28403. V & V Holdings has never offered or sold any franchises or operated a business that is the same as or similar to the franchise offered to You.

Other than those identified above, Clean EatZ Franchising LLC has no parent companies, predecessors or disclosable affiliates.

Clean EatZ’s agent for service of process is disclosed in Exhibit E to this Franchise Disclosure Document.

Description of the Franchise

We offer franchises for the operation of a quick-serve restaurant that features health-based meal plans, entrees, side items, snacks and drinks through our Café and catering, and meal plans under

the “Clean EatZ” trademarks. Each Outlet operates under our trademarks, trade names, service marks, and logos (“Marks”). The franchise is operated under a business format in accordance with a unique system, including our valuable know how, information, trade secrets, methods, Manual, standards, designs, methods of trademark usage, copyrightable works, sources and specifications, software, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of the Business (collectively, the “System”) owned and developed by us and known as Clean EatZ (the “Business”). We are designed to support you in your ongoing business efforts. We reserve the right to change or otherwise modify the System or Business and add, modify, or delete any of our designs, processes, or services at any time in our sole discretion.

Single Unit Franchise Program. If we approve you as a franchisee, you will sign a Franchise Agreement, in the form attached as Exhibit C to operate a single Clean EatZ Café.

Multi-Unit Development Program. Under the Development Agreement, we assign a geographic area in which you must open and operate 2-5 Clean EatZ Café (“DA Units”) within a specified period of time (“DA Schedule”). The locations for the DA Units required to be opened will be mutually agreed upon by you and us and will be based on the size of the various market and other economic factors. If you elect to participate in and are approved for this program, you will execute a Development Agreement (the “DA Agreement”) in the form attached as Exhibit I which will describe your DA Locations and the DA Schedule. You must sign our then-current franchise agreement for each additional unit opened under the terms of the DA Agreement. These franchise agreements may not be the same as the Initial Franchise Agreement that you will sign and may contain terms that are materially different. In no event will you sign a Franchise Agreement for any DA Unit until we have complied with any applicable waiting periods prescribed by law, and in no event will you be a franchisee entitled to operate a DA Unit as a Clean EatZ Café until we sign the Franchise Agreement for that particular DA Unit. You will sign a Franchise Agreement for your first DA Unit at the same time you sign the DA Agreement, unless otherwise agreed. You will also pay your DA Fees for all locations you agree to open at the same time you sign the Initial Franchise Agreement and the DA Agreement. These fees are not refundable.

You must operate your Franchise in accordance with our standard business operating practices and sign our standard franchise agreement (“Franchise Agreement”), which is attached to this Disclosure Document as Exhibit C. We have been offering franchises since May 2015.

The Market and Competition

The franchise serves the general public and individuals that are focused on healthy, properly proportioned meals as part of an overall healthy lifestyle. You may have to compete with other businesses including franchised operations, national chains, and independently owned companies offering similar services to customers. More specifically, we compete with health-based café and meal plan companies which operate both brick and mortar locations as well as direct to consumer

delivery. The market for businesses featuring similar menu options is developing and moderately competitive. The Business tends to have moderate seasonality effects that result in a majority of sales occurring in the 1st and 2nd Quarter of each year. You will also face other normal business risks that could have an adverse effect on your Franchise. These may include industry developments, such as pricing policies of competitors, and supply and demand.

Regulations

Clean EatZ is subject to federal, state and local laws, ordinances and regulations and regulations specifically applicable to the restaurant industry, including regulations related to occupational hazards and health, the preparation and dispensing of food products, menu labeling, USDA regulations and other laws.

Clean EatZ is also subject to federal, state and local laws and regulations that are applicable to businesses generally, including federal laws such as the Fair Labor Standards Act, National Labor Relations Act and Americans with Disabilities Act, and laws and regulations governing zoning, construction, business licensing, health and safety, minimum wages, overtime, working conditions, workers' compensation insurance, unemployment insurance, consumer protection, trade regulation, environmental protection and taxation.

We advise you to investigate these, and other, laws that are applicable to Clean EatZ before you purchase a franchise. It is your responsibility to comply with the law.

General

This Disclosure Document sets forth the terms on which we currently offer Clean EatZ' Franchises. We may have offered Clean EatZ Franchises individually or under multi-unit Agreements in the past, or may currently offer Clean EatZ Franchises in other states or countries, on economic and/or other terms which differ from those offered by this Disclosure Document and there may be instances where we have varied, or will vary, the terms on which we offer Franchises to suit the circumstances of a particular transaction. We strongly urge you to carefully review all documents with independent advisors who can provide legal, business and/or economic guidance, such as a lawyer and/or accountant.

We retain the right, in our Business Judgment, to award, or not award, a Clean EatZ Franchise to you, regardless of the stage of the franchise award process, costs expended by you or otherwise.

You should understand that every detail of your Clean EatZ Franchise will be important not only to you, but to us and to all Clean EatZ Franchisees in order to: (a) maintain high and uniform operating standards based on Clean EatZ core operating values; (b) increase the demand for the products and services sold by Clean EatZ Franchises; and (c) maintain a reputation for offering uniform and high quality products and services, ethical business practices and integrity. A fundamental requirement of your joining and remaining part of Clean EatZ System will be your commitment to the operation of your Clean EatZ Franchise Business consistent with the then-current Clean EatZ System Standards. During the term of the Franchise Agreement, you must, at all times, develop and operate your Clean EatZ Franchise Business in compliance with all Clean EatZ System Standards, as we may modify in the future.

ITEM 2 BUSINESS EXPERIENCE

Don Varady, Member, Co-Founder, CEO

Don Varady is a Co-Founder, Member, and the Chief Executive Officer of Clean EatZ Franchising LLC. Don has been the CEO since We were formed in 2015. From December 2012-current, Don operated Clean EatZ, LLC, in Wilmington, North Carolina, the business which We are based on.

Evonne White Varady, Member, Co-Founder, President

Evonne Varady is a Co-Founder, Member, and the President of Clean EatZ Franchising LLC. Evonne has been the President since We were formed in 2015. From 2012-current, Evonne operates Clean EatZ, LLC, in Wilmington, North Carolina, the business which We are based on.

Quinn Newhall, Chief Operating Officer

Quinn Newhall is the Chief Operating Officer for Clean EatZ Franchising, LLC. Quinn joined Clean EatZ in May of 2025. Prior to Clean EatZ, Quinn was the Chief Operating Officer of Charley's Cheesesteaks, LLC, from July 2023 to June 2024. From November 2018 to July 2023, Quinn was the Executive Vice President of Operations and Franchise Development for Skyline Chili. Quinn is currently based out of Wilmington, North Carolina.

Walter Voight, Chief Development Officer

Walter Voight is the Chief Development Officer of Clean EatZ Franchising, LLC. Walter joined Clean EatZ in December 2018.

Kendall Richmond, Vice President of Finance

Kendall Richmond is the Vice President of Finance for Clean EatZ Franchising, LLC. Kendall joined Clean EatZ in 2025. Prior to Clean EatZ, Kendall was the Chief Financial Officer of Toppers Pizza Holdings LLC from 2012 until 2025. Kendall is currently based out of Mukwonago, Wisconsin.

Vanessa Vega, Vice President of Marketing

Vanessa Vega is the Vice President of Marketing for Clean EatZ Franchising, LLC. Vanessa is a 12+ years of Marketing in direct response and high-performing digital experience. Before joining Clean EatZ, she served as Head of Marketing for a fitness company based in Belfast, Northern Ireland, leading brand growth across international markets. She now oversees the marketing team in deploying national strategy, digital innovation, and franchise marketing programs that drive measurable results for the Clean EatZ system.

Kayla Stacy, Franchise Sales Executive

Kayla Stacy is the Franchise Sales Executive for Clean EatZ Franchising, LLC and joined in April of 2026. Prior to Clean EatZ, Kayla was the Franchise Sales Manager for Paris Baguette from April 2025 to April 2026. From May 2024 to April 2025, Kayla was the Franchise Development Coordinator for Papa Johns. From August 2022 to May 2024, Kayla worked at Playa Bowls, where she served as the Franchise Sales Rep until September 2023, and later as the Development and Sales Coordinator. Prior to that, from September 2021 to June 2022 she was a Sales and

Development Coordinator for a local F45 franchise studio. Kayla is currently based in Belmar, New Jersey.

Brinn Shipley, Corporate Meal Plan Coordinator and New Restaurant Opening Manager

Brinn Shipley is the Corporate Meal Plan Coordinator/New Restaurant Opening Manager for Clean EatZ Franchising, LLC. Brinn joined Clean EatZ in August 2020. Prior to joining Clean EatZ, Brinn was the Corporate Chef for Carolina Ale House side of L.M Restaurants from February 2017 until March 2020. Brinn is currently based out of Wilmington, North Carolina.

Brian Starnes, Director of Training

Brian Starnes is the Director of Training for Clean EatZ Franchising LLC. Brian joined Us in July of 2024. Prior to joining our team, Brian was part owner of a Clean EatZ location from 2022 to 2024. Brian previously worked as a Line Cook and GM of two western NC Clean EatZ locations from 2017 to 2023. Brian is located in Wilmington, North Carolina.

Wendell LeSueur, Brand Coordinator

Wendell LeSueur is the Brand Coordinator for Clean EatZ Franchising, LLC. Wendell joined Clean EatZ in March 2023. Prior to Clean EatZ, Wendell was a Staff 1 Security member from December 2022 to March 2023. From January 2010 to November 2022, Wendell worked for Millstone 14 Cinemas, a Cinema complex located in Fayetteville, NC. At the time Wendell left Millstone 14 Cinemas he was the General Manager. Wendell is currently based out of Wilmington, North Carolina.

Robert Smith, Franchise Business Consultant

Robert Smith is a Franchise Business Consultant for Clean EatZ Franchising, LLC. Robert joined Clean EatZ in October of 2025. Prior to Clean EatZ, Robert was the Vice President of Operations for PSP Holdings from May 2022 to October 2025. From January 2020 to May 2022, Robert was a Franchise Director for Askar Brands From July 2007 to January 2020, Robert was the Director of Franchise/Company Operations for CiCi's Pizza, LLC. Robert is currently based out of Denver, Colorado.

Aaron Newland, Franchise Business Consultant

Aaron Newland is a Franchise Business Consultant for Clean EatZ Franchising, LLC. Aaron joined Clean EatZ in June of 2025. Prior to Clean EatZ, Aaron was a Field Leader for Chipotle, from June 2024 to June 2025. From September 2023 to June 2024, Aaron was the District Manager of Charley's Philly Steaks. From January 2017 to September 2024, Aaron was a District Manager for Skyline Chili. Aaron is currently based out of Ashley, Ohio.

Nick Keller, Franchise Business Consultant

Nick Keller is a Franchise Business Consultant for Clean EatZ Franchising, LLC. Nick joined Clean EatZ in August of 2021. Prior to Clean EatZ, Nick was a General Manager for Carolina Ale House from September 2018 to August 2021. Nick is currently based out of Wilmington, North Carolina.

ITEM 3 LITIGATION

The following complaint was filed on April 29th, 2026, New Hanover County, North Carolina Superior Court: Case Number 26CV002837-640, Clean EatZ Franchising LLC v. French Family Ventures INC., and Donald French Jr. No further pleadings have been filed in the action. This matter is pending service. The Defendants are a former franchisee and its guarantor. This matter relates to the aforementioned franchise's breach of contract and the guarantor's breach of guaranty agreement.

There is no other litigation required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

The Initial Franchise Fee for a single outlet is \$49,500. The Initial Franchise Fee is fully earned upon payment, and there are no refunds under any circumstances. You pay our affiliates or us no other fees or payments for services or goods before your business opens, except as disclosed in this Item.

If you sign a Development Agreement to open more than one (1) Café, you must sign a Franchise Agreement to open your first Clean EatZ Café and pay us the full Initial Franchise Fee of \$49,500 for that Unit. You will also agree to open at least one (1) additional Café under the Development Agreement Schedule. The Initial Franchise Fee for franchises purchased under our Development Agreement program will be \$49,500 per additional franchise, with half payable at the time the Development Agreement is signed and half payable when the Franchise Agreement for the respective Unit is signed. The Franchise Fee you pay upon signing the Development Agreement is not refundable under any circumstances. This means that if you decide not to move forward after signing the Development Agreement, cannot find suitable sites for your Café(s), or otherwise fail to meet your Café opening requirements, in which case Clean EatZ terminates the applicable agreement(s), you do not receive back any of your franchise or development fees. There are no additional initial payments or fees for services or goods received from the franchisor or its affiliates before the business opens. You pay to us no other fees or payments for services or goods before your business opens.

In addition to the Franchise Fees, above, You must also pay Us \$5,000 up front to market the opening of your Café, payable \$2,500 thirty (30) days prior to opening, and \$2,500 sixty (60) days after opening. You must also pay our affiliate CE Kitchen, Inc. a payment of \$1,800-4,000 for your initial order of snack and marketplace items. This amount is nonrefundable under any circumstances.

As discussed below, You will schedule an opening date with Us prior to your Café opening. If you delay the scheduled opening date, without providing seven (7) days advanced notice, then you pay us a scheduled opening delay fee of \$1,500. The scheduled opening delay fee is nonrefundable under any circumstances.

ITEM 6 OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	The Royalty Fee is 6% of Gross Sales (Note 1)	Automatic ACH processed weekly, payable by Wednesday for the preceding reporting week (Monday through Sunday)	Required of all Franchisees.
Local Marketing	Minimum of 1% of Gross Sales per week (Note 2)	As incurred	Franchisees will be required to spend a minimum amount on Local Marketing per week. (See F.A. Section 9).
Brand Fund	2% of Gross Sales per week (Note 3)	Automatic ACH processed weekly, payable by Wednesday for the preceding reporting week (Monday through Sunday)	The advertising fee is used for advertisement as more specifically set out in Item 11 “Brand Fund”

Type of Fee	Amount	Due Date	Remarks
Regional Advertising Cooperative (Note 4)	1%-3% of Gross Sales, Currently none.	Automatic ACH processed weekly, payable by Wednesday for the preceding reporting week (Monday through Sunday)	We have the right to require you to join a marketing cooperative of franchisees in your area. Any percentage contribution would be set by the cooperative on a majority vote of its members. The maximum marketing cooperative fee that can be imposed is 2% of Gross Sales.
Initial Training for Additional Persons and Continual Education every three (3) years after Franchise signing	\$150 per person per day (Note 5)	As incurred	Training for a guarantor to this franchise agreement and one other individual is included in the Initial Franchise Fee.
Additional Assistance at Your Franchise	\$500 per day (two day minimum) plus travel and living expenses (Note 6)	As incurred	Additional charges only incurred for at-franchise assistance beyond the initial training.
Transfer Fee	\$0 – 10,000. (Note 7)	Prior to acceptance of transfer	Payable before you sell your franchise.
Audit	Cost of audit plus 1% interest per month on understatement	30 days after billing	We pay all audit costs unless the audit shows an understatement of at least 2% of Gross Sales for any month. Also payable for failure to submit required reports.
Interest	1% per month	30 days after due date	Franchisees must pay interest on late payments in the amount of 1% per month, or the maximum interest rate allowed by applicable law, whichever is less.
Technology Fee	\$638.00 per month	Automatic ACH processed on the first day of each month	Required of all Franchisees.
Franchise Renewal Fee	\$10,000	30 days prior to renewal	Initial franchise term is 10 years. The renewal term is 10 years.
Computer, POS and Communications Equipment Upgrades and Maintenance	Varies, but usually no more than \$5,000 per year. Should a new POS vendor be required, the cost incurred to switch vendors should be no more than \$12,000.	As incurred or as agreed	You must purchase updates and pay for maintenance for your computer and communications equipment, including upgrades for any required proprietary software, when we require you to do so.
Liquidated Damages	\$100.00 per day	As incurred	You must pay us liquidated damages in the event you default under your franchise agreement, but only after we give you written notice and an opportunity to cure your default.

Type of Fee	Amount	Due Date	Remarks
Lease Negotiation Fee	Up to \$2,000 (actual costs)	As incurred	If you require our assistance in negotiating your Lease, or you require our review to assure that the appropriate lease riders are included (as required by the Franchise Agreement), we will engage an attorney for our sole benefit to review the lease and provide us advice for negotiations. You will pay up to \$2,000.00 of our actual cost.
Conference Fee	\$1,750 to \$3,000 per person (Note 8)	As incurred	You will be required to attend mandatory conferences. This fee includes your lodging for attending the conference but does not include your travel costs.

- (1) We or our affiliates impose all the fees in this table, you pay them to our affiliate, or us and we (or our affiliate) do not refund them. All fees in this Item 6 are uniformly imposed, provided that fees may have changed over the years.
- (2) **“Gross Sales”** means the total of all receipts derived from gross sales receipts, whether the receipts are evidenced by cash, credit, checks, services, property, or other means of exchange. Gross Sales applies to all current and future revenue streams of the business including but not limited to café operations, catering, wholesale, and retail. Gross Sales excludes only sales tax receipts that you must by law collect from customers and that you actually pay to the government, promotional or discount coupons to the extent that Franchisee realizes no revenue, and employee receipt of services, if free, or any portion not paid for by an employee.
- (3) We reserve the right to raise the advertising fee, but any increase will not exceed 4% of Gross Sales per week.
- (4) Franchisor owned outlets have voting power on any fees imposed by franchisee cooperatives, provide fees shall not be less than 1% of Gross Sales, however, Franchisor owned outlets will not have controlling power if franchisee outlets compose the majority of the cooperative members. Franchisor may create regional advertising. If the franchisor owned outlets have majority voting power, then any fee imposed will be at least 1% but no more than 3% of Gross Sales.
- (5) Training for you and your Manager is included in the Initial Franchise Fee. Additional charges are only applied if you choose to train more than two (2) people. Training fees can be increased or decreased by us at any time in our discretion. Training Fees will range between \$0-101,200. We do not charge for initial employee training which we will provide for Grand Opening. Should you require us to train after that, Item 6 fees may apply.
- (6) Ongoing assistance by telephone and email is included. We will charge you the Additional Assistance fee only if you require additional assistance at your franchise. Fees for additional assistance can be increased or decreased by us at any time at our discretion.
- (7) No Transfer Fee is required if you transfer your Outlet to a corporation or limited liability company in which you are the majority stockholder or member, or if you transfer the Outlet to your child, parent, sibling, or spouse. You must pay a Transfer Fee of \$2,500 if you transfer the Outlet to another franchisee of ours. In all other cases, you must pay a Transfer Fee of \$5,000.
- (8) Attendance of the annual conference is mandatory for all Franchisees. You are responsible for all costs associated with the annual conference regardless of whether or not you attend the conference.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount (Low)	Amount (High)	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee (Note 1) (Note 2)	\$49,500	\$49,500	Lump sum	Due upon signing of the Initial Franchise Agreement	Us
Footprint Design Fee	\$3,500	\$3,500	As incurred	Prior to opening	Architect, General Contractor
Architect Fee	\$15,000	\$22,000	As incurred	Prior to opening	Architect, General Contractor
Travel and Living Expenses	\$500	\$2,000	As incurred	During training	Airlines, Hotels, Restaurants, etc.
Rent or Real Estate (Note 3)	\$2,500	\$18,000	As determined by Lessor	Prior to opening	Lessor
Café Construction (Note 4)	\$100,000	\$343,000	Per contract with general contractor	Prior to opening	General Contractors, Subcontractors
Furniture	\$4,000	\$5,000	As determined by Vendors	Prior to opening or as arranged with Vendors	Vendors
Signage	\$3,000	\$11,000	As determined by Vendors	Prior to opening or as arranged with Vendors	Vendors
Opening Food Order	\$20,100	\$28,500	As incurred	Prior to opening	Vendors
Miscellaneous Opening Costs (Note 5)	\$1,000	\$2,500	As incurred	Prior to opening	Suppliers, Utilities, etc.
Initial Inventory (Note 6)	\$10,000	\$18,000	As incurred	Prior to opening	Approved Suppliers
Equipment (Note 7)	\$60,200	\$156,500	As incurred	Prior to opening	Exclusive Equipment Vendor
Advertising/Marketing (3 months) (Note 8)	\$2,000	\$7,000	As incurred	Prior to opening and during first three (3) months	Distribution Service and Media
Initial Marketing Funds (3 months) (Note 9)	\$5,000	\$5,000	Split lump sum	Prior to opening and first two (2) months	Us
Insurance (Yearly basis) (Note 10)	\$2,500	\$10,000	As determined by Insurance Company	Prior to opening or as arranged with Insurance Company/Agent	Insurance Company/Agent

Type of Expenditure	Amount (Low)	Amount (High)	Method of payment	When due	To whom payment is to be made
Technology Package (Note 11)	\$8,700	\$12,000	As determined by Vendors	Prior to opening or as arranged with Vendors	Vendors
Additional Funds for Initial three (3) Months (Note 12)	\$20,000	\$40,000	As incurred	As incurred	Suppliers, Professional Advice, Utilities
TOTALS (Note 13)	\$307,500	\$733,500			

- (1) Your Franchise Fee will be due upon signing the Franchise Agreement and is fully earned upon payment. We will not refund the Initial Franchise Fee under any circumstances. Neither Clean EatZ, nor any affiliate finances any part of the initial investment.
- (2) You will pay a Development Fee if you sign a Development Agreement for your second through fifth Café. The Development Fee for each Unit is \$49,500, payable half when the Development Agreement is signed and half when the Franchise Agreement for the respective Unit is signed. See Exhibit F of the Development Agreement for a cost breakdown.
- (3) Rent/Real Estate: You must lease the space for your Business. Generally, the initial cost will include first and last months' rent, plus a security deposit. You will negotiate the terms and conditions of all agreements relating to the purchase, lease, and alteration of the property; however, we require you to include certain lease provisions. The obligation to identify, negotiate and obtain a location and suitable lease is yours. Some landlords provide dollars for tenant improvements, which may offset your build out expenses; otherwise these are your expenses to ensure the Outlet meets our System requirements, which does not include equipment, noted separately. You should obtain multiple bids before construction begins.
- (4) Construction costs for building out your Café can vary widely. If you find a second-generation restaurant, you may have little expense in building out your Café. Additionally, some landlords include the upfit of your Café in your lease agreement. During 2025, the average tenant improvement allowance provided by landlords to our franchisees was \$67,133, with the minimum provided being \$0 and the maximum being \$150,000. It is likely, however, that you will have to upfit and pay some amount to make your leased location suitable for a Café and in accordance with our required specifications. The high end of the expected cost of such improvements, representative of all construction upfit costs of stores that opened in 2025, is \$25-195 per square foot, which equates to \$300,000-465,000, based on our current model Café of 1,800-2,500 sq ft. We will not approve any location above 3,000 sq ft. The disclosed data is based upon actual cost to franchisees in 2025.
- (5) Includes other deposits, utility costs, telephone, Internet and communications costs and company formation fees.
- (6) During your first month of operations, you should expect to purchase an inventory of food, serving containers, cleaning supplies from our approved vendors. This includes a payment of \$1,800 to \$4,000 for your initial snack and marketplace items from our affiliate CE Kitchen, Inc. Future expenses will come out of ongoing revenue.
- (7) This amount includes a \$4,500 Project Management Fee and a \$3,500 design fee to our exclusive equipment supplier, as listed in our Manual. You must purchase all kitchen equipment according to our specifications from our exclusive equipment supplier. The purchase of new equipment from any other supplier is not allowed. We do not allow the purchase of used equipment. The expense of equipment maintenance is your responsibility.

- (8) Franchisees will be required to spend a minimum amount on Local Marketing per month.
- (9) Franchisees must pay to Us \$5,000 to market the opening of the Café. This amount is paid in two (2) payments, each \$2,500, with the first payment due thirty (30) days prior to opening and the second payment due sixty (60) days after opening.
- (10) You must maintain insurance policies naming Us as additional insured in amounts as specified by us periodically in the Manual. Insurance coverage must include workers' compensation and general liability, combined single limit, bodily injury and property damage insurance for premises operations, and all other occurrences against claims of any person, employee, customer, agent, or otherwise.
- (11) We require that you purchase and use a Brink point of sale system and Quickbooks for accounting purposes. Otherwise, we do not require any specific vendors for computer, Internet, and communications equipment, we require that you meet certain minimum standards established periodically in the Manual. You will be required to purchase or lease a "Brink POS" with a cost of between \$1,000 and \$10,000. Your POS may require a licensing agreement of approximately \$1,500 annually. You will also be required to buy and/or license third-party software, including QuickBooks, to use in the operation of your Franchise. The minimum requirement to run the software is a PC with 4MB RAM and 240 GB Hard Drive. This hardware and software may be obtained from any computer reseller such as Office Depot or Best Buy and will cost from \$1,000 to \$1,500. We recommend but do not require You to purchase a video security system and a music system costing between \$500 to \$1,000 for each such system.
- (12) This estimates your start-up expenses. The estimate is intended to cover items such as possible initial operating losses, additional insurance, miscellaneous additional pre-opening costs, payroll, utilities, additional legal and accounting fees, and payments to any governmental agency that are necessary to open your Cafe. In addition, you should be prepared to have cash available to pay your personal living expenses during the first 3 to 6 months of operation. This is only an estimate however, and the necessary amount of working capital will vary considerably with each franchisee. We cannot guarantee that this amount is sufficient. You may require additional funds over and above this estimated amount if your sales are low or if your fixed costs are high.
- (13) This amount will only be paid by you if your Grand Opening date is delayed and we are not notified at least 7 days in advance. This fee will be imposed in order to compensate us and our Grand Opening team for time and money spent in reliance on your Grand Opening Date. The first time your Grand Opening date is delayed within 7 days of opening, you will be responsible for all out of pocket costs incurred by Clean EatZ in preparation for your opening. If you delay your Grand Opening date a second time, within 7 days of the rescheduled date Grand Opening Date, you will pay a flat \$1,500 fee plus all out-of-pocket costs to Clean EatZ.
- (14) We relied on our experience operating Clean EatZ restaurants to compile these estimates. If you decide to open a Café in a city or area that we have not previously operated, your expenses may be more, or less. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. If you obtain financing from others to pay for some of the expenditures necessary to establish and operate the franchise, the cost of financing will depend on your creditworthiness, collateral, lending policies, financial condition of the lender, regulatory environment, and other factors, which we cannot control. No expense should be considered as refundable.
- (15) The numbers in this chart are based on historic reporting from Franchisees. As of the date of this document, these numbers are an accurate range of the initial investment to open a Franchise. However, the economy is experiencing unprecedented rates of inflation and your costs may exceed the range set out in the table above.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We require that you establish and operate your Franchise in compliance with your Franchise Agreement. You must strictly follow our specifications as set forth in the operations/training manuals we provide to you or other written materials from us (collectively, the “Manual”), which we may modify from time to time, and which may be in print or electronic format. We reserve the right to require you to use an electronic version of the Manual and to require you to access the document using the Internet or an intranet created and supported by us. Our standards and specifications have been prescribed in order to maintain a uniform standard of high quality, value, advertising support and availability to be furnished to the public in connection with our Marks. In operating the Franchise, all equipment (new or used), food, supplies and Outlet designs must conform to our standards and specifications, which have been established through years of experience. In the future, we may modify our Outlet equipment, supplies and Outlet design specifications.

Our Operations Manual details certain specific products that you must use. Currently, we require that you purchase all snack line and marketplace items from our affiliate, CE Kitchen, Inc., and all certain proteins (i.e., chicken, beef, etc.) from Lifestyle Provisionz LLC. Items that must be purchased include Clean EatZ Snack Bars, fudge, Buckeyes, Clean Crunch, and any other prepackaged snack items that we provide or will provide in the future. We also require all restaurant equipment to be purchased from our exclusive equipment supplier, as set out in the Operations Manual.

We, nor any affiliate of us, are currently suppliers of any goods or services to our franchisees, other than the products specifically set out in the Franchise Agreement and this Disclosure Document. We update our Operations Manual from time-to-time; those certain specific products may change. You may buy the specific products listed in the Operations Manual from any approved supplier, unless such specific product is provided by us or one of our affiliates, in which case you must purchase the product from us. We may enter into an arrangement with a Broad-Line Distributor that also will sell these products to you. We may derive income or other material benefit from these required purchases from designated and approved vendors/suppliers.

Clean EatZ estimates that the cost of the service items with logos, utensils, ingredients and other food items that must be purchased from designated or approved suppliers or in accordance with Clean EatZ’ specifications will represent approximately between 5% and 10% of your total purchases in connection with the establishment of your business and will represent from 25% to 45% of your ongoing expenses.

We expect to derive some income from Franchisees’ required purchases from designated and approved suppliers in the next and following fiscal years through a program of rebates from some of our designated or approved suppliers. We are currently the only approved suppliers of Clean EatZ Snack Bars and other prepackaged snacks. We are not an approved supplier for any other product purchased by our franchisees. Our designated suppliers may pay us a percent rebate on system-wide purchases of food and supply items. These rebates serve to partially reimburse us for our costs in the initial sourcing, approval and ongoing monitoring of compliance with our quality standards by our suppliers, but we may receive rebates in excess of our cost to source, approve and

monitor suppliers. In the fiscal year ended 2025 we received \$10,355,034 in gross revenue. We received \$1,214,941 in revenue from suppliers from required purchases or leases by franchisees. Other than the foregoing amount, neither we nor any of our affiliates derived revenue from our franchisees' purchases or leases. Our total revenue from required franchisee purchases constituted 11.7% of our total revenues. In 2025, Lifestyle Provisionz received \$439,182 in gross revenue. We received \$439,182 in revenue from suppliers from required purchases or leases by franchisees. Additionally, in 2025, Clean EatZ Kitchen sells Marketplace items that franchisees are required to carry. The total purchases made by franchisees from Clean EatZ Kitchen totaled \$3,153,552.

Estimated Proportion of Required Purchases and Leases in Relation to All Purchases and Leases	% of Total to Establish Café	% of Total to Operate Café
Purchases from us or our affiliates	0-15%	0-15%
Purchases from approved suppliers (or under our specifications, marketing materials, etc.)	85-100%	85-100%

If you want to purchase any items from sources other than us or an approved supplier, you must submit their names to us at least 30 days in advance of the anticipated purchases. However, we will not approve any outside suppliers of restaurant equipment, prepackaged snacks or proteins sold by Lifestyle Provisionz LLC. Restaurant equipment shall be purchased exclusively from our exclusive equipment supplier, as set out in the Operations Manual, prepackaged snacks shall be purchased exclusively from CE Kitchen, Inc. and proteins offered by Lifestyle Provisionz LLC shall be purchased exclusively through Lifestyle Provisionz LLC. For other items, We will test the items to determine whether they meet our standards for quality and uniformity and notify you in writing whether they meet our standards and we approve them. This approval is in our sole and unlimited discretion and is typically granted or denied within 2 weeks after you submit the names of the proposed sources. If we have an outside laboratory test an item, you must reimburse us for related fees. (See Item 6) We have the absolute right to limit the suppliers with whom you may deal. We need not approve any supplier you propose. We periodically issue System standards and specifications that you must follow in operating your Franchise. These generally appear in the Manual. We may revoke an approved supplier, in our absolute discretion, at any time, but in any event, with no less than five (5) days' notice to you.

You must construct, renovate, or upfit the building or space for your Franchise (including layout and exterior décor, design, and signage) according to our then-current building plans and specifications. (See Item 7) You also must conform certain signage, furniture, furnishings (and other interior décor items), trade fixtures, and equipment to our then-current standards and specifications. We may suggest or recommend your Franchise's use of other signage, furniture, furnishings (and other interior décor items), trade fixtures, and equipment. We may require you to purchase some or all of the required and recommended signage, furniture, furnishings (and other interior décor items), trade fixtures, and equipment from us or from approved suppliers. You may purchase recommended items from non-recommended or non-approved suppliers or substitute items only if quality and appearance are not diminished or impaired and we give you our prior written approval, which we shall grant or deny in our sole discretion.

We do not have any purchasing or distribution cooperatives as of the date of this Disclosure Document. We may negotiate purchase arrangements with other suppliers and distributors for the benefit of our Franchisees in the future and we may receive rebates or volume discounts from our purchase of equipment and supplies that we resell to you. We do not provide material benefits, such as renewing or granting additional franchises, to Franchisees based on their use of designated or approved suppliers.

Leases

You must obtain Clean Eat's prior written approval of your proposed business site. Your lease or sublease for the Café's premises must:

- A. Give us notice of and the right to cure your defaults;
- B. Give you the right to assign your interest under the lease to us without the lessor's consent;
- C. Authorize and require the lessor to give us, upon request, sales and other information you give the lessor; and
- D. Give us the right to assume the lease when your Franchise Agreement expires or is terminated.

Insurance

You must, at all times, maintain insurance as follows:

- A. If you have employees, workers' compensation insurance in amounts prescribed by law in your territory;
- B. Fire and lightning, extended coverage, theft, vandalism and malicious mischief, flood (if the Franchise is in a Designated Flood Hazard Area), and sprinkler leakage insurance on the Franchise and all fixtures, equipment, supplies and other property used in the operation of the Franchise, for not less than 100% of the replacement value of the same, except that an appropriate deductible clause will be permitted;
- C. Comprehensive general liability insurance and product liability insurance coverage in such amounts and upon such terms as may from time to time be customary for a restaurant business located in your Territory, or as required by your landlord, but not less than \$1,000,000, insuring both you and Clean Eat (as additional insured) against all claims, suits, obligations, liabilities and damage, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage relating to the use or condition of the Franchise;

D. Comprehensive general liability insurance and automobile insurance coverage in such amounts and upon such terms as may from time to time be customary for a delivery vehicle and business located in your Territory, or as required by your Lender/Vender, but not less than \$1,000,000, insuring both you and Clean EatZ (as additional insured) against all claims, suits, obligations, liabilities and damage, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage relating to the use or condition of a delivery vehicle; and

E. Such additional insurance as may be required by the terms of any lease or mortgage for the Franchise.

Computer Requirements

We currently require you to use a point-of-sale (POS) register system, as set out in the Manual. You will be required to buy and/or license third-party software, such as QuickBooks, to use in the operation of your Franchise. We also specify the standards for communication equipment and Internet access.

We reserve the right to require you to specify computer hardware or software, and other communications equipment, and to specify other computer-related and communications standards in the future.

Because of our buying power, you might receive reduced prices (compared to industry norms) on the materials you purchase from particular suppliers. We provide no material benefits to you (for example, renewal or granting additional franchises) for purchasing particular products or services or using particular suppliers.

Except as described in this Item 8, there are no goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Café that you currently must buy or lease from us or designated suppliers.

At the present time, neither we, nor any persons affiliated with us, are designated suppliers of any electronic or computer equipment that you must purchase to operate your Franchise. However, we reserve the right to become an approved and designated supplier of any items which you must purchase. We have not yet established any purchasing or distribution cooperative, although we have the right to do so.

ITEM 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*	Disclosure Document Item
a. Site selection and acquisition/lease	FA: Sections 8.02 & 10.02 DA: Section 3(b)	ITEM 11
b. Pre-opening purchases/leases	FA: Sections 10.02 & 12.06 DA: Sections 9 and 10	ITEM 11
c. Site development and other pre-opening requirements	FA: Sections 10 & 12 DA: Sections 3 and 5	ITEM 11
d. Initial and ongoing training	FA: Sections 8.04 & 8.05 DA: None	ITEM 11
e. Opening	FA: Section 8.06 DA: Sections 4, 5 and 6	Not Applicable
f. Fees	FA: Section 5 DA: Section 7 and Exhibit F	ITEM 5, 6, & 7
g. Compliance with standards and policies/Manual	FA: Section 7.04, 12.02 & 12.03 DA: None	ITEM 11
h. Trademarks and proprietary information	FA: Section 6 & 7 DA: Section 2	ITEM 13 & 14
i. Restrictions on and services offered	FA: Sections 8.03 & 12.06 DA: None	ITEM 8 & 16
j. Warranty and customer service requirements	Not Applicable	Not Applicable
k. Territorial development and sales quotas	FA: Section 4 and Attachment I DA: Section 4, 5 & 6 and Exhibit B	ITEM 11 & 12
l. Ongoing Product and service purchases	FA: Section 12 DA: None	ITEM 8 & 16
m. Maintenance, appearance and remodeling requirements	FA: Sections 3.04, 10.01, 10.04, 12.02 & 12.03 DA: None	Not Applicable
n. Insurance	FA: Section 12.08 DA: None	ITEM 8
o. Advertising	FA: Section 9 DA: None	ITEM 11
p. Indemnification	FA: Section 12.13 DA: None	Not Applicable
q. Owner's participation/management staffing	FA: Sections 12.04 DA: None	ITEM 15
r. Records and reports	FA: Section 11 DA: None	Not Applicable
s. Inspection and audits	FA: Section 11 DA: None	Not Applicable
t. Transfer	FA: Section 14 DA: Section 11	ITEM 17

Obligation	Section in Agreement*	Disclosure Document Item
u. Renewal	FA: Section 3 DA: Section 9	ITEM 17
v. Post-termination obligations	FA: Sections 13.03 & 13.04 DA: None	ITEM 17
w. Non-competition covenants	FA: Sections 7.05 & 15.01 DA: Section 13	ITEM 17
x. Dispute resolution	FA: Section 16 DA: Section 14	ITEM 17
y. Other: Guarantee of franchisee obligations	FA: Section 2.03 and Attachment V DA: None	ITEM 15

FA= Franchise Agreement; DA= Development Agreement

ITEM 10 FINANCING

Clean Eatz does not offer direct or indirect financing. We do not guarantee your note, lease, or obligation.

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

Except as listed below, Clean Eatz Franchising LLC is not required to provide you with any assistance.

Clean Eatz Obligations Prior To Opening:

1. Approve, if it meets our standards and specifications for approval, the franchise location selected solely by you to be used for the operation of the Franchise and thereafter designate your Protected Territory in writing. (See Sections 4 and 10 of the Franchise Agreement).

2. Loan you a copy of our confidential operating Manual, which contains mandatory and suggested specifications, standards, operating procedures and rules. The Manual is confidential and remains our property. We may modify the Manual from time to time, but the modification will not alter your status and rights under the Franchise Agreement. (See Section 7.04 of the Franchise Agreement). We have included a copy of the Table of Contents of our Manual as Exhibit G to this Franchise Disclosure Document. The Manual, as well as supplement information about running your Franchise, will be conveyed in password-protected digital form.

3. Provide advice about selecting and analyzing a site for the Franchise. Clean Eatz does not own any property from which your Franchise can be leased. Site selection is your responsibility and although we reserve the right to accept or reject a Franchise location, we will not select or designate a site for you. You must work with our approved real estate vendor's local

broker to select a site. The local real estate broker will send a selection of potential sites to you for review. You must make sure that any available site submitted for approval is (i) within your designated territory, if any and (ii) at least 2,000 square feet. Once you have picked sites to send to Us for review, We will review the sites for approval and notify you if a site is approved or rejected within thirty days. The factors we consider in evaluating the sustainability of your sites include (i) population density, (ii) traffic patterns, (iii) proximity of the proposed site to other Clean EatZ, and (iv) any other reasonable criteria. You have the sole risk for your location's business and financial suitability. The franchise agreement cannot be terminated due to failure to agree on site selection; however, the franchise agreement may be terminated for failure to designate a location within three (3) months of signing the franchise agreement. Our assistance in no way constitutes a representation or warranty with respect to the property.(See Section 10.02 of the Franchise Agreement).

4. Provide you assistance in the negotiation of the lease for your Business, which will be leased by you from independent third parties. The purpose of our assistance is to confirm compliance with the franchisor protections required by the Franchise Agreement and is for our protection. Our assistance in no way constitutes a representation or warranty with respect to the lease or purchase. If you use the services of a third-party location developer/agent, any expenses for those services are at your sole expense. (See Sections 10.02 and 10.03 of the Franchise Agreement).

5. Approve, if it meets our standards and specifications for approval, plans submitted for the design of your Franchise. You must work with our exclusive approved vendor to create the plans for the design of your Franchise. Construction or remodeling, if needed, should begin as soon as possible after signing the Franchise Agreement, but, in any case, will not begin 180 days after signing the Franchise Agreement. Upon request, we will assist in the development and planning of any construction or remodeling with respect to sign specification and colors and Franchise layout and design. You must pay for architectural plans, construction or remodeling and all other costs associated with compliance and permits. We do not provide any assistance with confirming the premises to local ordinances and building codes, obtaining any required permits, or constructing, remodeling, and decorating the premises. Our approval means that the site and plans meet minimum specifications and is not a warranty for their appropriateness. (See Section 10 of the Franchise Agreement).

6. Provide assistance sourcing equipment, signs, fixtures, opening inventory and supplies from approved suppliers. We will provide you a list of the names of approved suppliers and interior design firms. Upon request, we will provide written specifications for these items. We do not deliver or install any of the items.

Typical Amount of Time Between Signing Franchise Agreement and Opening Franchised Business:

It is estimated that the length of time between the signing of the Franchise Agreement and the opening of your Business will usually be between nine (9) and twelve (12) months. Factors affecting this length of time include financing arrangements, property lease terms, construction or conversion requirements, and scheduling and completion of the training program. Clean EatZ does not provide any assistance in hiring employees. Clean EatZ does not provide any assistance in training employees, other than training described below in this Item 11.

Clean Eatz Obligations During the operation of the franchised business:

1. Research new equipment, supplies, services and methods of doing business and provide you with information concerning developments of this research. (See Sections 8.03, 8.07, 8.08, 8.09, and 8.10 of the Franchise Agreement).

2. Offer you a reasonable amount of continuing advisory services by telephone and/or electronic communication during normal business hours. We may also provide to you visits by our field representative, but any additional on-site consultation or advisory services you request may incur a fee. (See Sections 8.04 and 8.06 of the Franchise Agreement).

3. We will include information about your Franchise on our Web site. (See Section 8.11 of the Franchise Agreement).

4. We may provide to you an internet-based support network. While we currently do not charge a fee, we reserve the right to charge an additional fee for this service. (See Section 8.06 of the Franchise Agreement).

5. We may implement a centralized purchasing system for you and negotiate prices and terms with suppliers. We may receive rebates from the suppliers for these purchases. We reserve the right to use these funds in our sole discretion. (See Section 8.10 of the Franchise Agreement).

6. We may hold periodic regional or national conferences to discuss on-going changes in the industry, operational techniques, developments, personnel training, bookkeeping, accounting, advertising programs and new service procedures. You are required to attend these conferences. When we hold mandatory conferences, you will be required to pay a conference fee between \$1,750 and \$3,000 per person, which covers living expenses for you and any other employees who attend. This fee does not include any of your travel expenses to and from these conferences. These conferences will be held at our corporate headquarters or at another location chosen by us. We estimate the cost of the travel expenses to attend the conferences to be between \$800 and \$2,000 per person attending. We may provide other conferences from time to time, and you will be required to pay a conference fee for these additional conferences based upon the direct costs to us of retaining speakers and other direct expenses associated with the conference, but we estimate this cost to be no more than \$2,000 to 3,000 per person. You must also pay all of the travel expenses for you and any other employees who attend. We will not receive any net income from these conferences. (See Section 8.05 of the Franchise Agreement).

7. Provide marketing, promotional materials, and services to you. Materials provided may include video and audiotapes, copy-ready print marketing materials, posters, banners and miscellaneous items. You will receive one sample of each at no charge. If you want additional copies you must pay duplication costs. We make no representation or guarantee of a specific result from using these materials. We may use both outside advertising and marketing agencies and internal staff to create advertising. You may develop marketing materials for your own use, at your own cost. We must approve the marketing materials in advance and in writing within fifteen (15) days from receipt. We reserve the right to utilize marketing developed by you for the use of all

Franchisees without any payment or other compensation to you. (See Sections 8.07, 8.08, 9.02, 9.03 and 9.04 of the Franchise Agreement).

8. There are no restrictions on your marketing; except that you may not advertise independently on the World Wide Web or outside your territory and that your advertising must be approved by us. (See Section 9.01 of the Franchise Agreement.)

Our Obligations Under the Area Development Agreement

A developer signs the initial Franchise Agreement in the Development Schedule at the time the Development Agreement is signed. Our obligations under the Franchise Agreement apply to a developer. Each time a developer signs another Franchise Agreement, our obligations are activated for the new Café established. We do not have any separate obligations under the Development Agreement.

Marketing Programs

Local

At the present time, you are required to market on a local basis as an individual Franchise or by local marketing agencies hired by you. You are required to spend a minimum of 1% of your Gross Revenues per week on your local marketing and promotion in your Protected Territory. You do not pay these funds to us, but directly your vendors for this expense; we reserve the right to audit these expenses.

National Marketing Programs

At the present time, you are required to contribute to a National Brand Fund at 2% of your Gross Revenue, to be collected at the same time and manner as the Royalty Fee and to be in addition to your local marketing and promotion. We will hold contributions to the Program in a separate bank account. Our marketing and accounting staff will administer the Program and the funds. We will use the Program for national advertising or marketing, development, and maintenance of any Internet or e-commerce programs, related expenses, and any media or agency costs. We will not derive income from the funds, but we may reimburse our administrative expenses incurred in administering the Program. In our sole discretion, we may also use the funds to offset or partially rebate the franchisee local media and printing expenses. Advertising expenditures may or may not be proportionate to your contributions or provide direct benefit to you or to any other Franchisee.

We are not required to spend any amount on advertising in your particular territory. We will spend the contributions to the Program in our discretion, and we have no fiduciary duty to you regarding the contributions. We may accumulate these funds, and the balance may be carried over to subsequent years. If the Program operates at a deficit or require additional funds at any time, we reserve the right to loan such funds to the Program on any terms we determine. We do not use any funds from the Program to solicit sales of new franchises. However, the Program may include advertisements that link to our website, and our website contains information about purchasing a Clean EatZ Franchise. An unaudited annual financial statement of the Program will be prepared within 120 days of the close of our fiscal year and will be available to any Franchisee upon written request. All franchisees must contribute to the National Brand Fund, Corporate or Affiliate –owned locations are not required to contribute to the National Brand Fund.

Any advertising funds in such Program not spent in the fiscal year in which they accrue will be carried over to the next year.

During our last fiscal year ending December 31, 2025, the Fund expenses were primarily allocated to the following purposes:

Type of Expense	Percentage
Media (Traditional and Social Placement)	50%
Production (Graphic Design, Digital and Print)	35%
Administrative	13%
Events	2%
Total	100%

Regional Advertising Cooperative

Currently a Regional Advertising Cooperative is not in effect; however, We have the power to require Regional Advertising Cooperatives to be formed, changed, dissolved or merged. The Cooperative will be made up of franchisees that are located in or near Designated Marketing Areas, as determined by Us, and will be managed by franchisees elected by the group. The Cooperative, if established, may adopt its own written governing regulations, which you must follow but these regulations are subject to consent by us. Once adopted, the regulations will be made available to the Franchisee upon written request.

We will notify you in writing of the Regional Advertising Cooperative for your area that you must join and the amount of your advertising cooperative contributions. When implemented, your contributions will be at least 1% but no more than 3% of Gross Revenues unless the members of the Cooperative change the maximum contribution. Your contributions to the Regional Advertising Cooperative will be in addition to your local advertising and any National Program described above. Any company owned Clean EatZ locations, if any, within the boundaries of the Cooperative will contribute to the Cooperative in the same form and manner as Franchisees. Expenditures by the Regional Advertising Cooperative need not be in proportion to the contributions You make or any other franchisee makes. An unaudited annual financial statement of the Regional Advertising Cooperative will be prepared within 120 days of the close of our fiscal year and will be available to any Franchisee upon written request.

Other Advertising Information

There is no advertising council composed of franchisees that advises the franchisor on advertising policies. The Franchise Agreement does not give us the power to form, change, merge or dissolve an advertising council.

Computer Systems, Proprietary Software, and Internet Access

Other than POS System, we currently do not require you to purchase a particular brand of computer hardware to establish or operate the Business. We do specify the standards for computer and communication equipment and Internet access. You will be required to buy and/or license third-party software, such as QuickBooks, to use in the operation of your Franchise. The minimum requirement to run the software is a PC with 4MB RAM and 240 GB Hard Drive. This hardware and software may be obtained from any computer reseller such as Office Depot or Best Buy and will cost from \$1,000 to \$1,500. You will also be required to purchase a POS system at a cost of \$2,500 to \$10,000 per unit (some Cafes may have two units), which may include hardware and software based on the needs of the store and number of systems purchased. This will serve as the main computer for the operation of your franchise. We reserve the right to specify computer hardware or software and to specify other computer-related standards in the future. You must have access to the Internet, have an electronic mail address and periodically check your electronic mailbox and the portion of our Website devoted to franchise owners. We reserve the right to market and sell, over the Internet.

The POS system will generate financial reports and Clean EatZ will use this information to collect revenue and other operating data. We will have access to this information over the Internet. However, we will be restricted to the information relating to your franchise. Clean EatZ has the contractual right to pull the necessary data from your computer, but as a practical matter would be unable to do so without your cooperation. Clean EatZ will not have the right to access other types of data on your computer and does not have the ability to access it independently.

You may be required to upgrade your hardware and/or software in order to utilize the computerized system, as technological advances require. You will be responsible for the cost of such upgrades. You will not be required to upgrade your hardware or software more often than once a year, at a maximum cost of \$10,000. Although we have not done so, we reserve the right to require you to purchase an updated POS System should we change the type of the POS System. The maximum cost should this occur is currently \$10,000.

You are solely responsible for protecting yourself from viruses, computer hackers, and other communications and computer-related problems, and you may not sue us for any harm caused by such computer-related problems. You must also take reasonable steps to verify that any person or entity upon whom you rely is reasonably protected. This may include establishing firewalls, access code protection, anti-virus systems, and use of backup systems. Franchisee should backup the POS system at least weekly offsite to ensure no loss of data.

We recommend but we do not require that You purchase a video security system and a music system costing between \$500 to \$1,000 for each such system.

You will be provided the opportunity to review the Table of Contents of the Operations Manual prior to signing your Franchise Agreement, subject to and conditioned upon you signing our form Non-Disclosure Agreement, protecting our confidential and proprietary information set out in the Operations Manual.

Training

Within 180 days of your signing the Franchise Agreement, or any other time as may be mutually agreed upon, train you and your designated Manager as follows:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location*
Orientation	Approximately 7 Hours	None	Clean Eatz HQ
Outlet Layout and Design	Approximately 2 Hours	None	Clean Eatz HQ
Marketing and Promotion	Approximately 3 Hours	Approximately 1 Hour	Clean Eatz HQ
Basic Finance	Approximately 1 Hour	None	Clean Eatz HQ
Basic Management	Approximately 2 Hours	Approximately 1 Hour	Clean Eatz HQ
POS & Computer operation	Approximately 4 Hours	Approximately 15 Hours	Clean Eatz HQ
Operation	Approximately 7 Hours	Approximately 50 Hours	Clean Eatz HQ
TOTALS	Approximately 26 Hours	Approximately 67 Hours	

* The location of training is determined by proximity to new Franchisee and availability. We reserve the sole right to designate the training location.

Our training staff consists of Don Varady, Evonne Varady, Walter Voight, Nick Keller and Brinn Shipley. Training materials will consist of manuals, forms, training aids and videos. The training program will be conducted as needed. You will be assigned a training schedule approximately one (1) month before your store opens.

Trainer	Time with Franchise	Time in the Quick Serve Restaurant Industry
Brinn Shipley	6 years	9 years ¹
Brian Starnes	3 years	10 years ²

1. Brinn has worked for Us for 6 years. Prior to joining Us, Brinn was the Corporate Chef for Carolina Ale House from 2017-2020.
2. Brian Starnes has worked with us for 3 years.

A guarantor of this Franchise Agreement must attend training. In addition, you are permitted to have one (1) other individual go through Initial Training without incurring additional costs. You will, however, be required to pay the travel and living expenses for you, your designated Manager, and your employee(s). All training, except any on-site training, will be held at our corporate headquarters in Wilmington, North Carolina, or at another designated franchise. You must complete this training to our satisfaction, or repeat this training, at your cost prior to commencing operation of your franchise. We may also provide to you on-site initial training at your Franchise and assistance with respect to opening activities within the first four (4) weeks of the Operation of your Franchise at no additional cost to you. There are not additional training programs or refresher courses required.

ITEM 12 TERRITORY

You will receive the right to operate a Franchise at a specific location described in the Franchise Agreement. Your Franchise Agreement will also specify a designated territory that will provide you with some territory protections (“Protected Territory”). You will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control. The size and scope of your Protected Territory will be contained in the Franchise Agreement and will be determined based on a variety of factors such as (a) whether the approved Premises is in an urban or suburban area, (b) the number of residents in the area, (c) the number of people working in the area, (d) drive time between existing Café locations and the approved Premises, and (e) mileage between existing Café locations and the approved Premises, among other factors. Clean EatZ will not operate or grant, through our current trademark, any Clean EatZ fixed-location Franchises within your Protected Territory. You will operate from one (1) site approved by us and are not permitted to relocate the franchise business without our prior written consent. Any Satellite Drops must be within your Protected Territory. The Franchise Agreement cannot be terminated due to failure to agree on site selection; however, the Franchise Agreement may be terminated for failure to propose a location, in good faith, within ninety (90) days of signing the Franchise Agreement. Once established and unless otherwise agreed to in writing, the boundaries of your Protected Territory will not be adjusted regardless of whether the population of your Protected Territory increases or decreases over time.

The license granted to you under the Franchise Agreement does not include: (i) any right to sell products at any location outside your Protected Territory, unless expressly approved by us in writing, (ii) any right to sell products through any other channels or methods of distribution, including the Internet (or any existing or future form of electronic commerce), catalog sales,

telemarketing or direct marketing sales outside of your territory, or (iii) any right to sell products to any person or entity for resale or further distribution (such as for resale at gyms, supermarkets, convenience stores, schools, colleges, universities or military facilities). Your Protected Territory does not extend to, and you may not advertise independently on, the Internet or World Wide Web. We will maintain a Clean EatZ Website, which will include information regarding your Franchise, as we determine in our discretion.

You do not receive the right to acquire additional franchises within your area or any contiguous area, unless you have signed a Development Agreement, and then you only have the specific rights set out in the Development Agreement. Each Franchise Agreement is a separate and distinct transaction between you and us. We intend to develop a strong system of multi-unit owners. You are encouraged to purchase franchise rights to operate additional franchises within or outside your local trade area. You do not receive any rights to use any other channel of distribution for our products or services without our written consent.

If we engage in electronic commerce through any Internet, World Wide Web or other computer network site or sell through any other alternative distribution channel, and if we receive orders for any System products or services calling for service or performance in your Territory, then we may choose to offer the order to you at the price we establish, but we are not required to do so and make no promises that we will. In the event we, one of our affiliates or a third party we designate (including another franchisee) fulfill any order through such electronic commerce or alternative distribution channel, you will receive no compensation for such transaction.

Reservation of Rights: We reserve the right, among others:

1. to own, franchise, or operate Franchises at any location outside of the Protected Territory, regardless of the proximity to your Franchise, provided that your Protected Territory will not overlap another Protected Territory of any other of our franchisees;
2. to use the Marks and the System to sell any food, products or supplies similar to those which you will sell, as well as other products that are dissimilar to those your will sell, through any alternative channels of distribution within or outside of the Protected Territory. This includes, but is not limited to, other channels of distribution such as television, mail order, catalog sales, wholesale sale (ie sold to third parties for resale), direct to consumer (mail order or other form of home delivery, office or workplace delivery) or over the Internet. We exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce;
3. to purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with your Franchise, wherever located;
4. to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs;
5. to open and operate stores, wholesaling or distribution on Federal Government Property including but not limited to U.S. Navy, U.S. Army, U.S. Marine Corps, U.S. Air Force and U.S. Coast Guard bases even if such locations are within your Protected Territory; and
6. to open and operate stores, restaurants and other potentially competitive operations in your territory in airports, college campuses, convenience stores, employers for their employees' break rooms, grocery store kiosks, military bases, restaurants, stadiums (and similar performance

venues), and the Internet. This means that you may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We need not compensate you if we engage in these activities.

Neither Clean EatZ nor any affiliates operate or plan to operate or franchise businesses under a different Mark that will sell goods or services that are the same as or similar to those that are currently sold under the Clean EatZ Mark.

ITEM 13 TRADEMARKS

We grant you the non-exclusive right to operate a business under our Marks, including the name “Clean EatZ.” You may also use our other current or future Marks as we may designate to operate your Business. You must indicate, as required in the Franchise Agreement and specified in the Manual, that you are an independent operator of the Franchise and shall use the appropriate trademark and copyright marks as indicated by us.

The following Marks of ours are registered on the Principal Register of the United States Patent and Trademark Office (USPTO):

Continues on following page.

Description of Mark	Registration Date	Registration/Serial Number	Affidavits of Use and Incontestability Filed?
Clean EatZ	March 29, 2016	4925813	Yes
	March 21, 2017	5164532	Yes
	October 6, 2020	6167687	No
Real Ingredients. Real Results.	June 29, 2021	6401363	No
It's Not a Diet, It's a Lifestyle	January 1, 2025	7936413	No
Healthy Convenient Affordable	-----	99776593	No

We renew our Marks as required by applicable law to maintain their active status when determined to be in our best interest. We have filed all previously required affidavits, and will continue to do so on or before their required filing dates as determined appropriate in our sole discretion. You must follow our rules when you use any of the Marks.

You may not use any of the Marks alone or with modifying words, designs or symbols as part of a corporate name or in any form on the Internet, including, but not limited to URLs, domain names, email addresses, locators, links, metatags or search techniques except as we license to you. You may not use any of the Marks in connection with the sale of an unauthorized product or service or in a manner not authorized by us in writing. Guidelines regarding proper trademark use and notices are set forth in the Manual and will be updated from time to time in our discretion.

There is no currently effective determination of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, or any pending interference, opposition or cancellation proceeding, or any pending material litigation involving the Marks, which are relevant to your use of these Marks.

No currently effective litigation affects our use or ownership rights in a trademark. There are no currently effective agreements that significantly limit our rights to use or license the use of the Trademarks listed in this section in a manner material to the franchise. All required affidavits have been filed.

We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you, and will protect, in our reasonable discretion, your right to use trademarks licensed to you by us. You must notify us within three (3) days of when you learn about an infringement of or challenge to your use of our Marks. We will take the action necessary, in our sole and absolute discretion, to protect the unauthorized use of our Marks, which may include payment of reasonable costs associated with the action. We will indemnify you for any claims of infringement or challenges from use of Marks and will be solely responsible for the defense and the cost thereof.

You must modify or discontinue the use of a Mark if we modify or discontinue use. The use of a new or modified trademark may be required, and you may be required to remove existing signs. If this happens, we will reimburse you for your tangible cost of compliance (for example, changing signs). You must not directly or indirectly contest our right to our Marks, trade secrets or business techniques that are part of our business.

We do not know of any infringing uses that could materially affect your use of our Marks. Before starting your Franchise, you should research this possibility, using telephone directories, trade directories, Internet directories, or otherwise in order to avoid the possibility of having to change your Franchise name.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights:

There are no pending patent applications that are material to the franchise. We hold no patents. We have registered no copyright with the United States Copyright Office. However, we claim copyrights on certain forms, advertisements, promotional materials and other written materials. We also claim copyrights and other proprietary rights in Clean EatZ Confidential Operating/Training Manuals (the “Manual”).

There are no agreements currently in effect, which significantly limit your right to use any of our copyrights. Also, there are no currently effective determinations of the USPTO, the U.S. Copyright Office (Library of Congress) or any court pertaining to or affecting any of our copyrights discussed above. As of the date of this disclosure document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights, which could materially affect your use of them in any state. We need not protect or defend copyrights, although we intend to do so if in the system’s best interests. We may control any action we choose to bring, even if you voluntarily bring the matter to our attention. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

Confidential Information:

You may never - during the Initial Term, any Renewal Term, or after the Franchise Agreement expires or is terminated - reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our confidential information or give it to a third party except as we authorize. All persons affiliated with you, including, but not limited to, general managers and/or any other employees with access to our confidential information, must sign our Confidentiality/Non-Competition Agreement (Attachment VI to the Franchise Agreement).

Our confidential information will include customer lists, electronic and/or physical files and documents, services, technologies and procedures relating to the operation of a Clean EatZ; systems of operation, services, programs, products, procedures, policies, standards, techniques, requirements and specifications which are part of the Clean EatZ System; the Manual: methods of advertising and promotion: instructional materials; and other matters.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You or a fully trained and qualified manager (“Manager”), both of whom have completed our training program, must directly supervise and participate in the actual day-to-day operation the Franchise “on premises.” Neither you nor your Manager may have an interest or business relationship with any of our business competitors. Your designated Manager and each of your officers, directors, partners, shareholders or members (and, if you are an individual, immediate family members) must execute our standard Nondisclosure and Non-Competition Agreement, a

copy of which is attached to this Disclosure Document as Attachment VI to the Franchise Agreement. If a Manager is responsible for day-to-day operations of the Franchise, they must be (1) approved by Us; (2) have a beneficial equity interest of at least ten percent (10%) in the Franchisee or be a party to an arrangement with the Franchisee that we approve; and (3) devote full time and best efforts to the supervision of the Café. If your Manager ceases to meet any of the criteria at any time, you must replace the Manager within thirty (30) days and develop a plan satisfactory to Us to assure proper operation of the Business in the interim. Managers must be certified to Us annually.

Other than the above, we make no other recommendations and have no other requirements regarding employment or other written agreements between you and your employees.

If you are a business entity, each of your officers, directors, shareholders, partners, and members, plus any individual and their spouse who owns, directly or indirectly, a 5% or greater interest in the business entity, must sign the Guaranty and Assumption of Franchisee's Obligations assuming and agreeing to discharge all of your obligations and comply with all restrictions under the Franchise Agreement. (See Attachment V to the Franchise Agreement).

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only products and services, which are part of the Clean EatZ system. You are prohibited from offering products and services that are not part of the Clean EatZ system. You must offer and sell all products and services that we designate as required for all Franchisees within your market area as well as all services and products we incorporate into Clean EatZ's system in the future. Clean EatZ reserves the right, in our sole discretion, to change the types of authorized services upon reasonable notice to you. There are no contractual limits on Clean EatZ's right to make changes, but Clean EatZ will not make changes lightly. We also reserve the right to set maximum prices for use with multi-area marketing and special price promotions.

Currently, you must purchase service items with logos, utensils, ingredients and other food items from our designated suppliers. We reserve the right in the future to designate alternate vendors from whom you will purchase service items with logo, utensils, ingredients and food items. You are not restricted as to individuals to whom you may offer services to, subject to the territorial restrictions noted herein and your Franchise Agreement.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists important provisions of the franchise and related agreements. You should read the full provisions in the Franchise Agreement attached to this Disclosure Document.

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise or Development Agreement	Summary
a. Length of the franchise term	Section 3 of Franchise Agreement	10 years; you must operate the Café for the full 10-year term unless Franchise Agreement is properly terminated.
	Section 2 of the Development Agreement	Term is based on time required to open the number of Cafés you agree to develop under the development schedule
b. Renewal or extension of the term	Section 3 of Franchise Agreement	If in good standing, one (1) additional ten-year (10) term.
	Section 9 of the Development Agreement	<u>You might have right to renew development rights if you originally agree to develop more than one (1) Café</u>
c. Requirements for franchisee to renew or extend	Section 3 of Franchise Agreement	Sign new agreement, be current in payments, and pay the Renewal Fee. You may be asked to sign a new Franchise Agreement with materially different terms and conditions than your original contract, but the boundaries of the territory will remain the same, and the Continuing Royalty on renewal will be no greater than Royalties that we impose on similarly-situated renewing franchisees.
	Section 9(b) and (c) of the Development Agreement	<u>You must be in full compliance with Development Agreement and Franchise Agreements, meet financial criteria, and sign a new Development Agreement</u>
d. Termination by franchisee	Section 13.01 of Franchise Agreement	You may not unilaterally terminate the Franchise Agreement, except by any grounds permitted by state law.
	Not Applicable	<u>Development Agreement does not contain this provision. You may terminate under any grounds permitted by state law.</u>
e. Termination by franchisor without cause	Not applicable.	The Franchise Agreement does not contain this provision.
	Not Applicable	<u>Development Agreement does not contain this provision</u>

Provision	Section in Franchise or Development Agreement	Summary
f. Termination by franchisor with cause	Section 13.02 of the Franchise Agreement	We can terminate only if you default
	Section 10 of the Development Agreement	We can terminate your exclusivity or your development rights if you default
g. "Cause" defined – curable defaults	Section 13.01(a) of the Franchise Agreement	You have 30 days to cure, including failure to comply with the System, non-payment of fees and other obligations, failure to comply with federal, state or local laws or regulations.
	Not Applicable	You have no cure rights under the Development Agreement.
h. "Cause" defined – non-curable defaults	Section 13.01(b) of the Franchise Agreement	Non-curable defaults include misrepresentation by you, failure to complete initial training, bankruptcy, insolvency, or appointment of receiver, abandonment, trademark misuses and unapproved transfers. (Termination upon bankruptcy may not be enforceable under U.S. Bankruptcy Law.)
	Section 10 of the Development Agreement	You sign an unapproved lease; you fail to open any Café by Scheduled Opening Date; you fail to meet development schedule; you fail to timely cure an event of default under a Franchise Agreement; you attempt to make an unapproved assignment of development or franchise rights; you negotiate or sign a lease/option to lease outside your Development Area; you offer or issue any securities, become insolvent, or become involved in bankruptcy; you disclose or use without our approval Confidential Information or Marks; you make any material misstatements or omissions; you are convicted of or plead no contest to a felony or other crime or offense that may adversely affect Marks; or you become a threat or danger to public safety.

Provisions	Section in Franchise or Development Agreement	Summary
i. Franchisee's obligations on termination / non-renewal	Section 13.03, 13.04 of the Franchise Agreement	Cease operation of Café; cease use of System, proprietary recipes, and Marks; pay all royalties and other monies due to us or arising from operation of franchised business; return Manual (if in printed format) and all other materials; discontinue your advertisements; maintain books, records, and reports and submit to inspection and audit for 3 years; assign or cease using assumed name, telephone numbers and directory listings, advertisements, leases, and licenses and permits containing our Marks; pay our costs of enforcing termination provisions; refrain from doing anything to indicate you are or ever were our franchisee; comply with covenants of non-competition, confidentiality, and non-interference with employees; and pay specified contract damages (see Item 6). See (c) below. There is no provision in Development Agreement on this issue.
j. Assignment of contract by franchisor	Section 14 of Franchise Agreement Not Applicable	There is no restriction on our right to assign. There is no provision in Development Agreement on this issue.
k. "Transfer" by franchisee – defined	Section 14.03 of the Franchise Agreement Not Applicable	Includes assignment of any interest in you, your lease, sublease, assets of franchised business, Franchise Agreement, or the franchised business. There is no provision in Development Agreement with this definition.
l. Franchisor approval of transfer by franchisee	Section 14.04-14.06 of the Franchise Agreement Section 11 of the Development Agreement	We have right to approve all transfers but will not arbitrarily withhold our consent if transfer conditions satisfied. However, we may reject a proposed transfer that would result in the Café's not being operated by you or a transferee in compliance with Franchise Agreement (or our then current franchise agreement) and our mandatory standards, specifications, and operating procedure. No transfer of Development Agreement rights or controlling ownership interest in you without our prior written consent.

Provisions	Section in Franchise or Development Agreement	Summary
m. Conditions for franchisor approval of transfer	Section 14.04 of the Franchise Agreement	Transferee has sufficient business experience, aptitude, and resources; you pay all monies owed to us and others; transferee agrees to complete our initial training program; transferee signs our then-current standard franchise agreement, the terms of which (including for the royalty) may differ materially from those in your Franchise Agreement; payment of transfer fee (see Item 6); you sign release; transferee subordinates financing of purchase of franchise to any monies owed us; landlord allows you to assign lease; and you and transferee sign separate non-compete. See (r) below.
	Section 11 of the Development Agreement	Your development rights, or ownership interests in you, may be devised or inherited if heirs satisfy our then current standards for developers and receive our prior written approval.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 14.07 of the Franchise Agreement	We can match any offer except for assets we deem to be unnecessary.
	Not Applicable	There is no provision in Development Agreement on this issue
o. Franchisor's option to purchase franchisee's business	Section 14.07 of the Franchise Agreement	We may buy Café and premises at fair market value, and/or sublease premises, after Franchise Agreement is terminated or expires (without renewal).
	Not Applicable	There is no provision in Development Agreement on this issue.
p. Death or disability of franchisee	Section 14.07 of the Franchise Agreement	Franchise must be transferred to approved person within 120 days after your death or permanent disability; if not transferred, we may terminate the franchise.
	Section 11(c) of the Development Agreement	See (m) above.

Provisions	Section in Franchise or Development Agreement	Summary
q. Non-competition covenants during the term of the franchise	Section 15.01 and Attachment VI of the Franchise Agreement	No involvement in similar business; no diversion of business or personnel; signing of similar covenants by your managers; no interference with employees. Noncompetition provisions are subject to state law.
	Section 13(a) of the Development Agreement	You may not have ownership interest in or perform services for competitive business anywhere. Noncompetition provisions are subject to state law.
r. Non-competition covenants after the franchise is terminated or expires	Section 15.01 of the Franchise Agreement, Attachment VI to the Franchise Agreement	No competing business for 2 years within 20 miles from the boundary of your Protected Territory or from another Clean EatZ franchise, company-owned Franchise, or on the Internet (including after assignment). Noncompetition provisions are subject to state law.
	Section 13(b) of the Development Agreement	No involvement in similar business for 2 years in Development Area and each designated market in which a company-owned or franchised Café is then operating Noncompetition provisions are subject to state law.
s. Modification of the agreement	Sections 7.04, 8.09 and 18.02 of the Franchise Agreement	Except for modifications Franchise Agreement permits us to make unilaterally, including modifications to the System, standards and Manual, both parties may agree to changes only in writing
	Section 15(b) of the Development Agreement	No modifications without a written agreement
t. Integration / merger clause	Section 18.01 of the Franchise Agreement	Only terms of Franchise Agreement are binding (subject to state law). Any other promises might not be enforceable. Nothing in Franchise Agreement or any related agreement is intended to disclaim any representation made in the disclosure document.
	Section 16(a) of the Development Agreement	Only terms of Development Agreement are binding. Any other promises might not be enforceable. Nothing in Development Agreement or any related agreement is intended to disclaim any representation made in the disclosure document

Provisions	Section in Franchise or Development Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 16 of the Franchise Agreement Section 14(b) of the Development Agreement	Arbitration and actions for injunctive relief, claims based on the Marks, or on covenants not to compete must be in the State of North Carolina. (Subject to state law).
v. Choice of forum	Section 16.06 of the Franchise Agreement Section 14(b) of the Development Agreement	Mediation, Arbitration and actions to confirm arbitration award must be brought in New Hanover County, North Carolina (subject to applicable state law)
w. Choice of law	Section 16.06 of the Franchise Agreement Section 14(a) of the Development Agreement	Except for federal law, North Carolina law applies (subject to applicable state law)

The provision of the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.)

See the state addenda (attached as Exhibit F) to the Franchise Agreement and this Disclosure Document for special state disclosures.

ITEM 18 PUBLIC FIGURES

We reserve the right to use public figures to promote our franchise in the future.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

We make the following representations franchised restaurants that were open for at least eighteen months as of December 31, 2025, and were operated by the same franchisee (i.e. no franchised restaurants that were sold or transferred are included). The historical performance numbers for Table 1 are for the period January 1, 2025-December 31, 2025. During fiscal year 2025, we had 116 total open outlets, including two (2) company owned or affiliated outlet and 114 franchised outlets.

TABLE 11^{10, 11, 12}
2025 GROSS REVENUES, COST OF GOODS, LABOR, OCCUPANCY,
OTHER OPERATING COSTS, AND EBITDA (LESS OWNER/MANAGER)

Category	Average ² of Category	1 st Quartile Average ²	2 nd Quartile Average ²	3 rd Quartile Average ²	4 th Quartile Average ²	Median ³ of Category
Gross Revenues ¹	\$1,030,285	\$1,519,084	\$1,119,610	\$883,112	\$672,572	\$962,325
Cost of Goods Sold ⁵	\$394,297	\$578,555	\$432,061	\$334,156	\$261,141	\$361,467
Labor ⁶	\$164,282	\$234,772	\$167,669	\$143,783	\$118,827	\$151,578
Occupancy Cost ⁷	\$77,127	\$89,535	\$81,089	\$76,015	\$65,981	\$76,179
Other Operating Costs ⁸	\$266,267	\$360,385	\$300,957	\$234,627	\$189,755	\$246,511
EBTIDA (less owner/manager salary) ⁹	\$128,312	\$255,837	\$137,834	\$94,531	\$36,868	\$126,590

1. “Gross Revenues” – represents the total receipts minus sales taxes, tips, and refunds for each restaurant location listed above for the period for the twelve months ending December 31st, 2025.
2. “Average” means the sum of all data points in a set, divided by the number of data points in that set. For average of a category, the sum all 92 restaurants was divided by 92 to produce the average of the category. For the 1st Quartile Average, the sum of the top 23 restaurants, ranked by Gross Revenues, was divided by 23. For the 2nd Quartile Average, the sum of the second top 23 restaurants, ranked by Gross Revenues, was divided by 23. For the 3rd Quartile Average, the sum of the third top 23 restaurants, ranked by Gross Revenues, was divided by 23. For the 4th Quartile Average, the sum of the bottom 23 restaurants, ranked by Gross Revenues, was divided by 23.
3. “Median” is determined by ranking locations in order of Gross Revenues (\$), from lowest to highest. With an odd sample size, median is determined by taking the middle number in ranking order. With an even sample size, median is determined by averaging the two (2) middle numbers in ranking order.
4. Of those outlets whose data were used in arriving at the figures in the table above, 40 franchised locations attained or surpassed the Average Gross Revenues, representing 43% of the represented franchises.

5. “Cost of Goods Sold” is the cost of the products and ingredients of the products sold by each franchise to consumers. It does not include the cost of paper products, packaging and other items which are not sold to end-user consumers.
6. “Labor” includes the wages paid to employees of the franchises, except for manager and franchise owner pay. Labor does not include plus payroll taxes and unemployment insurance, as applicable.
7. “Occupancy Cost” includes expenses related to leasing space for the operation of a franchise restaurant. Occupancy Cost includes rent, common area maintenance fees and other expenses paid directly to a franchisee’s landlord.
8. “Other Operating Costs” includes bonuses to employees, payroll taxes, health insurance (if any), worker’s compensation insurance, royalties to franchisor, advertising fund payments to franchisor, bank charges, professional fees, software expense, equipment, supplies, utilities, office supplies, repairs and maintenance, dues and subscriptions, taxes and licenses, miscellaneous supplies, travel, auto expenses and miscellaneous expenses.
9. “EBTIDA (less owner/manager salary)” is an acronym for “earnings before taxes, interest, depreciation and amortization” is defined as Gross Revenues plus Miscellaneous Income, minus Cost of Goods Sold, Labor, Occupancy Cost and Other Operating Costs, but not including taxes, interest, depreciation or amortization expenses. EBTIDA (less owner/manager salary) also does NOT include a manager’s salary, or the salary taken by franchise owners. The manager/owner salaries were removed because they vary widely among the represented franchises based on individual franchise owner preference and local market conditions. You should investigate manager salaries in your location and take into account manager salary expenses.
10. In Table 1, for the fiscal year ending December 31, 2025, the lowest reported Gross Revenues for a Café was \$389,339 and the highest Gross Revenues for a Café was \$2,053,793.
11. In Table 1, for the fiscal year ending December 31, 2025, of the Cafes represented in the top twenty five percent (25%) the lowest Gross Revenues was \$1,289,859 and the highest Gross Revenues was \$2,053,793. The median of this data set is \$1,455,470.
12. In Table 1, for the fiscal year ending December 31, 2025, of the cafes represented in the bottom twenty five percent (25%) the lowest Gross Revenues was \$389,339 and the highest Gross Revenues was \$795,090. The median of this data set is \$685,136.

Some outlets have earned the above amounts. Your individual results may differ. There is no assurance that you’ll earn as much.

You may experience capitalized or other balance sheet expenditures that are not included in this cost and expense information. Costs and expenses in the operation of a restaurant will vary from franchisee to franchisee, and from location to location and will depend on seasonal, local and other factors, like the franchisee’s efficiency in the utilization of products, the cost of transportation, and the fluctuation in market prices for food and other products.

The gross revenues for franchised restaurants are based on the reports of the respective Franchisee. We have not audited the reports for purposes of this Item 19 information. All franchised and company owned restaurants considered offer substantially the same products and services as will be offered from your restaurant.

Your results will be affected by factors such as your own operational ability, which may include your experience with managing a business, prevailing economic or market area conditions, demographics, geographic location, your capital and financing (including working capital), continual training of you and your staff, customer service orientation, and the use of experts, e.g., an accountant, to assist you with your business plans.

We encourage you to conduct an independent investigation of this opportunity and to consult with your own accounting, business and legal advisors to assist you to prepare your budgets and projections, and to assess the likely or potential financial performance of your franchise before entering into a Franchise Agreement. We also encourage you to contact existing franchisees to discuss their experience with the system and the franchise business. Written Substantiation of the data used in preparing the earnings claims in this Item will be made available to prospective franchisees on reasonable request.

Other than the preceding financial performance representation, Clean EatZ does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Don Varady at 4389 Oleander Drive Wilmington NC 28403, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1
System Wide Outlet Summary
For years 2023-2025**

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
Franchised	2023	92	99	+7
	2024	99	110	+11
	2025	110	114	+4
Company Owned	2023	1	1	0
	2024	1	2	+1
	2025	2	2	0
Total Outlets	2023	93	100	+7
	2024	100	112	+12
	2025	112	116	+4

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2023-2025

STATE	YEAR	NUMBER OF TRANSFERS
Georgia	2023	0
	2024	0
	2025	1
Missouri	2023	0
	2024	0
	2025	1
North Carolina	2023	1
	2024	3
	2025	0
South Carolina	2023	1
	2024	0
	2025	0
Virginia	2023	0
	2024	2
	2025	0
Texas	2023	0
	2024	0
	2025	1
Total Outlets	2023	2
	2024	5
	2025	3

Table No. 3
Status of Franchised Outlets
For years 2023-2025

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPEN	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS- OTHER REASONS	OUTLETS AT END OF YEAR
Alabama	2023	3	0	0	0	0	0	3
	2024	3	1	0	0	0	0	4
	2025	4	0	1	0	0	0	3
Arizona	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	1	0	0	0	0	3
Colorado	2023	3	1	1	0	0	1	2
	2024	2	1	0	0	0	0	3
	2025	3	1	0	0	0	0	4
Delaware	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPEN	TERMINATIONS	NON- RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS- OTHER REASONS	OUTLETS AT END OF YEAR
Florida	2023	13	2	1	0	0	1	13
	2024	13	3	0	0	0	1	15
	2025	15	1	0	0	0	1	14
Georgia	2023	9	0	0	0	0	0	9
	2024	9	2	0	0	0	1	10
	2025	10	1	0	0	0	0	11
Idaho	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Indiana	2023	3	1	0	0	0	0	4
	2024	4	0	0	0	0	1	3
	2025	3	1	0	0	0	1	3
Illinois	2023	4	0	0	0	0	0	4
	2024	4	1	0	0	0	0	5
	2025	5	0	0	0	0	1	4
Kentucky	2023	3	0	0	0	0	0	3
	2024	3	1	0	0	0	0	4
	2025	4	0	0	0	0	0	4
Maine	2023	1	0	1	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Massachusetts	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Michigan	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPEN	TERMINATIONS	NON- RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS- OTHER REASONS	OUTLETS AT END OF YEAR
Missouri	2023	1	1	0	0	0	0	2
	2024	2	1	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Nebraska	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
North Carolina	2023	16	0	0	0	0	0	16
	2024	16	0	0	0	0	2	14
	2025	14	0	0	0	0	0	14
Ohio	2023	9	1	0	0	0	0	10
	2024	10	0	0	0	0	0	10
	2025	10	4	0	0	0	0	14
Pennsylvania	2023	4	2	0	0	0	0	6
	2024	6	0	0	0	0	0	6
	2025	6	0	0	0	0	0	6
South Carolina	2023	6	0	0	0	0	3	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	1	2
Tennessee	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
	2025	6	0	0	0	0	0	6
Texas	2023	2	2	0	0	0	0	4
	2024	4	2	0	0	0	0	6
		6	1	1	0	0	1	6
Utah	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Virginia	2023	5	2	0	0	0	0	7
	2024	7	1	0	0	0	0	8
	2025	8	0	0	0	0	0	8
Wyoming	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Total Outlets	2023	92	15	3	0	0	5	99
	2024	99	16	0	0	0	5	110
	2025	110	11	2	0	0	5	114

Table No. 4
Status of Company-Owned Outlets
For years 2023-2025

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEES	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEES	OUTLETS AT END OF THE YEAR
North Carolina	2023	1	0	0	0	0	1
	2024	1	1	0	0	0	2
	2025	2	0	0	0	0	2
Total Outlets	2023	1	0	0	0	0	1
	2024	1	1	0	0	0	2
	2025	2	0	0	0	0	2

Table No. 5
Projected Openings as of December 2025

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company- Owned Outlets in the current Fiscal Year
Arizona	0	1	0
Florida	1	2	0
Idaho	0	1	0
Indiana	0	2	0
Kentucky	0	1	0
Michigan	5	0	0
Missouri	0	1	0
Ohio	1	0	0
Nebraska	0	1	0
Pennsylvania	1	5	0
Texas	0	3	0
Virginia	0	1	0
TOTALS	8	18	0

Lists of Current and Former Franchises are attached to this Disclosure Document as Exhibit A.

Seven (7) franchisees had an outlet terminated, canceled or otherwise voluntarily ceased to do business under the franchise agreement during the most recently completed fiscal year. The name, city, state and last known telephone number for each such franchisee is:

Name	Street Address	City	State	Zip	Phone
Greg McPhail	1112 Granada Boulevard	Ormond Beach	FL	28314	573-705-5091
Sara Sanderson	2525 Green Mount Commons Drive, St 280	Belleville	IL	62221	618-781-6512
Josh Shanahan	31217 W. 14 Miles Road	Farmington Hills	MI	48334	248-939-0772
Adam Gallagher	18011 S. Tamiami Trail	Fort Meyers	FL	33908	330-413-3343
Anthony Santavicca	4 Stoney Hill Road	Newtown	CT	06801	914-906-1409
Allison Avila	5225 Sunset Boulevard, Suite D	Lexington	SC	29072	803-490-2657
Joel Bustos	2535 Southlake Mall	Merrillville	IN	46410	708-407-3419

Three (3) franchisees had an outlet terminated or have voluntarily ceased to do business since the end of the 2025 fiscal year:

Name	Street Address	City	State	Zip	Phone
Greg Burack	270 Cooley Street	Springfield	MA	01128	413-575-9243
Don French Jr.	2705 Town Center Boulevard N	Sugar Land	TX	77479	720-201-6682
Jill Stanfield	10878 County Line Road	Huntsville	AL	35756	256-898-4187

There are no other franchisees who had an outlet terminated, canceled or not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Confidentiality Agreements:

During the last three (3) fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

Associations and/or Organizations:

There are no trademark-specific franchisee organizations associated with the franchise system being offered which we have created, sponsored or endorsed.

There are no independent franchisee organizations that have asked to be included in this disclosure document.

ITEM 21 FINANCIAL STATEMENTS

Attached to the Disclosure Document as Exhibit B are our:

Audited financial statements as of December 31, 2025, December 31, 2024, and December 31, 2023.

ITEM 22 CONTRACTS

Attached to this Disclosure Document are the following contracts:

Exhibit C Franchise Agreement

Attachment I	Addendum
Attachment II	Electronic Payment Authorization
Attachment III	Collateral Assignment of Numbers
Attachment IV	Statement of Ownership
Attachment V	Guaranty of Franchisee's Obligations
Attachment VI	Non-disclosure and Non-Competition Agreement

Exhibit H General Release

Exhibit I Development Agreement

ITEM 23 RECEIPT

Included as the last document of this Disclosure Document is a detachable Receipt to be signed by you.

EXHIBIT A



Clean EatZ Franchising LLC

LISTS OF CURRENT AND FORMER FRANCHISES

Below lists the names of all current franchises and the addresses and telephone numbers of their outlets that were operational as of December 31, 2023.

Franchisee	Address	Telephone Number
ALABAMA		
Katie Lee	1021 Brock's Gap Parkway, Suite 141, Hoover, AL 35244	(205) 490-1141
Sam Poppell	7335 Airport Boulevard, Mobile, AL 36608	(251) 654-1575
Sloan Burgess	1800 Samford Tract Court #230, Auburn, AL 36830	(334) 521-0114
ARIZONA		
Alejandra Cruce	5870 W. Thunderbird Road, Suite A4, Glendale, AZ 85306	(602) 374-3806
Alejandra Cruce	4722 East Ray Road #9, Phoenix, AZ 85044	(480) 219-9234
Andrew Kish	17050 N Thompson Peak Parkway, #120, Scottsdale, AZ 85255	(480) 245-4413
COLORADO		
Mike Collins	4838 Larimer Parkway, Johnstown, CO 80534	(970) 669-3552
Mike Collins	103 West Harvard Street, Fort Collins, CO 80525	(970) 851-8999
Rick Osmun	5118 N Nevada Avenue, Colorado Springs, CO 80918	(719) 892-3289
Stephanie Burdick	201 S Union Avenue, Pueblo, CO 81003	(719) 248-0095
DELAWARE		
Ryan Maloney	1128 Forrest Avenue, C, Dover, DE 19904	(302) 744-8010
FLORIDA		
Sam Poppell	1191 Eglin Parkway, Shalimar FL 32579	(850) 613-6880
Jennifer Schmidt	6840 22 nd Avenue N, St. Petersburg Florida 33710	(727) 685-1247
Jerry Mosiello	4828 Deer Lake Drive West Suite 1, Jacksonville, FL 32246	(904) 900-3000
Alex Wallace	1540 Palm Beach Lakes Boulevard, West Palm Beach, FL 33401	(561) 370-3867
Louis Psallidas	2205 S. Orange Avenue, Unit A, Orlando, FL 32806	(407) 237-0493
Anthony Ferguson	9250 Miley Drive, Suite 150, Winter Garden, FL 34787	(407) 614-4602
Dave Schaefer	10836 SW Village Parkway Suite 10836, Port St. Lucie, FL 34987	(772) 200-2268
Jennifer Schmidt	2927 W Bay Drive, Belleair Bluffs, FL 33770	(727) 238-3413
Louis Psallidas	604 Trelago Way, Lake Mary, FL 32751	(321) 926-3157
Sam Poppell	1000 Railroad Avenue, Suite, 101 Tallahassee, FL 32310	(850) 999-1384
Sam Poppell	800 North Navy Boulevard, Pensacola, FL 32507	(850) 741-4900
Michael Spellman	4061 Clark Road, Sarasota, FL 34233	(941) 373-0512
Jerry Mosiello	140 Little Cypress Drive, Suite 101, St. Johns, FL 32259	(904) 586-2585

Robert Dolce	4800 W Hillsboro Boulevard, Suite A10, Coconut Creek, FL 33073	(954) 420-9559
GEORGIA		
Sloan Burgess	3500 Massee Lane, Suite A Columbus GA 31909	(762) 583-6170
Jade Knight	630 Crane Creek Drive, Suite 504, Augusta, GA 30907	(706) 364-8100
Steve Redlinger	282 GA-74, Peachtree City, GA 30269	(470) 742-3289
Veronica Kilpatrick	6825 Waters Avenue, Savannah, GA 31406	(912) 344-4710
Rick Niedermeyer	5600 Roswell Road, Sandy Springs, GA 30342	(404) 855-5700
Rick Niedermeyer	610 West Crossville Road, Suite 100, Roswell, GA 30075	(404) 226-5625
Veronica Kilpatrick	1 N Godley Station Boulevard, Suite 111 Pooler, GA 31322	(912) 348-3804
Yarko Foltyn	1791 Oconee Connector, Suite #560, Athens, GA 30606	(706) 850-6415
Nick Hiers	3450 Cobb Parkway, NW #220 Acworth, GA 30101	(678) 996-6897
Brent Whitaker	9365 The Landing Drive, Douglasville, GA 30135	(678) 695-7886
Yao Peng	3630 Peachtree Parkway, #703, Suwanee, GA 30024	(470) 695-7563
IDAHO		
Lindsay Tapia	3143 Magic View Drive, STE 120, Meridian, ID 83642	(208) 350-6652
INDIANA		
Jeff Leifel	8510 East 96 th Street, Fishers, IN 46037	(317) 588-9229
Michael Barnett	4916 Illinois Road, #114 Fort Wayne, IN 46804	(260) 800-8064
Michael Barnett	8545 Emerson Avenue, Suite 101, Indianapolis, IN 46237	(317) 798-1699
ILLINOIS		
Michael Smith	15892 S. LaGrange Road, Orland Park, IL 60462	(708) 966-2334
Sara Sanderson	316 S Buchanan Street, Edwardsville, IL 62025	(618) 650-9030
Christopher Layton	776B South Randall Road, Algonquin, IL 60102	(224) 241-8057
Todd Henderickson	4490 Broadway Street, Quincy, IL, 62305	(217) 919-6831
KENTUCKY		
Brandon Cress	1759 Monmouth Street, Newport, KY 41071	(859) 291-3289
Candice Gilbert	3565 Springhurst Boulevard, Louisville, KY 40241	(502) 653-7865
Candice Gilbert	9545 Taylorsville Road, Jeffersontown, KY 40299	(502) 790-8107
Denise Greene	1747 Scottsville Road, Bowling Green, KY 42104	(270) 935-9070
MASSACHUSETTES		
Cindy Vercolen	156 Andover Street, Danvers, MA 01923	(978) 304-0076
MICHIGAN		
Josh Shanahan	319 East Big Beaver Road, Troy, MI 48083	(248) 729-7130
Ken Vanderveen	6080 28 th Street SE, #100, Grand Rapids, MI 49546	(616) 202-7238
Steven Kay	1194 Walton Boulevard, Rochester Hills, MI 48307	(248) 759-4667
MISSOURI		
Arpan Patel	12456 Tesson Ferry Road, Saint Louis, MO 63128	(314) 756-2055

Naveen Bondalapti	325 Winding Woods Centre, O'Fallon, MO 63366	(636) 735-8474
Houston DeFoe	5357 NE Antioch Road, Kansas City, MO 64119	(816) 660-6973
NORTH CAROLINA		
Mike Parker	7561 Six Forks Road Raleigh NC 27615	(919) 748-3770
Sarah Conrad	2215 Arysley Town Boulevard, Suite B, Charlotte NC 28273	(980) 585-4730
Mike Parker	253 Westwood Shopping Center, Fayetteville NC 28314	(910) 868-3438
Will Russ	273 Boone Heights Drive, Boone NC 28607	(252) 670-0587
Mike Garrett	502A Eastgate Road, Goldsboro, NC 27534	(919) 330-4404
Mike Parker	1930 N Poplar Street, Southern Pines, North Carolina 28387	(910) 246-3289
Sarah Conrad	17111 Kenton Drive, Unit 101B, Cornelius NC 28031	(704) 997-8618
Mike Parker	1856 Boulder Stone Way, Cary, NC 27513	(919) 650-1897
Mike Parker	214 Harvey Street, Winston Salem, NC 27103	(336) 293-8000
Neal Gartrell	1950 Hendersonville Road, Asheville, NC 28803	(828) 483-6300
Mike Parker	5320 Mcfarland Drive, Unit 110, Durham, NC 27707	(919) 797-2279
Sarah Conrad	1800 Camden Road, Suite 108 Charlotte, NC 28273	(980) 237-3383
Sarah Conrad	137 Center Square Drive, Unit 6B, Mooresville, NC 28117	(980) 444-6091
Sarah Conrad	8694 Concord Mills Boulevard, Suite #30, Concord, NC 28027	(704) 910-2267
NEBRASKA		
Susan Petri, Alyson Robinson	920 South 107th Avenue, Suite 110, Omaha, NE 68114	(531) 867-4909
OHIO		
Jamie Piero	5139 W Tuscarawas, Canton, OH 44708	(330) 844-7400
Jamie Piero	1791 Front Street, Cuyahoga Falls, OH 44221	(330) 806-0183
Anna Dey	9385 Mentor Avenue, Mentor, OH 44060	(440) 290-8528
Missy Blacker	2781 Centre Drive, 12C, Beavercreek, OH 45324	(937) 306-8211
Anna Dey	26300 Detroit Road, Westlake, OH 44145	(440) 772-4020
Casey Schroeder	7571 Sawmill Road, Dublin, OH 43016	(614) 553-7012
Andrea Dobrozsi	7692 Voice of America Center Drive, West Chester Township, OH 45069	(513) 847-1261
Brandon Cress	5770 Harrison Avenue, Cincinnati, OH 45248	(513) 574-0086
Brandon Cress	4450 Eastgate S Drive, Suite 205, Cincinnati, OH 43230	(513) 752-2111
Brandon Cress	9875 Montgomery Road, Montgomery, OH 45242	(513) 787-3500
Casey Schroeder	5763 N. Hamilton Road, New Albany, OH 43230	(614) 289-3064

Casey Schroeder	10710 Blacklick-Eastern Road NW, Suite 300, Pickerington, OH 43147	(614) 626-0104
Casey Schroeder	3621 Southwest Boulevard, Grove City, OH 43123	(614) 277-8252
Casey Schroeder	855 Goodale Boulevard, Grandview Heights, OH 43212	(614) 505-8010
PENNSYLVANIA		
Darryl Duncan	175 Freeport Road, Pittsburgh, PA 15238	(412) 810-0244
Steve Dyer	1876 Fruitville Pike, Lancaster, PA 17601	(717) 517-7264
Darryl Duncan	20436 Route 19, Suite 610, Cranberry Township, PA 16066	(412) 810-0244
Dani Zeamer	1665 State Hill Road Wyomissing, PA 19610	(610) 816-5085
Steve Dyer	3546 Gettysburg Road, Camp Hill, PA 17011	(717) 824-4706
Leigh Barrows	174 Falon Lane, Altoona PA, 16602	(814) 201-2084
SOUTH CAROLINA		
Ben Dangerfield	3608 Pelham Road, Suite C, Greenville, South Carolina 29615	(864) 605-7999
Allison Avila	5500 Forest Drive, Columbia, SC 29206	(803) 862-0043
TENNESSEE		
Neal Gartrell	155 West End Avenue, Knoxville, TN 37934	(865) 288-0996
Will Russ	4004 Hillsboro Parkway, Suite 115-R, Nashville, TN 37215	(615) 915-3405
Will Russ	2222 Medical Center Parkway, Murfreesboro, TN 37129	(615) 203-5096
Neal Gartrell	1414 Jenkins Road, Suite 100, Chattanooga, TN 37421	(423) 541-8330
Neal Gartrell	215 Brookview Centre Way, Suite 104, Knoxville, TN	(865) 249-6423
Neal Gartrell	551 N Foothills Plaza Drive, Maryville, TN 37801	(865) 336-1985
Trey Stapleton	2049 Hamilton Place, Johnson City, TN 37604	(423) 656-1936
TEXAS		
Michael Theriot	2201 Long Prairie Road, Suite 101, Flower Mound, TX 75022	(972) 355-3289
Maria Risberg	201 University Oaks Boulevard, Suite #790, Round Rock, TX 78665	(512) 590-2686
Howell Hsieh	158 E Sonterra Boulevard, Suite #106, San Antonio, TX 78258	(210) 277-8467
Heidi Araggia	1800 Texas Avenue S. Suite B, College Station, TX 77840	(979) 867-1753
Joyce Bohn	337 Shops Boulevard, STE 104, Willow Park, TX 76087	(817) 757-7137
UTAH		
Amanda Hatfield	5470 900 E Unit 3, Salt Lake City, UT 84107	(385) 474-7890
VIRGINIA		
Dylan Richmond	1021 Independence Boulevard, #1065, Virginia Beach 23455	(757) 431-7077
Chelsea John	5426 Southpoint Plaza Way, Fredericksburg, VA 22407	(540) 898-7453
Chelsea John	315 Garrisonville Road, #112, Stafford, VA 22554	(540) 318-6120
Chris Sims	11801 W. Broad Street, Suite 1B, Richmond, VA 23233	(804) 480-3050
Scott Mueller	7628 Grandby Street, Norfolk, VA 23505	(757) 937-9172
Dylan Richmond	1036 Volvo Parkway, #3 Chesapeake, VA 23320	(757) 698-4485
Chris Sims	13534 Waterford Place, Midlothian, VA 23112	(804) 369-3029

Chris Sims	5053 Westfields Boulevard, Centreville, VA, 20120	(703) 817-2977
WYOMING		
Gary Shaklee	2320 Chestnut Drive, #400 Cheyenne, WY 82001	(307) 369-2455

Below is a list of all of the franchises and their location and email address with a signed agreement but not operational as of December 31, 2025.

Franchisee	Location	Email Address
Katie Lee	Hoover, AL	swan@cleaneatz.com
Sam Poppell	Mobile, AL	poppell@cleaneatz.com
Sloan Burgess	Auburn, AL	burgess@cleaneatz.com
ARIZONA		
Alejandra Cruce	Glendale, AZ	cruce@cleaneatz.com
Alejandra Cruce	Phoenix, AZ	cruce@cleaneatz.com
Andrew Kish	Scottsdale, AZ	scottsdaleaz@cleaneatz.com
COLORADO		
Mike Collins	Johnstown, CO	collins@cleaneatz.com
Mike Collins	Fort Collins, CO	collins@cleaneatz.com
Rick Osmun	Colorado Springs, CO	rosmun@cleaneatz.com
Stephanie Burdick	Pueblo, CO	Stephanieb@cleaneatz.com
DELAWARE		
Ryan Maloney	Dover, DE	
FLORIDA		
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Neal Gartrell	Maryville, TN	gartrell@cleaneatz.com
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Scott Mueller	Norfolk, VA	mueller@cleaneatz.com
Chris Sims	Richmond, VA	csims@cleaneatz.com
Chris Sims	Midlothian, VA	csims@cleaneatz.com
Chris Sims	Centreville, VA	csims@cleaneatz.com
WYOMING		
Gary Shaklee	Cheyenne, WY	gshaklee@cleaneatz.com

The below chart lists the names of all company and affiliate owned franchises and the addresses and telephone numbers of their outlets as of December 31, 2025.

Name	Street Address	City	State	Zip	Phone
NC001	203 Racine Dr.	Wilmington	NC	28403	(910) 452-3733
NC011	1843 Lejeune Blvd	Jacksonville	NC	28546	(302) 545-2824

EXHIBIT B



Clean EatZ Franchising LLC

FINANCIAL STATEMENTS

Audited 2023-2025

Clean EatZ Franchising LLC

Financial Statements
For the Years Ended
December 31, 2025 and 2024

Clean Eatz Franchising LLC
Balance Sheets
As of December 31, 2025 and 2024



INDEPENDENT AUDITOR'S REPORT

To the Members of
Clean Eatz Franchising LLC

Opinion

We have audited the accompanying financial statements of Clean Eatz Franchising LLC (a North Carolina limited liability company), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of operations and members' equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Clean Eatz Franchising LLC as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Clean Eatz Franchising LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Clean Eatz Franchising LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Clean Eatz Franchising LLC
Balance Sheets
As of December 31, 2025 and 2024

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Clean Eatz Franchising LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Clean Eatz Franchising LLC's ability to continue as a going concern for a reasonable period of time.

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

EARNEY Accountants & Advisors, PLLC

Wilmington, North Carolina
February 19, 2026

Clean Eatz Franchising LLC
Balance Sheets
As of December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Cash & cash equivalents	\$ 1,699,190	\$ 2,238,793
Accounts receivable	82,212	262,422
Prepaid asset	<u>45,090</u>	<u>22,426</u>
Total Current Assets	<u>1,826,492</u>	<u>2,523,641</u>
Deferred acquisition costs (Note 2)	<u>1,457,738</u>	<u>1,985,052</u>
Property & equipment, net (Note 2)	<u>122,130</u>	<u>164,575</u>
Other assets, net	<u>1,667</u>	<u>5,668</u>
ROU asset (Note 4)	<u>1,612,800</u>	<u>1,814,400</u>
Total Assets	<u>\$ 5,020,827</u>	<u>\$ 6,493,336</u>
LIABILITIES & MEMBERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 41,009	\$ 102,476
Accrued expenses	30,756	67,435
Accrued payroll	74,563	41,481
Gift card liability (Note 2)	710,466	580,052
Short-term operating lease liability (Note 4)	<u>201,600</u>	<u>201,600</u>
Total Current Liabilities	<u>1,058,394</u>	<u>993,044</u>
Long-Term Liabilities		
Long-term operating lease liability (Note 4)	<u>1,411,200</u>	<u>1,612,800</u>
Total Long-Term Liabilities	<u>1,411,200</u>	<u>1,612,800</u>
Deferred revenue (Note 2)	<u>1,936,005</u>	<u>2,634,915</u>
Total Liabilities	<u>4,405,599</u>	<u>5,240,759</u>
Members' Equity	<u>615,228</u>	<u>1,252,577</u>
Total Liabilities & Members' Equity	<u>\$ 5,020,827</u>	<u>\$ 6,493,336</u>

Clean EatZ Franchising LLC
Statements of Operations and Members' Equity
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
SALES		
Franchise fees	\$ 693,174	\$ 641,557
Royalty fees	6,036,153	5,879,665
Advertising fees	1,722,151	1,525,427
Tech fees	661,867	534,881
Other income	<u>1,221,689</u>	<u>1,190,254</u>
Total Sales	<u>10,335,034</u>	<u>9,771,784</u>
COST OF SALES		
Sales commission	<u>606,314</u>	<u>493,932</u>
Gross Profit	<u>9,728,720</u>	<u>9,277,852</u>
OPERATING EXPENSES		
Advertising	2,260,603	1,777,716
Technology costs	847,318	570,582
Office expenses	156,204	185,833
Other operating expenses	577,356	523,702
Payroll & payroll taxes	1,008,445	668,088
Rent	233,688	236,265
Utilities	11,470	14,309
Professional fees	1,199,535	1,287,638
Events	199,687	70,870
Depreciation	47,762	49,661
Amortization	<u>4,001</u>	<u>5,333</u>
Total Operating Expenses	<u>6,546,069</u>	<u>5,389,997</u>
Net Income	<u>3,182,651</u>	<u>3,887,855</u>
Members' Equity, Beginning	1,252,577	788,742
Distributions to members	<u>(3,820,000)</u>	<u>(3,424,020)</u>
Members' Equity, Ending	<u>\$ 615,228</u>	<u>\$ 1,252,577</u>

Clean Eatz Franchising LLC
Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Cash Collections for:		
Franchise fees	\$ (5,736)	\$ 199,000
Royalty, advertising, & tech fees	8,420,171	7,939,973
Other income	1,398,024	1,070,853
Less: Cash Payments for:		
Sales commission	(79,000)	(139,000)
Operating expenses	<u>(6,447,745)</u>	<u>(5,138,046)</u>
Net Cash Provided (Used) By Operating Activities	<u>3,285,714</u>	<u>3,932,780</u>
Cash Flows From Investing Activities		
Purchase of property	<u>(5,317)</u>	<u>(190,265)</u>
Net Cash Provided (Used) By Investing Activities	<u>(5,317)</u>	<u>(190,265)</u>
Cash Flows From Financing Activities		
Distributions to members	<u>(3,820,000)</u>	<u>(3,424,020)</u>
Net Cash Provided (Used) By Financing Activities	<u>(3,820,000)</u>	<u>(3,424,020)</u>
Net Increase (Decrease) in Cash	(539,603)	318,495
Cash & Cash Equivalents, Beginning	<u>2,238,793</u>	<u>1,920,298</u>
Cash & Cash Equivalents, Ending	<u>\$ 1,699,190</u>	<u>\$ 2,238,793</u>
Reconciliation of Change in Net Income to		
Cash Provided (Used) By Operating Activities:		
Net income	\$ 3,182,651	\$ 3,887,855
Adjustments to Reconcile to Net Cash		
Provided (Used) By Operating Activities:		
Amortization	4,001	5,333
Depreciation	47,762	49,661
Bad debt	3,875	59,500
Changes in Operating Assets & Liabilities:		
Accounts receivable	176,335	(178,901)
Prepaid asset	(22,664)	18,405
Accounts payable	(61,467)	(19,070)
Other liabilities	126,817	197,622
Deferred revenue	(698,910)	(442,557)
Deferred acquisition costs	<u>527,314</u>	<u>354,932</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ 3,285,714</u>	<u>\$ 3,932,780</u>
Supplemental Disclosure		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

Clean EatZ Franchising LLC
Notes to Financial Statements
December 31, 2025 and 2024

1. ORGANIZATION

Clean EatZ Franchising LLC (the "Company") was organized and began operations on October 2, 2015 under the laws of the state of North Carolina. The Company has two members who are also its managers and have equal ownership rights. Clean EatZ is a trademark used by the Company, which has a license to sell franchises generally in the United States of America. The Company generates revenue from fees charged to franchisees that include an initial non-refundable fee of \$49,500 for the first franchise, a 6% of gross revenue royalty fee, and a 1% of sales advertising fee. Franchise agreements signed after May 15, 2020 pay a 2% of sales advertising fee.

The individual owners of the Company transferred their ownership to V & V Holdings, LLC (the "Parent Company"), which is also owned by the individual owners. The Parent Company also owns Clean EatZ Kitchen, L.L.C., and four corporate stores.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) using the accrual basis of accounting. Accordingly, revenue is recognized when earned and expenses are recorded when incurred. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Company's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Company's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking, savings, and money market accounts and certificates of deposit with maturities of less than three months. From time to time during the periods presented, the Company has had cash balances in financial institutions that have exceeded federal depository insurance limits. The Company deposits its cash with high quality institutions, and management believes the Company is not exposed to significant credit risk on those amounts.

Clean Eatz Franchising LLC
Notes to Financial Statements
December 31, 2025 and 2024

Accounts Receivable

Accounts receivable are shown at their net realizable value. Management uses their experience to analyze balances and then applies an appropriate estimate for uncollectible accounts. As of December 31, 2025 and 2024, the allowance for credit losses was \$0. All accounts receivable consist of amounts due from continuing franchisees.

The allowance for credit losses is computed using a number of factors including past credit loss experience and customers' credit ratings, in addition to other customer-specific factors. The Company has also considered recent trends and developments related to the current macroeconomic environment in determining ending allowance for credit losses for accounts receivable.

Deferred Acquisition Costs

Incremental costs, costs that the Company incurs to obtain a franchise contract with a customer that it would not have incurred if the contract had not been obtained, are deferred and recognized as the related franchise fee is earned. Such costs consist of the franchise salespersons' services related to specific sales. Deferred acquisition costs were \$1,457,738 as of December 31, 2025 and \$1,985,052 as of December 31, 2024.

Property and Equipment

Land, buildings, and equipment are reported in the balance sheets at cost if purchased and at fair value at the date of donation if donated. All land and buildings are capitalized. Equipment is capitalized if it has a cost of \$500 or more and a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Furniture & fixtures	5 years
Vehicles	5 years
Machinery & equipment	5 years
Leasehold improvements	1-7 years

Land, buildings, and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the periods presented. The following is a summary of property accounts as of December 31:

	<u>2025</u>	<u>2024</u>
Vehicles	\$ 56,926	\$ 56,926
Leasehold improvements	18,554	17,297
Furniture & fixtures	101,311	97,251
Machinery & equipment	117,862	117,862
Less: Accumulated depreciation	<u>(172,523)</u>	<u>(124,761)</u>
Property & Equipment, Net	<u>\$ 122,130</u>	<u>\$ 164,575</u>

Clean Eatz Franchising LLC
Notes to Financial Statements
December 31, 2025 and 2024

Leases

The Company determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) asset, short-term operating lease liability, and long-term operating lease liability on the Company's balance sheets. Operating lease ROU asset and operating lease liability are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The rates implicit within the Company's leases are generally not determinable; therefore, the Company uses judgment to determine the incremental borrowing rate used to calculate the present value of lease payments. The incremental borrowing rate is determined using information available related to similar terms and payments as of the commencement date. ROU asset is assessed for impairment in accordance with the Company's accounting policy for long-lived assets. The Company's lease terms include options to extend or terminate. The period which is subject to an option to extend the lease is included in the lease term if it is reasonably certain that the option will be exercised. The period which is subject to an option to terminate the lease is included in the contract if it is reasonably certain that the option will not be exercised. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. For all material classes of leased assets, the Company does not separate lease components from non-lease components, and account for both components as a single lease component.

Franchise Development Costs

In accordance with ASC 915, *Development Stage Entities*, costs of \$50,000 associated with the development and licensing of the franchise and incurred prior to commencement of the planned principal operation have been recorded as an other asset. The Company became a registered franchisor in October 2015 and commenced its principal operations immediately thereafter. All subsequent costs are expensed as incurred and the franchise development costs are being amortized over their useful life.

Other assets consist of the following as of December 31:

	<u>2025</u>	<u>2024</u>
Franchise development costs	\$ 50,000	\$ 50,000
Less: Accumulated amortization	<u>(48,333)</u>	<u>(44,332)</u>
Other Assets, Net	<u>\$ 1,667</u>	<u>\$ 5,668</u>

Gift Card Liability

The Company has a gift card program with the franchisees for consumers. There is a bank account with a balance of purchased and outstanding gift card amounts and a corresponding liability account.

Clean Eatz Franchising LLC
Notes to Financial Statements
December 31, 2025 and 2024

Revenue Recognition – Franchise Fees

Franchise fees consist of initial franchise fees from franchise agreements. Under franchise agreements, the Company provides franchises with (i) a franchise license, which includes a license to use the Company's intellectual property; (ii) pre-opening services, such as site evaluation and site selection, training, opening assistance, assistance in project management, and initial marketing; and (iii) ongoing services, such as advertising and promotion programs, development programs, system modifications, centralized purchasing, website marketing, and ongoing services. The Company has identified the following two distinct performance obligations in relation to its franchise agreements: pre-opening services and the franchise rights.

The Company recognizes the revenue from these performance obligations as follows: Fees related to the franchise rights are recognized over the term of the franchise contract, which is generally ten years. The fees for pre-opening services are recognized when the franchisee commences operations. The franchise fees are generally payable up front upon entering into the contract and are non-refundable. Upfront fees are deferred until the Company satisfies its performance obligations.

Revenue Recognition – Royalties and Advertising Fees

The 6% of sales royalty fee and 1% or 2% of sales advertising fee are recognized as revenue weekly in accordance with the franchise agreements. The corporate stores are not charged a royalty fee. The advertising fee is charged to corporate stores at 1% of sales and is recognized weekly.

Indirect Marketing Costs

Indirect marketing expenses, such as marketing strategy development, advertising, administrative, and overhead costs, are expensed as incurred.

After stores are open, the Company will collect 1% or 2% of gross revenue from the franchisees and deposit it into a separate bank account. Revenue collected for advertising fees was \$1,722,151 for the year ended December 31, 2025 and \$1,525,427 for the year ended December 31, 2024.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported members' equity.

Clean EatZ Franchising LLC
Notes to Financial Statements
December 31, 2025 and 2024

Income Taxes

The Company is treated as a partnership for federal and state income tax purposes with income taxes payable personally by the members. Accordingly, no provision for taxes has been made in the financial statements of the Company.

Management has evaluated the Company's tax positions as of December 31, 2025 and 2024 and concluded that the Company has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of recognition and measurement of uncertain tax positions required by the Income Taxes Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). With few exceptions, the Company is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for tax years prior to 2022.

Subsequent Events

Subsequent events have been evaluated through February 19, 2026, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

3. RELATED PARTY TRANSACTIONS

V & V Holdings, LLC, owner of Clean EatZ Franchising LLC, also owns four corporate locations: Clean EatZ II in Wilmington, North Carolina, Clean EatZ Jax in Jacksonville, North Carolina, Clean EatZ Savannah in Savannah, Georgia, and Clean EatZ Pooler in Pooler, Georgia.

V & V Holdings, LLC pays for the shared accounting services between V & V Holdings, LLC and Clean EatZ Franchising LLC. Clean EatZ Franchising LLC owes V & V Holdings, LLC \$0 as of December 31, 2025 and 2024 for these services.

Clean EatZ Franchising LLC
Notes to Financial Statements
December 31, 2025 and 2024

4. LEASES

The Company leases an office building from a related party. The lease has a remaining lease term of eight years, which includes an option to extend the lease.

As of December 31, 2025, the balance sheets include \$1,612,800 of operating lease asset, \$201,600 of short-term operating lease liability, and \$1,411,200 of long-term operating lease liability.

The components of the lease expense are as follows for the year ended December 31:

	<u>2025</u>
Operating lease expense	<u>\$ 201,600</u>
Total	<u>\$ 201,600</u>

Supplemental information related to the lease is as follows:

Cash paid for amounts included in the measurement of lease liability:	
Operating cash flows from operating lease	\$ 201,600
ROU asset obtained in exchange for new operating lease liability	\$ -
Weighted-average remaining lease term in years for operating lease	8.00
Weighted-average discount rate for operating lease	0.00%

Future minimum lease payments under the non-cancellable lease are as follows:

<u>For the Years Ending December 31</u>	<u>Operating</u>
2026	\$ 201,600
2027	201,600
2028	201,600
2029	201,600
2030	201,600
Thereafter	<u>604,800</u>
Total Lease Liability	1,612,800
Less: Short-term lease liability	<u>(201,600)</u>
Total Long-Term Lease Liability	<u>\$ 1,411,200</u>

5. RISK MANAGEMENT

The Company is exposed to various risks of loss in the ordinary course of business as a result of torts, theft of, damage to, or destruction of assets, business interruption, allegations of liability, natural disasters, employee and officer errors and omissions, and employee workers' compensation and medical claims.

The Company is covered against risk of loss due to loss of business income, property damage and theft, and various other insurable risks. There is a coverage limit of \$1,000,000 for each occurrence with \$2,000,000 aggregate for personal injury and general, and \$212,000 for business personal property.

The Company is covered against risk of loss due to errors or omissions of one of its business owners. There is a coverage limit of \$1,000,000 for each occurrence and \$2,000,000 aggregate for other than products/completed operations and for products/completed operations.

During 2025, the Company was insured for workers' compensation, employer's liability, and commercial auto. No claim payment has exceeded insurance coverage in the past three fiscal years where insurance coverage applies, subject to the deductibles and retentions.

Clean Eatz Franchising LLC

Financial Statements
For the Years Ended
December 31, 2024 and 2023



EARNEY

Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

To the Members of
Clean EatZ Franchising LLC

Opinion

We have audited the accompanying financial statements of Clean EatZ Franchising LLC (a North Carolina limited liability company), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations and members' equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Clean EatZ Franchising LLC as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Clean EatZ Franchising LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Clean EatZ Franchising LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Clean EatZ Franchising LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Clean EatZ Franchising LLC's ability to continue as a going concern for a reasonable period of time.

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

EARNEY Accountants & Advisors, PLLC

Wilmington, North Carolina
March 13, 2025

Clean Eatz Franchising LLC
Balance Sheets
As of December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets		
Cash & cash equivalents	\$ 2,238,793	\$ 1,920,298
Accounts receivable	262,422	143,021
Prepaid asset	<u>22,426</u>	<u>40,831</u>
Total Current Assets	<u>2,523,641</u>	<u>2,104,150</u>
 Deferred acquisition costs (Note 2)	 <u>1,985,052</u>	 <u>2,339,984</u>
 Property & equipment, net	 <u>164,575</u>	 <u>23,971</u>
 Other assets, net	 <u>5,668</u>	 <u>11,001</u>
 ROU asset (Note 4)	 <u>1,814,400</u>	 <u>-</u>
Total Assets	<u>\$ 6,493,336</u>	<u>\$ 4,479,106</u>
 LIABILITIES & MEMBERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 102,476	\$ 121,546
Accrued expenses	67,435	10,000
Accrued payroll	41,481	31,020
Gift card liability (Note 2)	580,052	450,326
Short-term lease liability (Note 4)	<u>201,600</u>	<u>-</u>
Total Current Liabilities	<u>993,044</u>	<u>612,892</u>
 Long-Term Liabilities		
Long-term lease liability (Note 4)	<u>1,612,800</u>	<u>-</u>
Total Long-Term Liabilities	<u>1,612,800</u>	<u>-</u>
 Deferred revenue (Note 2)	 <u>2,634,915</u>	 <u>3,077,472</u>
Total Liabilities	<u>5,240,759</u>	<u>3,690,364</u>
 Members' Equity	 <u>1,252,577</u>	 <u>788,742</u>
Total Liabilities & Members' Equity	<u>\$ 6,493,336</u>	<u>\$ 4,479,106</u>

Clean EatZ Franchising LLC
Statements of Operations and Members' Equity
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
SALES		
Franchise fees	\$ 641,557	\$ 835,707
Royalty fees	5,879,665	5,157,061
Advertising fees	1,525,427	1,252,546
Tech fees	534,881	331,335
Other income	<u>1,190,254</u>	<u>358,220</u>
Total Sales	<u>9,771,784</u>	<u>7,934,869</u>
COST OF SALES		
Sales commission	<u>493,932</u>	<u>565,715</u>
Gross Profit	<u>9,277,852</u>	<u>7,369,154</u>
OPERATING EXPENSES		
Advertising	1,777,716	1,425,506
Technology costs	570,582	352,755
Office expenses	185,833	53,897
Other operating expenses	889,223	628,701
Payroll & payroll taxes	668,088	607,982
Operating lease expense	236,265	30,870
Utilities	14,309	11,494
Professional fees	922,117	709,861
Events	70,870	28,316
Depreciation	49,661	16,101
Amortization	<u>5,333</u>	<u>6,333</u>
Total Operating Expenses	<u>5,389,997</u>	<u>3,871,816</u>
Net Income	<u>3,887,855</u>	<u>3,497,338</u>
Members' Equity, Beginning	788,742	250,775
Distributions to members	<u>(3,424,020)</u>	<u>(2,959,371)</u>
Members' Equity, Ending	<u>\$ 1,252,577</u>	<u>\$ 788,742</u>

Clean Eatz Franchising LLC
Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Cash Collections for:		
Franchise fees	\$ 199,000	\$ 695,500
Royalty, advertising, & tech fees	7,939,973	6,740,942
Other income	1,070,853	353,172
Less: Cash Payments for:		
Sales commission	(139,000)	(526,501)
Operating expenses	<u>(5,138,046)</u>	<u>(3,727,735)</u>
Net Cash Provided (Used) By Operating Activities	<u>3,932,780</u>	<u>3,535,378</u>
Cash Flows From Investing Activities		
Purchase of property	<u>(190,265)</u>	-
Net Cash Provided (Used) By Investing Activities	<u>(190,265)</u>	<u>-</u>
Cash Flows From Financing Activities		
Distributions to members	<u>(3,424,020)</u>	<u>(2,959,371)</u>
Net Cash Provided (Used) By Financing Activities	<u>(3,424,020)</u>	<u>(2,959,371)</u>
Net Increase (Decrease) in Cash	318,495	576,007
Cash & Cash Equivalents, Beginning	<u>1,920,298</u>	<u>1,344,291</u>
Cash & Cash Equivalents, Ending	<u>\$ 2,238,793</u>	<u>\$ 1,920,298</u>
Reconciliation of Change in Net Operating Income to Cash Provided (Used) By Operating Activities:		
Net operating income	\$ 3,887,855	\$ 3,497,338
Adjustments to Reconcile to Net Cash		
Provided (Used) By Operating Activities:		
Amortization	5,333	6,333
Depreciation	49,661	16,101
Changes in Operating Assets & Liabilities:		
Accounts receivable & related party receivable	(119,401)	(5,048)
Prepaid asset	18,405	592
Accounts payable & related party payable	(19,070)	108,449
Other liabilities	197,622	12,606
Deferred revenue	(442,557)	(140,207)
Deferred acquisition costs	<u>354,932</u>	<u>39,214</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ 3,932,780</u>	<u>\$ 3,535,378</u>
Supplemental Disclosure		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

Clean Eatz Franchising LLC
Notes to Financial Statements
December 31, 2024 and 2023

1. ORGANIZATION

Clean Eatz Franchising LLC (the "Company") was organized and began operations on October 2, 2015 under the laws of the state of North Carolina. The Company has two members who are also its managers and have equal ownership rights. Clean Eatz is a trademark used by the Company, which has a license to sell franchises generally in the United States of America. The Company generates revenue from fees charged to franchisees that include an initial non-refundable fee of \$49,500 for the first franchise, a 6% of gross revenue royalty fee, and a 1% of sales advertising fee. Franchise agreements signed after May 15, 2020 pay a 2% of sales advertising fee.

The individual owners of the Company transferred their ownership to V & V Holdings, LLC (the "Parent Company"), which is also owned by the individual owners. The Parent Company also owns Clean Eatz L.L.C. (Racine) and Clean Eatz Marketplace, LLC.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) using the accrual basis of accounting. Accordingly, revenue is recognized when earned and expenses are recorded when incurred. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Company's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Company's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking, savings, and money market accounts and certificates of deposit with maturities of less than three months. From time to time during the periods presented, the Company has had cash balances in financial institutions that have exceeded federal depository insurance limits. The Company deposits its cash with high quality institutions, and management believes the Company is not exposed to significant credit risk on those amounts.

Clean Eatz Franchising LLC
Notes to Financial Statements
December 31, 2024 and 2023

Accounts Receivable

Accounts receivable are shown at their net realizable value. Management uses their experience to analyze balances and then applies an appropriate estimate for uncollectible accounts. As of December 31, 2024 and 2023, there was no allowance for credit losses. All accounts receivable consist of amounts due from continuing franchisees.

The allowance for credit losses is computed using a number of factors including past credit loss experience and customers' credit ratings, in addition to other customer-specific factors. The Company has also considered recent trends and developments related to the current macroeconomic environment in determining ending allowance for credit losses for accounts receivable.

Deferred Acquisition Costs

Incremental costs, costs that the Company incurs to obtain a franchise contract with a customer that it would not have incurred if the contract had not been obtained, are deferred and recognized as the related franchise fee is earned. Such costs consist of the franchise salespersons' services related to specific sales. Deferred acquisition costs were \$1,985,052 as of December 31, 2024 and \$2,339,984 as of December 31, 2023.

Property and Equipment

Land, buildings, and equipment are reported in the balance sheets at cost if purchased and at fair value at the date of donation if donated. All land and buildings are capitalized. Equipment is capitalized if it has a cost of \$500 or more and a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Furniture & equipment	5 years
Vehicles	5 years
Leasehold improvements	1-7 years

Land, buildings, and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the periods presented. The following is a summary of property accounts as of December 31:

	<u>2024</u>	<u>2023</u>
Vehicles	\$ 56,926	\$ 56,926
Leasehold improvements	17,297	17,297
Furniture & fixtures	97,251	19,712
Machinery & equipment	117,862	5,136
Less: Accumulated depreciation	<u>(124,761)</u>	<u>(75,100)</u>
Property & Equipment, Net	<u>\$ 164,575</u>	<u>\$ 23,971</u>

Clean Eatz Franchising LLC
Notes to Financial Statements
December 31, 2024 and 2023

Leases

The Company determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) asset, short-term operating lease liability, and long-term operating lease liability on the Company's balance sheets. Operating lease ROU asset and operating lease liability are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The rates implicit within the Company's leases are generally not determinable; therefore, the Company uses judgment to determine the incremental borrowing rate used to calculate the present value of lease payments. The incremental borrowing rate is determined using information available related to similar terms and payments as of the commencement date. ROU asset is assessed for impairment in accordance with the Company's accounting policy for long-lived assets. The Company's lease terms include options to extend or terminate. The period which is subject to an option to extend the lease is included in the lease term if it is reasonably certain that the option will be exercised. The period which is subject to an option to terminate the lease is included if it is reasonably certain that the option will not be exercised. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. For all material classes of leased assets, the Company does not separate lease components from non-lease components, and account for both components as a single lease component.

Franchise Development Costs

In accordance with ASC 915, *Development Stage Entities*, costs of \$50,000 associated with the development and licensing of the franchise and incurred prior to commencement of the planned principal operation have been recorded as an other asset. The Company became a registered franchisor in October 2015 and commenced its principal operations immediately thereafter. All subsequent costs are expensed as incurred and the franchise development costs are being amortized over their useful life.

Other assets consist of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Franchise development costs	\$ 50,000	\$ 50,000
Less: Accumulated amortization	<u>(44,332)</u>	<u>(38,999)</u>
Other Assets, Net	<u>\$ 5,668</u>	<u>\$ 11,001</u>

Gift Card Liability

The Company has a gift card program with the franchisees for consumers. There is a bank account with a balance of purchased and outstanding gift card amounts and a corresponding liability account.

Clean Eatz Franchising LLC
Notes to Financial Statements
December 31, 2024 and 2023

Revenue Recognition – Franchise Fees

Franchise fees consist of initial franchise fees from franchise agreements. Under franchise agreements, the Company provides franchises with (i) a franchise license, which includes a license to use the Company's intellectual property; (ii) pre-opening services, such as site evaluation and site selection, training, opening assistance, assistance in project management, and initial marketing; and (iii) ongoing services, such as advertising and promotion programs, development programs, system modifications, centralized purchasing, website marketing, and ongoing services. The Company has identified the following two distinct performance obligations in relation to its franchise agreements: pre-opening services and the franchise rights.

The Company recognizes the revenue from these performance obligations as follows: Fees related to the franchise rights are recognized over the term of the franchise contract, which is generally ten years. The fees for pre-opening services are recognized when the franchisee commences operations. The franchise fees are generally payable up front upon entering into the contract and are nonrefundable. Upfront fees are deferred until the Company satisfies its performance obligations.

Revenue Recognition – Royalties and Advertising Fees

The 6% of sales royalty fee and 1% or 2% of sales advertising fee are recognized as revenue weekly in accordance with the franchise agreements. The sales royalty fee charged to corporate stores is charged at 1% of sales and is recognized weekly.

Indirect Marketing Costs

Indirect marketing expenses, such as marketing strategy development, advertising, administrative, and overhead costs, are expensed as incurred.

After stores are open, the Company will collect 1% or 2% of gross revenue from the franchisees and deposit it into a separate bank account. Revenue collected for advertising fees was \$1,525,427 for the year ended December 31, 2024 and \$1,252,546 for the year ended December 31, 2023.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported members' equity.

Clean Eatz Franchising LLC
Notes to Financial Statements
December 31, 2024 and 2023

Income Taxes

The Company is treated as a partnership for federal and state income tax purposes with income taxes payable personally by the members. Accordingly, no provision for taxes has been made in the financial statements of the Company.

Management has evaluated the Company's tax positions as of December 31, 2024 and 2023 and concluded that the Company has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of recognition and measurement of uncertain tax positions required by the Income Taxes Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). With few exceptions, the Company is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for years prior to 2021.

Subsequent Events

Subsequent events have been evaluated through March 13, 2025, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

3. RELATED PARTY TRANSACTIONS

V & V Holdings, LLC, owner of Clean Eatz Franchising LLC, also owns one Clean Eatz restaurant in Wilmington, North Carolina. The one corporate store pays 1% of net revenue into the franchise-advertising fund.

V & V Holdings, LLC pays for the shared accounting services between V & V Holdings, LLC and Clean Eatz Franchising LLC. Clean Eatz Franchising LLC owes V & V Holdings, LLC \$0 as of December 31, 2024 and 2023 for these services.

Clean Eatz Franchising LLC
Notes to Financial Statements
December 31, 2024 and 2023

4. LEASES

The Company leases an office building from a related party. The lease has a remaining lease term of nine years, which includes an option to extend the lease.

As of December 31, 2024, the balance sheets include \$1,814,000 of operating lease asset, \$201,600 of short-term operating lease liability, and \$1,612,800 of long-term operating lease liability.

The components of the lease expense are as follows for the year ended December 31:

	<u>2024</u>
Operating lease expense	\$ 201,600
Total	<u>\$ 201,600</u>

Supplemental information related to the lease is as follows:

Cash paid for amounts included in the measurement of lease liability:	
Operating cash flows from operating lease	\$ 201,600
ROU asset obtained in exchange for new operating lease liability	\$ 2,016,000
Weighted-average remaining lease term in years for operating lease	9.00
Weighted-average discount rate for operating lease	0.00%

Future minimum lease payments under the non-cancellable lease are as follows:

<u>For the Years Ending December 31</u>	<u>Operating</u>
2025	\$ 201,600
2026	201,600
2027	201,600
2028	201,600
2029	201,600
Thereafter	<u>806,400</u>
Total Lease Liability	1,814,400
Less: Short-term lease liability	<u>(201,600)</u>
Total Long-Term Lease Liability	<u>\$ 1,612,800</u>

5. RISK MANAGEMENT

The Company is exposed to various risks of loss in the ordinary course of business as a result of torts, theft of, damage to, or destruction of assets, business interruption, allegations of liability, natural disasters, employee and officer errors and omissions, and employee workers' compensation and medical claims.

The Company is covered against risk of loss due to loss of business income, property damage and theft, and various other insurable risks. There is a coverage limit of \$1,000,000 for each occurrence with \$2,000,000 aggregate for personal injury and general, and \$34,719 for business personal property.

The Company is covered against risk of loss due to errors or omissions of one of its business owners. There is a coverage limit of \$1,000,000 for each occurrence and \$2,000,000 aggregate for other than products/completed operations and for products/completed operations.

During 2024, the Company was insured for workers' compensation, employer's liability, and commercial auto. No claim payment has exceeded insurance coverage in the past three fiscal years where insurance coverage applies, subject to the deductibles and retentions.



March 13, 2025

To the Members
Clean EatZ Franchising LLC
4389 Oleander Dr.
Wilmington, North Carolina 28403

We have audited the financial statements of Clean EatZ Franchising LLC (the "Company") for the years ended December 31, 2024 and 2023, and we will issue our report thereon dated March 13, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 6, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Clean EatZ Franchising LLC are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Recognizing revenue related to the satisfaction of performance obligations assigned to the initial franchise fee, discussed in Note 2 of the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of the related party transactions in Note 4 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management.

See attached list.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 13, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Members and management of Clean EatZ Franchising LLC and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

EARNEY Accountants & Advisors, PLLC

EARNEY Accountants & Advisors, PLLC



To the Members and Management
Clean EatZ Franchising LLC
4389 Oleander Dr.
Wilmington, North Carolina 28403

In planning and performing our audit of the financial statements of Clean EatZ Franchising LLC (the "Company") as of and for the years ended December 31, 2024 and 2023 in accordance with auditing standards generally accepted in the United States of America, we considered Clean EatZ Franchising LLC's system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit, we noted operational matters that we present below for your consideration. This matter does not affect our report dated March 13, 2025 on the financial statements of the Company. Our comments and recommendation are intended to improve the operational effectiveness of the Company. We will be pleased to discuss these comments in further detail at your convenience or perform any additional study of the matter.

IT Policies & Procedures

Information Security Policy / Procedures

There is no information security policy in place. Without documented & distributed information security policies and procedures, the Company is exposed to non-uniform control practices and inconsistent handling of information and access to applications and hardware, which could result in an information breach or financial misstatement. The information security policy should also include user provisioning and deprovisioning procedures, change management and incident response procedures.

IT Risk Assessment

IT Risk Assessments are not performed. Without evaluating the risk coverage and effectiveness of cyber and information security controls annually, undetected vulnerabilities may be exposed for hostile actors to exploit.

Disaster Recovery Plan

The Company should have a brief disaster recovery plan in place which details the types of likely / expected emergencies such as hurricane / storm / flood / long term power outage, and identify a team responsible for execution with assigned responsibilities, a contact list, a recovery order for hosted applications and files, contact numbers for key vendors and emergency personnel, and recovery order / responsibilities.

This communication is intended solely for the information and use of management, members, and others within the Company, and is not intended to be, and should not be, used by anyone other than these specified parties.

EARNEY Accountants & Advisors, PLLC

Wilmington, North Carolina
March 13, 2025

Clean Eatz Franchising LLC

Financial Statements
For the Years Ended
December 31, 2023 and 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of
Clean EatZ Franchising LLC

Opinion

We have audited the accompanying financial statements of Clean EatZ Franchising LLC (a North Carolina limited liability company), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations and members' equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Clean EatZ Franchising LLC as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Clean EatZ Franchising LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Clean EatZ Franchising LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Clean Eatz Franchising LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Clean Eatz Franchising LLC's ability to continue as a going concern for a reasonable period of time.

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

Eatz & Company, L.L.P.

Wilmington, North Carolina
February 19, 2024

Clean Eatz Franchising LLC
Balance Sheets
As of December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Cash & cash equivalents	\$ 1,920,298	\$ 1,344,291
Accounts receivable	143,021	137,973
Prepaid asset	40,831	41,423
Total Current Assets	<u>2,104,150</u>	<u>1,523,687</u>
Deferred acquisition costs (Note 2)	<u>2,339,984</u>	<u>2,379,198</u>
Property & equipment, net	<u>23,971</u>	<u>40,072</u>
Other assets, net	<u>11,001</u>	<u>17,334</u>
ROU asset (Note 5)	<u>-</u>	<u>138,942</u>
Total Assets	<u>\$ 4,479,106</u>	<u>\$ 4,099,233</u>
LIABILITIES & MEMBERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 121,546	\$ 13,097
Accrued expenses	10,000	108,895
Accrued payroll	31,020	54,009
Gift card liability (Note 2)	450,326	315,836
Short-term lease liability (Note 5)	-	30,876
Total Current Liabilities	<u>612,892</u>	<u>522,713</u>
Long-Term Liabilities		
Long-term lease liability (Note 5)	<u>-</u>	<u>108,066</u>
Total Long-Term Liabilities	<u>-</u>	<u>108,066</u>
Deferred revenue (Note 2)	<u>3,077,472</u>	<u>3,217,679</u>
Total Liabilities	<u>3,690,364</u>	<u>3,848,458</u>
Members' Equity	<u>788,742</u>	<u>250,775</u>
Total Liabilities & Members' Equity	<u>\$ 4,479,106</u>	<u>\$ 4,099,233</u>

Clean EatZ Franchising LLC
Statements of Operations and Members' Equity
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
SALES		
Franchise fees	\$ 835,707	\$ 1,005,153
Royalty fees	5,157,061	4,471,454
Advertising fees	1,252,546	1,033,560
Tech fees	331,335	201,444
Other income	<u>358,220</u>	<u>23,541</u>
Total Sales	<u>7,934,869</u>	<u>6,735,152</u>
COST OF SALES		
Sales commission	<u>565,715</u>	<u>685,938</u>
Gross Profit	<u>7,369,154</u>	<u>6,049,214</u>
OPERATING EXPENSES		
Advertising	1,425,506	855,736
Technology costs	352,755	185,603
Office expenses	53,897	90,964
Other operating expenses	628,701	716,274
Payroll & payroll taxes	607,982	569,029
Operating lease expense	30,870	30,870
Utilities	11,494	10,619
Professional fees	709,861	254,210
Events	28,316	14,736
Depreciation	16,101	17,569
Amortization	6,333	6,667
Miscellaneous expense	<u>-</u>	<u>3,419</u>
Total Operating Expenses	<u>3,871,816</u>	<u>2,755,696</u>
Net Income	<u>3,497,338</u>	<u>3,293,518</u>
Members' Equity, Beginning	250,775	818,984
Contributed capital	-	3,000
Distributions to members	<u>(2,959,371)</u>	<u>(3,864,727)</u>
Members' Equity, Ending	<u>\$ 788,742</u>	<u>\$ 250,775</u>

Clean Eatz Franchising LLC
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Cash Collections for:		
Franchise fees	\$ 695,500	\$ 1,362,875
Royalty, advertising, & tech fees	6,740,942	5,706,458
Other income	353,172	138,759
Less: Cash Payments for:		
Sales commission	(526,501)	(1,046,999)
Operating expenses	<u>(3,727,735)</u>	<u>(2,691,974)</u>
Net Cash Provided (Used) By Operating Activities	<u>3,535,378</u>	<u>3,469,119</u>
Cash Flows From Investing Activities		
Net Cash Provided (Used) By Investing Activities	<u>-</u>	<u>-</u>
Cash Flows From Financing Activities		
Long-term borrowing (payments)	-	(46,450)
Contributions by members	-	3,000
Distributions to members	<u>(2,959,371)</u>	<u>(3,864,727)</u>
Net Cash Provided (Used) By Financing Activities	<u>(2,959,371)</u>	<u>(3,908,177)</u>
Net Increase (Decrease) in Cash	576,007	(439,058)
Cash & Cash Equivalents, Beginning	<u>1,344,291</u>	<u>1,783,349</u>
Cash & Cash Equivalents, Ending	<u>\$ 1,920,298</u>	<u>\$ 1,344,291</u>
Reconciliation of Change in Net Operating Income to Cash Provided (Used) By Operating Activities:		
Net operating income	\$ 3,497,338	\$ 3,293,518
Adjustments to Reconcile to Net Cash Provided (Used) By Operating Activities:		
Amortization	6,333	6,667
Depreciation	16,101	17,569
Changes in Operating Assets & Liabilities:		
Accounts receivable & related party receivable	(5,048)	(7,895)
Accounts receivable - Employee Retention Tax Credit	-	123,113
Prepaid asset	592	16,385
Accounts payable & related party payable	108,449	(27,020)
Other liabilities	12,606	50,121
Deferred revenue	(140,207)	357,722
Deferred acquisition costs	<u>39,214</u>	<u>(361,061)</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ 3,535,378</u>	<u>\$ 3,469,119</u>
Supplemental Disclosure		
Interest paid	<u>\$ -</u>	<u>\$ 528</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

Clean Eatz Franchising LLC
Notes to Financial Statements
December 31, 2023 and 2022

1. ORGANIZATION

Clean Eatz Franchising LLC (the "Company") was organized and began operations on October 2, 2015 under the laws of the state of North Carolina. The Company has two members who are also its managers and have equal ownership rights. Clean Eatz is a trademark used by the Company, which has a license to sell franchises generally in the United States of America. The Company generates revenue from fees charged to franchisees that include an initial non-refundable fee of \$49,500 for the first franchise, a 6% of gross revenue royalty fee, and a 1% of sales advertising fee. Franchise agreements signed after May 15, 2020 pay a 2% of sales advertising fee.

The individual owners of the Company transferred their ownership to V & V Holdings, LLC (the "Parent Company"), which is also owned by the individual owners. The Parent Company also owns Clean Eatz L.L.C. (Racine) and Clean Eatz Marketplace, LLC.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) using the accrual basis of accounting. Accordingly, revenue is recognized when earned and expenses are recorded when incurred. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Company's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Company's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking, savings, and money market accounts and certificates of deposit with maturities of less than three months. From time to time during the periods presented, the Company has had cash balances in financial institutions that have exceeded federal depository insurance limits. The Company deposits its cash with high quality institutions, and management believes the Company is not exposed to significant credit risk on those amounts.

Clean Eatz Franchising LLC
Notes to Financial Statements
December 31, 2023 and 2022

Accounts Receivable

Accounts receivable are shown at their net realizable value. Management uses their experience to analyze balances and then applies an appropriate estimate for uncollectible accounts. As of December 31, 2023 and 2022, there was no allowance for doubtful accounts. All accounts receivable consist of amounts due from continuing franchisees.

Deferred Acquisition Costs

Incremental costs, costs that the Company incurs to obtain a franchise contract with a customer that it would not have incurred if the contract had not been obtained, are deferred and recognized as the related franchise fee is earned. Such costs consist of the franchise salespersons' services related to specific sales. Deferred acquisition costs were \$2,339,984 as of December 31, 2023 and \$2,379,198 as of December 31, 2022.

Property and Equipment

Land, buildings, and equipment are reported in the balance sheets at cost if purchased and at fair value at the date of donation if donated. All land and buildings are capitalized. Equipment is capitalized if it has a cost of \$500 or more and a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Furniture & equipment	5 years
Vehicles	5 years
Leasehold improvements	1-7 years

Land, buildings, and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the periods presented. The following is a summary of property accounts as of December 31:

	<u>2023</u>	<u>2022</u>
Vehicles	\$ 56,926	\$ 56,926
Leasehold improvements	17,297	17,297
Furniture & fixtures	19,712	19,712
Machinery & equipment	5,136	5,136
Less: Accumulated depreciation	<u>(75,100)</u>	<u>(58,999)</u>
Property & Equipment, Net	<u>\$ 23,971</u>	<u>\$ 40,072</u>

Clean Eatz Franchising LLC
Notes to Financial Statements
December 31, 2023 and 2022

Franchise Development Costs

In accordance with ASC 915, *Development Stage Entities*, costs of \$50,000 associated with the development and licensing of the franchise and incurred prior to commencement of the planned principal operation have been recorded as an other asset. The Company became a registered franchisor in October 2015 and commenced its principal operations immediately thereafter. All subsequent costs are expensed as incurred and the franchise development costs are being amortized over their useful life.

Other assets consist of the following as of December 31:

	<u>2023</u>	<u>2022</u>
Franchise development costs	\$ 50,000	\$ 50,000
Less: Accumulated amortization	<u>(38,999)</u>	<u>(32,666)</u>
Other Assets, Net	<u>\$ 11,001</u>	<u>\$ 17,334</u>

Gift Card Liability

The Company has a gift card program with the franchisees for consumers. There is a bank account with a balance of purchased and outstanding gift card amounts and a corresponding liability account.

Revenue Recognition – Franchise Fees

Franchise fees consist of initial franchise fees from franchise agreements. Under franchise agreements, the Company provides franchises with (i) a franchise license, which includes a license to use the Company's intellectual property; (ii) pre-opening services, such as site evaluation and site selection, training, opening assistance, assistance in project management, and initial marketing; and (iii) ongoing services, such as advertising and promotion programs, development programs, system modifications, centralized purchasing, website marketing, and ongoing services. The Company has identified the following two distinct performance obligations in relation to its franchise agreements: pre-opening services and the franchise rights.

The Company recognizes the revenue from these performance obligations as follows: Fees related to the franchise rights are recognized over the term of the franchise contract, which is generally ten years. The fees for pre-opening services are recognized when the franchisee commences operations. The franchise fees are generally payable up front upon entering into the contract and are nonrefundable. Upfront fees are deferred until the Company satisfies its performance obligations.

Revenue Recognition – Royalties and Advertising Fees

The 6% of sales royalty fee and 1% or 2% of sales advertising fee are recognized as revenue weekly in accordance with the franchise agreements. The sales royalty fee charged to corporate stores is charged at 1% of sales and is recognized weekly.

Clean EatZ Franchising LLC
Notes to Financial Statements
December 31, 2023 and 2022

Indirect Marketing Costs

Indirect marketing expenses, such as marketing strategy development, advertising, administrative, and overhead costs, are expensed as incurred.

After stores are open, the Company will collect 1% or 2% of gross revenue from the franchisees and deposit it into a separate bank account. Revenue collected for advertising fees was \$1,252,546 for the year ended December 31, 2023 and \$1,033,560 for the year ended December 31, 2022.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported members' equity.

Income Taxes

The Company is treated as a partnership for federal and state income tax purposes with income taxes payable personally by the members. Accordingly, no provision for taxes has been made in the financial statements of the Company.

Management has evaluated the Company's tax positions as of December 31, 2023 and 2022 and concluded that the Company has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of recognition and measurement of uncertain tax positions required by the Income Taxes Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). With few exceptions, the Company is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for years prior to 2020.

Subsequent Events

Subsequent events have been evaluated through February 19, 2024, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

3. NOTE PAYABLE

The note payable with Neuwirth Motors was secured by a Jeep Gladiator. The loan was initiated in August 2020 for \$57,916. There was an interest rate of 4.48% and monthly payments of both interest and principal of \$922. The loan was paid off in full as of December 31, 2022.

Clean EatZ Franchising LLC
Notes to Financial Statements
December 31, 2023 and 2022

4. RELATED PARTY TRANSACTIONS

V & V Holdings, LLC, owner of Clean EatZ Franchising LLC, also owns one Clean EatZ restaurant in Wilmington, North Carolina. The one corporate store pays 1% of net revenue into the franchise-advertising fund.

V & V Holdings, LLC pays for the shared accounting services between V & V Holdings, LLC and Clean EatZ Franchising LLC. Clean EatZ Franchising LLC owes V & V Holdings, LLC \$0 as of December 31, 2023 and 2022 for these services.

5. OPERATING LEASE AGREEMENT

The Company had an operating lease agreement with Clean EatZ Kitchen, Inc. that began in March 2018. The initial lease term was three years, and the Company had the option to exercise two additional three-year options, which the first was exercised.

The Company terminated the lease on December 31, 2023 and entered into a new lease agreement with Masterpiece Properties LLC on January 1, 2024. Therefore, no right-of-use assets or lease liabilities are recognized in the financial statements as of December 31, 2023.

6. RISK MANAGEMENT

The Company is exposed to various risks of loss in the ordinary course of business as a result of torts, theft of, damage to, or destruction of assets, business interruption, allegations of liability, natural disasters, employee and officer errors and omissions, and employee workers' compensation and medical claims.

The Company is covered against risk of loss due to loss of business income, property damage and theft, and various other insurable risks. There is a coverage limit of \$1,000,000 for each occurrence with \$2,000,000 aggregate for personal injury and general, and \$32,754 for business personal property.

The Company is covered against risk of loss due to errors or omissions of one of its business owners. There is a coverage limit of \$1,000,000 for each occurrence and \$2,000,000 aggregate for other than products/completed operations and for products/completed operations.

During 2023, the Company was insured for workers' compensation, employer's liability, and commercial auto. No claim payment has exceeded insurance coverage in the past three fiscal years where insurance coverage applies, subject to the deductibles and retentions.



Certified Public Accountants

February 19, 2024

To the Members
Clean Eatz Franchising LLC
233 Racine Drive #89
Wilmington, North Carolina 28403

We have audited the financial statements of Clean Eatz Franchising LLC (the "Company") for the years ended December 31, 2023 and 2022, and we will issue our report thereon dated February 19, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 6, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Clean Eatz Franchising LLC are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Recognizing revenue related to the satisfaction of performance obligations assigned to the initial franchise fee, discussed in Note 2 of the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of the related party transactions in Note 4 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management.

See attached list.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 19, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Members and management of Clean EatZ Franchising LLC and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Earney & Company, L.L.P.

Earney & Company, L.L.P.



To the Members and Management
Clean EatZ Franchising LLC
203 Racine Drive
Wilmington, North Carolina 28403

In planning and performing our audit of the financial statements of Clean EatZ Franchising LLC (the "Company") as of and for the years ended December 31, 2023 and 2022 in accordance with auditing standards generally accepted in the United States of America, we considered Clean EatZ Franchising LLC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit, we noted operational matters that we present below for your consideration. This matter does not affect our report dated February 19, 2024 on the financial statements of the Company. Our comments and recommendation are intended to improve the operational effectiveness of the Company. We will be pleased to discuss these comments in further detail at your convenience or perform any additional study of the matter.

IT Policies & Procedures

No Mature Network Infrastructure in Place

During our audit we discovered there is minimal network security infrastructure. There is insufficient protection and management of machines and no enforced security policy pushing access controls (such as password complexity and change requirements; refer to below) and application updates out to user machines. This could result in loss from malware attack, data

breach, or business interruption.

Earney & Company, L.L.P., 710 Military Cutoff Road, Suite 250 Wilmington, NC 28405
T: (910) 256 9995, F: (910) 256 2829, www.earney.net

Information Security Policy / Procedures

There is no information security policy in place. Without documented & distributed information security policies and procedures, the Company is exposed to non-uniform control practices and inconsistent handling of information and access to applications and hardware, which could result in an information breach or financial misstatement. The information security policy should also include user provisioning and deprovisioning procedures, change management and incident response procedures.

IT Risk Assessment

IT Risk Assessments are not performed. Without evaluating the risk coverage and effectiveness of cyber and information security controls annually, undetected vulnerabilities may be exposed for hostile actors to exploit.

Disaster Recovery Plan

The Company should have a brief disaster recovery plan in place which details the types of likely / expected emergencies such as hurricane / storm / flood / long term power outage, and identify a team responsible for execution with assigned responsibilities, a contact list, a recovery order for hosted applications and files, contact numbers for key vendors and emergency personnel, and recovery order / responsibilities.

Cybersecurity Awareness

No cybersecurity training occurs annually. Simulated phishing campaigns are not conducted to keep users alert to current tactics and increase awareness. This may result in loss from malware attack, data breach, or business interruption.

This communication is intended solely for the information and use of Members, management, and others within the Company, and is not intended to be, and should not be, used by anyone other than these specified parties.

Earney & Company, L.L.P.

Wilmington, North Carolina
February 19, 2024

EXHIBIT C



Clean EatZ Franchising LLC

FRANCHISE AGREEMENT

Franchisee: _____

Date: _____

Territory: To be determined in accordance with the provisions of Attachment I

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FRANCHISE AGREEMENT

This Franchise Agreement (the “**Agreement**”) is entered into and effective this ____ day of _____ 20____, between Clean EatZ Franchising LLC., a North Carolina limited liability company, located at 4389 Oleander Drive, Wilmington NC 28403 (“**Franchisor**”), and _____, a _____ (“**Franchisee**”), having an address of _____.

In consideration of the mutual promises in this Agreement, the parties agree as follows:

1. DEFINITIONS

1.01 “**Assets**” means the franchised Business, including all inventories, supplies, furnishings, equipment, fixtures, land, buildings and improvements, and other tangible items.

1.02 “**Business**” means the right, which is granted to Franchisee to operate a Franchise as set forth in this Agreement.

1.03 “**Business Records**” means evidence of each business transaction, and all financial, marketing, and other operating aspects of the Business, and all evidence and records with respect to customers, clients, employees, and other service professionals relating to the Business including, without limitation, all databases in print, electronic or other form, including all names, addresses, phone numbers, e-mail addresses, customer/client records, and all other records contained in the database, and all other records created and maintained by Franchisee in operation of the Business.

1.04 “**Confidential Information**” means all methods for establishing, operating and promoting the Business pursuant to the Franchisor’s distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, Marks and information and know-how of the Franchisor and such other information as may be further developed periodically by the Franchisor.

1.05 “**Gross Revenue**” means the total of all receipts derived from gross revenue receipts, whether the receipts are evidenced by cash, credit, checks, services, property, or other means of exchange. “Gross Revenue” shall exclude only sales tax receipts that Franchisee must by law collect from customers and that Franchisee pays to the government, promotional or discount coupons to the extent that Franchisee realizes no revenue, and employee receipt of services, if free, or any portion not paid for by an employee.

1.06 “**Franchise**” means Clean EatZ, which Franchisee is granted the right to operate in conformity with the requirements of this Agreement.

1.07 “**Manual**” means Franchisor’s operations/training manuals and other written materials, including information posted on Franchisor’s Web site and information

sent to or accessed by Franchisee in print or electronic form, manuals, written procedures, memoranda and their supplements loaned to Franchisee by Franchisor.

1.08 “**Marks**” means Franchisor’s trade names, trademarks, service marks, logos, decor, trade dress, lay out, and commercial symbols, and similar and related words or symbols, now or in the future associated with Franchisor, the System or the franchised Business, whether or not they are registered, including, but not limited to, “Clean EatZ”.

1.09 “**Multi-Area Marketing Programs**” means regional cooperative, national, or international programs designed to increase business, such as marketing to multi-area customers, Internet, shows, events, yellow pages, directories, affinity marketing, vendor programs, and co-branding programs. Such programs may require Franchisee’s cooperation and participation, including refraining from certain channels of marketing and distribution, and payment of commissions or referral fees. Franchisee must also adhere to maximum pricing to the extent permitted by law. All such programs are Trade Secrets of Franchisor.

1.10 “**Premises**” means the one Franchise within the Protected Territory and as described in **Attachment I** at which Franchisee may operate the franchised Business using the System.

1.11 “**Protected Territory**” means the territory described in Attachment I to this Agreement, subject to any reservations or exceptions contained in this Agreement.

1.12 “**System**” means, collectively, Franchisor’s valuable know how, information, trade secrets, methods, Manuals, standards, designs, methods of trademark usage, copyrightable works, sources and specifications, software, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of the franchised Business, as modified by Franchisor at any time.

1.13 “**Trade Secret**” is the whole or any portion of know-how, knowledge, methods, specifications, processes, procedures, and improvements regarding the System that is valuable and secret in the sense that it is not generally known to competitors of Franchisor.

1.14 “**Transfer**” means to voluntarily or involuntarily transfer, assign, sell, or encumber any interest in or ownership or control of, the franchised Business, substantial assets of the franchised Business, or of this Agreement.

2. GRANT OF FRANCHISE

2.01 Grant of License. Subject to the terms and conditions of this Agreement, Franchisor grants to Franchisee an exclusive license to operate a Franchise as designated in Attachment I to this Agreement and described in Section 4, using the System and the

Marks for the term of this Agreement. Franchisee may use the Marks and System only in accordance with the terms and conditions of this Agreement.

2.02 Modification of System. Franchisor reserves the right to periodically change, improve, or further develop the System, or any part of the System. Franchisee must promptly accept and comply with any change to the System and make any reasonable expenditure as necessary to comply. Franchisor will not alter these basic rights and obligations of the parties arising under this Agreement through changes in the Manual.

2.03 Ownership and Principal Contact of Franchisee. If Franchisee is an entity, Franchisee shall complete and update throughout the term of this Agreement, as necessary, the Statement of Ownership attached hereto as Attachment IV. In addition, if Franchisee is an entity, any individual and their spouse who own more than five percent (5%) of the beneficial ownership interests in the entity shall guaranty Franchisee's performance under this Agreement by signing the Guaranty and Assumption of Franchisee's Obligations attached hereto as Attachment V. If Franchisee is a limited liability company, partnership, corporation or other entity, Franchisee shall provide to Franchisor a resolution signed by all members, directors or partners, as appropriate, designating the principal contact for the Business. This principal contact must be a managing member, general partner or controlling shareholder. Such representative shall have the authority to speak for and bind Franchisee in all matters pertaining to this Agreement, and all matters relating to the Business. Further, if Franchisee is an entity, such entity shall engage in no business other than the operation of the Business governed by this Agreement.

2.04 Opening. You agree that the Business will be open and operating by the required open date ("Required Open Date"). You and We agree that the Required Open Date is twelve (12) months from the Effective Date, unless we authorize an extension in writing. If you fail to have your Business open and operating by the Required Open Date, we may terminate this Agreement pursuant to 13.02 without you having an opportunity to cure.

2.05 Acknowledgement. Franchisee acknowledges:

- (a) it has had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Agreement by counsel of its own choosing prior to its execution; ____ (Franchisee Initials)
- (b) it is entering into this Agreement after having made an independent investigation of Franchisor's operations; ____ (Franchisee Initials)
- (c) it is not entering into this Agreement based upon any representations or promises by Franchisor which are not contained in this Agreement or in Franchisor's Franchise Disclosure Document; and ____ (Franchisee Initials)
- (d) except for such financial performance representations (if any) as are set forth in Franchisor's Franchise Disclosure Document and subject to the disclaimers and assumptions set forth therein, the Franchisor has not made any representation as to

the revenues and/or income, either historical or projected, which Franchisee might expect to realize. In the event any person has made representations to Franchisee, or its agents, regarding financial performance, the cost of opening and/or operating a Café or any other representation inconsistent with the Franchise Disclosure Document, Franchisee has listed all such representations, below.

_____ (Franchisee Initials).

_____ (attach additional sheet if necessary).

2.06 Franchisor is relying on the Franchisee's statements in the foregoing Recital 2.05(a)-(d) in countersigning and entering this Agreement. If you do not accurately provide the above information, you will be later barred from making any claim that Franchisor, its agents, affiliates, independent contractors, employees, officers, directors and other representatives made any representation to you that is not in the Franchise Disclosure Documents, or its attachments, including this Agreement.

3. TERM AND RENEWALS

3.01 Term of Agreement. This Agreement begins on the date executed by both parties, and will continue for a period of ten (10) years, unless earlier terminated as provided under this Agreement.

3.02 Rights Upon Expiration. At the end of the term of this Agreement, Franchisee may renew its license for one (1) successive period of ten (10) years, provided Franchisor does not exercise its rights of refusal as set forth below.

3.03 Right of Refusal to Renew. Franchisor may refuse, in Franchisor's sole discretion, to renew Franchisee's license if Franchisee:

- (a) fails to remedy, in the time frame set forth in this Agreement, any breach of this Agreement specified by Franchisor in a written notice;
- (b) has committed two (2) or more material breaches of this Agreement in the preceding twenty-four (24) months prior to expiration;
- (c) fails to give notice of Franchisee's intent to renew at least six (6) months, but no more than twelve (12) months, prior to the expiration of this Agreement. Failure to give timely notice will be considered an election not to renew this Agreement; or
- (d) is not current in payment obligations to Franchisor or its subsidiaries and affiliates and to trade creditors, landlords, or mortgage holders at the time Franchisee delivers its notice of renewal or on the date this Agreement is scheduled to expire.

If Franchisor intends not to renew Franchisee's license, Franchisor shall give Franchisee at least one hundred fifty (150) days' notice of non-renewal prior to expiration of the term.

3.04 Renewal Agreement. Franchisee must execute a renewal franchise agreement and all other legal agreements in Franchisor's then-current form for new franchisees. These agreements may vary in material aspects from this Agreement, including, but not limited to, higher royalty and advertising fees. Franchisee must also make capital expenditures that are reasonably required for the renovation and modernization of the Franchise, signs, or any other required equipment to reflect the then-current image of Franchisor.

3.05 Renewal Fee. Upon signing a renewal franchise agreement, Franchisee will not be required to pay another Initial Franchise Fee, but will be required to pay the then-current renewal fee.

4. TERRITORY

4.01 Franchise. Franchisee may operate the franchised Business only at the Premises as designated in Attachment I to this Agreement. Franchisee may not relocate the Premises without Franchisor's prior written approval, such consent not unreasonably withheld for any reason.

4.02 Protected Territory. During the term of this Agreement and any extensions, Franchisor will not own, operate or franchise a fixed franchise for the operation of any other Franchise within your Protected Territory as designated in Attachment I to this Agreement, subject to Franchisor's express reservation of rights set forth in Section 4.04. Once established, the boundaries of Franchisee's Protected Territory will not be adjusted without Franchisor's written consent regardless of whether the population of Franchisee's Protected Territory increases or decreases over time.

4.03 Soliciting Outside the Protected Territory. Subject to the requirements of Sections 9.01 and 9.02, Franchisee may not solicit or advertise to people who reside outside the Protected Territory without the express written permission of Franchisor. We understand that advertising on various media may extend beyond your Protected Territory, but it must direct customers to do business within your Protected Territory and not result in a direct impact to other franchisees. We recommend that where multiple franchisees are in the same city or area, that they determine a method of sharing the costs of advertising and list all locations in the ad. This is not required but recommended to avoid non-compliance with the section of your Agreement with Us.

4.04 Reservation of Rights. Franchisor reserves the rights, among others:

(a) to own, franchise, or operate Franchises at any franchise outside of the Protected Territory, regardless of the proximity to the Premises;

(b) to use the Marks and System to sell any product, similar to those which Franchisee will sell, through alternative channels of distribution within or outside of the Protected Territory, other than through the Franchise at the Premises. This includes, but is not limited to, other channels of distribution such as television, mail order, catalog sales, wholesale sale, direct ship/mail order to individuals and businesses within the Protected Territory or over the Internet. The Internet is a channel of distribution reserved exclusively to Franchisor, and Franchisee may not independently market on the Internet or conduct e-commerce;

(c) to purchase or be purchased by, or merge or combine with, any business wherever located, including a business that competes directly with Franchisee's Franchise; and

(d) to implement multi-area marketing programs which may allow Franchisor or others to solicit or sell to customers anywhere, as set forth in Section 9. Franchisee will still have the option of servicing any customer within its Protected Territory. Franchisor also reserves the right to issue mandatory policies to coordinate such multi-area marketing programs.

(e) to open and operate stores, wholesaling or distribution on Federal Government Property including but not limited to U.S. Navy, U.S. Army, U.S. Marine Corps, U.S. Air Force and U.S. Coast Guard bases even if such locations are within your Protected Territory.

(f) to open and operate stores, restaurants and other potentially competitive operations in your territory in airports, college campuses, convenience stores, employers for their employees' break rooms, grocery store kiosks, military bases, restaurants, stadiums (and similar performance venues), and the Internet. This means that you may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We need not compensate you if we engage in these activities.

5. FEES AND ROYALTIES

5.01 Payment of Fees and Royalties. All payments required under this Section are imposed by and payable to Franchisor and are non-refundable except as expressly provided below. All payments must be made by any method Franchisor reasonably specifies, including check, cash, certified check, money order, credit or debit card, automatic pre-authorized payment plan, electronic funds transfer, or payment in advance. Franchisee must sign an Authorization for Electronic Withdrawal, set forth as Attachment II, and Franchisor may require Franchisee to submit any payments electronically. All payments to Franchisor and dollar amounts stated in this Agreement are in U.S. dollars unless otherwise expressed. Franchisor will not require Franchisee to deposit all Franchisee's revenue into an account that Franchisor controls, or from which withdrawals may be made only with Franchisor's consent, except to secure a loan or financing arrangement by Franchisor.

5.02 Initial Franchise Fee. Franchisee shall pay an initial franchise fee (“Initial Franchise Fee”) as set forth in Attachment I. The Initial Franchise Fee for a single outlet is Forty-Nine Thousand Five Hundred Dollars and 00/100 (\$49,500.00). The Initial Franchise Fee is fully earned upon payment and is not refunded under any circumstances.

5.03 Royalties. Franchisee must pay to Franchisor a weekly royalty in the amount of 6% of Gross Revenues for the week (“Royalty Fee”). The Royalty Fee is due to Franchisor, without notice from Franchisor, on Wednesday of each week for the preceding week (Reporting week is Monday to Sunday). Royalties must be reported in a form specified by Franchisor.

The Royalty Fee may be collected by ACH or other electronic means. The Royalty Fee is based on cumulative Year to Date Gross Revenues, which runs from January to December of each year, and applied monthly.

5.04 Late Charges and Other Fees. Unless otherwise stated, Franchisee must pay interest at the rate of one percent (1%) per month for any late payments due under this Agreement, or the maximum interest rate allowed by applicable law, whichever is less. Franchisee must pay any damages, expenses through appeal, collection costs, and reasonable attorneys’ fees Franchisor incurs in connection with Franchisee’s failure to make any required payments.

5.05 Taxes and Debts. Franchisee will promptly pay when due all taxes, fees, debts, expenses, and assessments of the franchised Business, including payroll taxes. Franchisee will not permit a tax sale, seizure, levy, execution, bankruptcy, assignment of assets for or by creditors, or similar action to occur.

5.06 Technology, Service and Product Fees. Franchisee will promptly pay fees associated with services provided by Franchisor, including but not limited to technology fees and other expenses reasonably tied to Franchisor’s procurement of services for the benefit of Franchisees. Franchisor will set such fees based on the actual costs incurred by Franchisor to obtain the services or products provided to Franchisee and administration of such services or products.

6. MARKS

6.01 Marks. Franchisee must only use the Marks in the conduct of the Business as specified in this Agreement. Any unauthorized use of the Marks by Franchisee will constitute a breach of this Agreement and an infringement on Franchisor’s rights in and to the Marks. As between Franchisor and Franchisee, Franchisor has a prior and superior claim to the Marks, and Franchisee has no rights in the Marks other than the right to use them in the operation of the Business in compliance with this Agreement.

6.02 Authorized Marks. Franchisee shall use no trademarks other than “Clean EatZ” or any other Marks that Franchisor may specify for use in the identification, marketing, promotion, or operation of the Business. If Franchisee cannot lawfully use the

Marks in the Protected Territory, Franchisee must obtain Franchisor's written approval to use other marks. Franchisee must also follow the copyright guidelines as specified by Franchisor in the Manual and which approval may not be unreasonably withheld, conditioned or delayed. Franchisor will indemnify Franchisee for any claims against misuse or infringement of Marks.

6.03 Change of Marks. Franchisor may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time of receiving written notification of any change, Franchisee must comply with the change, at Franchisee's sole expense unless Franchisor does not control the Marks in which case Franchisor shall bear cost of the Franchisee changing of the Marks.

6.04 Limitations on Franchisee's Use of the Marks. Franchisee must use the Marks as the sole identification of the Business but must also identify itself as the independent owner of the Business in the manner prescribed by Franchisor. All Marks must be displayed in the manner prescribed by the Franchisor. Franchisee may not use the Marks, or any words or symbols similar to the Marks, alone or with any prefix, suffix, modifying words, terms, designs, or symbols:

- (a) as part of any entity or business name;
- (b) in conjunction with any documents, contracts, licenses, permits and other official documents. Any reference to the Marks in any document must state that Franchisee's use of the Marks is limited by this Agreement;
- (c) in any form on the Internet, including, but not limited to, addresses, domain names, links, metatags, locators, and search techniques;
- (d) in connection with the performance or sale of any unauthorized services or products; or
- (e) in any other manner not expressly authorized by Franchisor.

6.05 Marks on the Internet. Franchisor retains the sole right to use the Marks and market on the Internet, including all use of Web sites, domain names; URL's, linking, advertising, and co-branding arrangements. Franchisee may not establish a presence on the Internet except as we may specify, and only with our prior written consent. Franchisee will provide Franchisor with content for Franchisor's Internet marketing, and Franchisee must sign the Internet and intranet usage agreements when developed by Franchisor. Franchisor retains the right to approve any linking to or other use of Clean Eat' Web site.

6.06 Marks in Advertising. Subject to Section 9.03, Franchisee must obtain Franchisor's prior written approval for any use of any item of printed, audio, visual, Internet, electronic media, or multimedia material of any kind bearing any of the Marks, unless supplied by Franchisor. Franchisee must indicate that it is "independently owned and operated."

6.07 Goodwill. All usage of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill that might be deemed to have arisen through Franchisee's operation of the Business or other activities will inure to the exclusive benefit of Franchisor.

6.08 Infringement. Franchisee must notify Franchisor in writing within three (3) days of obtaining knowledge of any possible infringement or illegal use by others of a trademark which is the same as or confusingly similar to the Marks. Franchisor may, in its sole discretion, commence or join any claim against the infringing party, and bear the reasonable costs associated with the action.

6.09 Signage. As specified by Franchisor, Franchisee must display signage bearing the Marks and identifying the Premises as a Franchise, and signage indicating that the Business is independently owned and operated as a franchised Business. All signage must remain current with the System's standards as Franchisor may modify periodically.

7. MANUAL AND CONFIDENTIAL INFORMATION

7.01 Confidential Information. The System, the Manual, and other Confidential Information are proprietary, involve Trade Secrets of Franchisor, and are disclosed to Franchisee solely on the express condition that Franchisee agrees, and Franchisee does hereby agree to:

- (a) fully and strictly adhere to all security procedures prescribed by Franchisor, in its sole discretion, for maintaining the Confidential Information as confidential;
- (b) disclose such information to its employees only to the extent necessary to market and for the operation of the Business in accordance with this Agreement;
- (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor; and
- (d) exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all such information during and after the term of this Agreement, and follow Franchisor's security procedures, which include the execution of approved nondisclosure agreements, and intranet, extranet and Internet usage agreements when developed by Franchisor, by Franchisee and any employee or agent who is allowed access.

7.02 Standards and Authorized Use. Franchisee must maintain strict compliance with the Manual as presently set forth and as subsequently amended and revised.

7.03 Unauthorized Use. Franchisee must not copy or otherwise reproduce any Confidential Information and must establish procedures to prevent unauthorized use by any other person. Unauthorized use of the Manual or the System will constitute a breach of this Agreement and an infringement of our proprietary rights, including trade secrets and

copyrights. You must promptly report any unauthorized use of the Manual or other Confidential Information.

7.04 Manual. Franchisor will loan to Franchisee during the term of the franchise one (1) copy of Franchisor's confidential operating/training manuals, which may be in print, on an access code-protected company intranet or extranet, or through other media. Franchisor reserves the right to require Franchisee to use the Manual in only an electronic format. The Manual will at all times remain the property of Franchisor, and Franchisee must immediately return the Manual to Franchisor upon expiration, termination, or Transfer of this Agreement. Franchisor may periodically update and revise the Manual. Franchisee acknowledges that its entire knowledge of the operation of the System is and shall be derived from information disclosed to Franchisee by Franchisor and that certain of such information is Confidential Information of Franchisor. Franchisee shall maintain the absolute confidentiality of all such Trade Secrets during and after the term of this Agreement and shall not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor. Franchisee is bound by the standards for maintaining the privacy of the Manual in the same manner as all other Confidential Information as provided in this Agreement.

7.05 Nondisclosure and Noncompetition Agreements. Franchisee and its owners, members, managers, partners or shareholders, officers, directors, agents, beneficial owners, principal employees, and immediate family members shall execute Franchisor's standard Nondisclosure and Noncompetition Agreement (Exhibit I) before performing any work at the Business or otherwise having access to Franchisor's Confidential Information. A copy of all such signed agreements shall be delivered to Franchisor within one (1) week of their execution.

7.06 Ownership of Business Records. Franchisee acknowledges and agrees that the Franchisor has access to all Business Records with respect to customers, clients, employees, and other service professionals of, and related to, the franchised Franchise including, without limitation, all databases (whether in print, electronic or other form), including all names, addresses, phone numbers, e-mail addresses, customer records, and all other records contained in the database, and all other Business Records created and maintained by Franchisee for evaluation and research purposes only. Franchisee further acknowledges and agrees that, at all times during and after the termination, expiration or cancellation of this Agreement, Franchisor may access such Business Records, and may utilize, transfer, or analyze such Business Records as Franchisor determines to be in the best interest of the System, in Franchisor's sole discretion. This will in no way cause harm to Franchisee's business.

8. FRANCHISOR'S DUTIES

8.01 Services Provided by Franchisor. Franchisor will provide initial and continuing services, as it deems necessary or advisable in furthering Franchisee's Business and the business of the System as a whole and in connection with protecting the Marks and goodwill of Franchisor. Provision of services by Franchisor, either initial or continuing, is

independent from the payment the Initial Franchise Fee or the continuing Royalty Fees. Notwithstanding the foregoing, Franchisor will provide the services listed below on a continuing basis.

8.02 Site Selection. Franchisor must approve, in writing, Franchisee's proposed site. Failure to obtain Franchisor's approval shall result in Franchisee being unable to operate the franchise in the Franchisee's selected location. Franchisee must work with Franchisor's approved real estate vendor's local broker to select a site, however, Franchisee is solely responsible for locating a site for the Business and negotiating a lease for the property. Upon request, Franchisor will provide assistance to Franchisee in analyzing a site. Franchisor will analyze a site by examining population density, traffic patterns, and proximity of the proposed franchise to any other Clean EatZ, or any other reasonable criteria, as set forth in Section 10.02. Franchisee agrees that the site of the Franchise is a factor in the potential for success of the Business and Franchisor may reject any site in its sole discretion, but consent will not be unreasonably withheld. However, Franchisor's assistance in no way constitutes a representation or warranty with respect to the property or the lease. The franchise agreement cannot be terminated due to failure to agree on site selection.

8.03 Equipment, Inventory, Advertising and Services. Franchisor will specify or approve certain equipment and supplies used in the Business, as provided elsewhere in this Agreement. Franchisor may negotiate marketing programs with suppliers and obtain advertising allowances or rebates for doing so and may utilize such allowances or rebates in any manner in which Franchisor elects, in its sole discretion.

8.04 Initial Training. Franchisor will provide initial and ongoing training and assistance, as Franchisor may reasonably determine to be appropriate, within sixty (60) days of signing this Agreement. Franchisor will provide the initial training program at its corporate headquarters, or at another franchise designated by Franchisor, to Franchisee and one designated Manager or other employee. Franchisee and a designated manager must attend and satisfactorily complete the initial training program. The training program lasts for approximately 3-4 days, and consists of a discussion of the System, techniques, procedures, and methods of operation, ordering, accounting, support procedures and instructions on quality standards and practical experience in the operation of the Franchise. Franchisee is responsible for personal travel, accommodation, and other costs of its employees while attending training. Franchisee will be charged Franchisor's current training fee for any additional persons attending training.

8.05 Ongoing Training. Franchisor reserves the right to hold and require Franchisee to attend annual conferences to discuss on-going changes in the industry, sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, and advertising programs. Franchisee will be required to pay a conference fee, regardless of whether Franchisee attends, and all personal travel expenses for all of its employees attending the conference. Conferences will be held at Franchisor's corporate headquarters or at an alternate franchise chosen by Franchisor. Attendance of the annual conference is mandatory for all Franchisees. Franchisee is responsible for all costs

associated with the annual conference regardless of whether Franchisee is absent from the event.

8.06 Opening and Continuing Assistance. Franchisor may provide on-site assistance in connection with initial training (up to 3 days) during the opening of the Franchise. Franchisor and Franchisee shall agree on an opening date for the franchise at least fifteen (15) days in advance. If opening is delayed by Franchisee, and without fault of Franchisor, within 7 days of the scheduled opening date, Franchisee must pay all out of pocket costs incurred by Franchisor in preparation for opening (non-refundable airfare, hotel and other documented out of pocket expenses). Thereafter, Franchisor and Franchisee shall agree on a rescheduled opening date. If opening is delayed within 7 days of any rescheduled opening date, Franchisee must pay a \$1,500 flat fee plus any out of pocket costs of Franchisor related to opening. Franchisor's opening team spends time and money in preparation for the opening of each café, and Franchisee understands that this fee compensates Franchisor for the time and costs related to rescheduling the opening date. Franchisee further understands that a delay of the opening date creates a hardship on Franchisor and other Franchisees in process of opening Cafes. Franchisor will provide reasonable ongoing assistance by telephone, email, or other form of communication to Franchisee during normal business hours. If Franchisee requires additional on-site assistance, Franchisee will be charged Franchisor's then-current additional assistance fee per day, plus travel and living expenses for Franchisor's representative.

8.07 Advertising and Promotional Programs. Franchisor will provide advertising and promotional programs as set forth in Section 9.

8.08 Development of Programs. Franchisor may develop new designs and service methods, as Franchisor deems beneficial to the System. Franchisor will offer such new design and service methods to Franchisee on terms reasonably determined by Franchisor.

8.09 Modification of System. Franchisor will periodically continue to improve, modify, and revise the Manual and the specifications, standards, and operating procedures and rules of the System, as set forth in Sections 2.02 and 7.04.

8.10 Central Purchasing. Franchisor reserves the right to implement a centralized purchasing system for franchisees and negotiate prices and terms with suppliers and to receive rebates from such purchases by Franchisees. Franchisor may utilize such rebated funds in any manner it chooses in Franchisor's sole discretion.

8.11 Website. Franchisor will provide information regarding Franchisee's Business on its Web site.

9. SOLICITATION AND ADVERTISING

9.01 Solicitation. Except as stated in this paragraph, Franchisee may not directly market to or solicit customers who reside outside the Protected Territory. However,

Franchisee will have the exclusive right to service customers within the Protected Territory except through the Internet generated by Multi-Area Marketing Programs. See Section 4.03 also.

9.02 Franchisee Local Marketing and Promotion. Franchisee is required to spend a minimum of one percent (1%) per week of Franchisee's Gross Revenue on local marketing and promotion.

9.03 National Brand Fund. You shall pay two percent (2%) of your Gross Revenue to the National Brand Fund ("the Program"), to be collected at the same time and manner as the Royalty Fee and to be in addition to your local marketing and promotion. Your contributions to the Program will be in addition to your local advertising and any Regional Advertising Cooperative Programs. We will hold contributions to the Program in a separate bank account. Our marketing and accounting staff will administer the Program and the funds. We will use the Program for national advertising or marketing, development, and maintenance of any Internet or e-commerce programs, related expenses, and any media or agency costs. We will not derive income from the funds, but We may reimburse our administrative expenses incurred in administering the Programs. In Our sole discretion, We may also use the funds to offset or partially rebate the franchisee local media and printing expenses. Advertising expenditures may or may not be proportionate to your contributions or provide direct benefit to You or to any other Franchisee. We are not required to spend any amount on advertising in your particular territory. We will spend the contributions to the Program in our discretion, and we have no fiduciary duty to You regarding the contributions. We may accumulate these funds, and the balance may be carried over to subsequent years. If the Program operates at a deficit or require additional funds at any time, We reserve the right to loan such funds to the Programs on any terms we determine. An unaudited annual financial statement of the Program will be prepared within 120 days of the close of our fiscal year and will be available to any Franchisee upon written request.

The Franchisor has the right, in its sole discretion, to determine the composition of all geographic territories and market areas for the implementation of any such National Program or Regional Advertising Cooperative Marketing Program and to require that the Franchisee participate in such programs as and when they may be established by the Franchisor.

Any advertising funds in such Programs not spent in the fiscal year in which they accrue will be carried over to the next year. The Programs will not be used to solicit the sale of franchises. We do not expend any part of the advertising funds to solicit new franchise sales.

9.04 The failure of the Franchisee to participate in the National or Regional Advertising programs will be deemed to be a breach of this Agreement.

9.05 Regional Advertising Cooperative. We have the power to require Regional Advertising Cooperatives to be formed, changed, dissolved or merged for the benefit of

Clean EatZ franchisees located within a particular geographic area. If a Cooperative is established for the area where the Franchisee is located, the Franchisee will be required to participate in the Cooperative. The Cooperative will be made up of franchisees that are in or near Designated Marketing Areas, as determined by Us, and will be managed by franchisees elected by the group. The Cooperative, if established, may adopt its own written governing regulations, which you must follow. These regulations are subject to our approval, which may be withheld or conditioned in our sole discretion.

9.06 Regional Advertising Fees. All Regional Advertising Cooperative shall impose a fee of at least one (1) percent of each member's Gross Revenue to be collected at the same time and manner as the Royalty Fee. The Regional Advertising Cooperative may impose a larger fee, after a majority vote of the members, but not to exceed three (3) percent of Gross Revenue.

9.07 The Franchisee will be required to remain a member of and be bound by the decisions of the majority of the members of the Cooperative regarding expenditures of the Cooperative. The failure of the Franchisee to participate in the Cooperative or pay any dues required by the Cooperative may be deemed to be a breach of this Agreement.

Your contributions to the Cooperative will be in addition to your local advertising and any national Brand Fund. Any company owned Clean EatZ locations, if located within the boundaries of the Cooperative, will contribute to the Cooperative in the same form and manner as Franchisees. Expenditures by the Regional Advertising Cooperative need not be in proportion to the contributions You or any other franchisee contributes.

9.08 Advertising and Marketing Materials. Franchisor will provide Franchisee with reasonable amounts of advertising and marketing materials, which may include, but are not limited to, video and audiotapes, multimedia, print-ready advertising materials, posters, banners, and other items. Franchisee must purchase any additional copies of advertising and marketing materials. Franchisee may develop and produce additional advertising and marketing materials, at Franchisee's own expense, but any advertising and marketing materials must be approved in writing by Franchisor in advance of Franchisee's use of such materials. Franchisor will approve or disapprove of materials submitted by Franchisee within fifteen (15) days of receipt. Franchisor also reserves the option of utilizing the advertising, without cost, developed by Franchisee and providing the advertising to other franchisees.

10. CONSTRUCTION AND MAINTENANCE OF FRANCHISE

10.01 Franchise Construction. Franchisee must construct or convert a building and equip the site, at Franchisee's expense, in a good and workmanlike manner as specified and approved by Franchisor. All interior designs, construction or conversion work must be completed in accordance with the standards and specifications of Franchisor and must conform to all applicable zoning and other requirements of local authorities. You may not commence construction or conversion until you have received our written approval of your plans. We will approve or reject your plans within thirty (30) days after receipt of your

plans. Your plans may be subject to local/state approval, which we cannot control. If the building is not constructed strictly according to the previously approved plans, we will not approve the Franchise for opening. You will have thirty (30) days from the date we deny your approval for opening of your Franchise to correct all the construction problems so that your Franchise is strictly constructed according to the approved plans. If you fail to correct the problem within the thirty (30) day period, we may immediately terminate this Agreement pursuant to Section 13.02. If the Franchise opening is delayed for the foregoing reasons, you will be responsible for any losses and costs related to such delays. You must begin substantial construction (site work, utility infrastructure, building erection, upfit of premises) of the Franchise at least 180 days before the deadline to open the Franchise. We may require you to provide us weekly development and construction progress reports in the form we designate from the date you begin development until the date you open the Franchise. In the event that you fail to begin construction or secure financing pursuant to this section, we will have the right to terminate this Agreement without giving you an opportunity to cure pursuant to Section 13.02.

10.02 Property. Franchisee may lease the required real property and improvements from any source upon terms approved by Franchisor in writing. Proposals for site of the Franchise must be submitted to Franchisor within ninety (90) days of the execution of this Agreement, or this Agreement will automatically terminate, unless we agree otherwise. Franchisee must deliver to Franchisor any traffic, competition, and demographic and similar site information relating to any proposed site, that Franchisor reasonably requests, for review at least twenty (20) days before any proposed lease signing date. Franchisee must deliver to Franchisor a copy of the proposed lease and an option to assume the lease signed by the lessor in favor of Franchisor in a form acceptable to Franchisor. If Franchisor assists Franchisee in negotiating the lease or negotiating Franchisor's required option to assume the lease, Franchisor may charge Franchisee a lease negotiation fee, not to exceed two-thousand dollars (\$2,000.00) (based on Franchisor's actual cost to conduct the lease negotiation) either way Franchisee indemnifies Franchisor from any claims associated with said lease. Franchisor will provide Franchisee with standard sample floor layouts and architectural plans, but all final plans must be approved by Franchisor and any costs for the development thereof are at your expense.

10.03 Lease Riders. Franchisee's lease of the Premises must contain the following provisions:

(a) on termination of this Agreement for any reason, Franchisor or its designee will have the option for thirty (30) days to assume Franchisee's remaining lease obligations without accruing any liability regarding the lease prior to the effective date of any assignment; or Franchisor will have the right to execute a new lease for the remaining term on the same terms and conditions;

(b) all notices of default to Franchisee under the lease must be sent contemporaneously to Franchisor;

(c) in the event Franchisee defaults under the lease, Franchisor or its designee will have an opportunity, but not the obligation, to cure such default and to assume Franchisee's remaining obligations under the lease, but will not have any obligation to do so; and

(d) a provision reserving to Franchisor the right, at Franchisor's sole and absolute election, to receive an assignment of the leasehold interest from Franchisee upon termination or expiration of the initial term or any renewal term, or any termination of Franchisee, and the right to reassign the lease without becoming liable on the lease and without further approval from the landlord or additional charge.

10.04 Maintenance and Upgrades. Subject to the terms of this Section, Franchisee must at all times comply with Franchisor's standards, specifications, processes, procedures, requirements and instructions regarding the Franchise's physical facilities, including the layout of furnishings and fixtures. Franchisee must maintain the Franchise and any parking areas in good and safe condition, as specified in the Manual. Franchisee must remodel or upgrade the Franchise at its own cost in accordance with Franchisor's reasonable standards and requests.

11. RECORDS AND REPORTS

11.01 Records. Franchisee must keep and transmit complete and accurate Business Records on a current basis relating to the Business in the form, time, and manner that Franchisor prescribes. Franchisee must provide Franchisor with all hard copies, and access to electronic reports, as reasonably prescribed. Franchisee must maintain an accounting system, which accurately reflects all operational aspects of the Franchise including uniform reports as may be required by Franchisor. Franchisee must submit to Franchisor current financial statements and other reports as Franchisor may reasonably request to evaluate or compile research data on any operational aspect of the Franchise. Franchisor reserves the right to require that Franchisee make available its sales records and files by way of an Internet connection. Business Records will specifically also include, but is not limited to:

- (a) tax returns;
- (b) daily reports;
- (c) statements of Gross Revenues and expenses, to be prepared each month for the preceding month;
- (d) profit and loss statements, to be prepared at least quarterly and prepared by an independent Certified Public Accountant annually; and
- (e) balance sheets, to be prepared at least annually by an independent Certified Public Accountant.

Franchisee must keep accurate records relating to the franchised Business for a period of six (6) years after the termination or expiration of this Agreement.

11.02 Records Standards. Franchisee must prepare all financial reports in accordance with generally accepted accounting principles, consistently applied, in a form approved by Franchisor. Franchisee must periodically deliver to Franchisor copies of accounting, tax and other documents and information, within ten (10) business days of Franchisor's requests. Franchisee must provide Franchisor with a copy of its annual financial statements including a profit and loss statement and a balance sheet containing complete notes and disclosures. Such statements must be compiled by an independent Certified Public Accountant and be delivered to Franchisor within ninety (90) days after Franchisee's fiscal year end.

11.03 Audits. Franchisee must provide Franchisor or its agent's access to Franchisee's Business and computer systems to examine or audit Franchisee's Business, at any reasonable time without notice. Franchisor will bear the cost of the audit, unless Franchisee fails to report as required or understates Gross Revenue by two percent (2%) or more for any reported time period, in which case Franchisee will pay the audit cost plus interest on understated costs of one percent (1%) per month. Franchisee must immediately pay to Franchisor all sums owed in addition to any other remedies provided in this Agreement or by law.

12. FRANCHISEE'S DUTIES

12.01 Compliance with Applicable Laws. Franchisee agrees to (i) comply with all applicable laws, ordinances and regulations or rulings, or licensing requirements, of every nature whatsoever which in any way regulate or affect the operation of its Business, (ii) pay promptly all taxes and business expenses, and (iii) comply with all laws covering occupational hazards, accommodations for the disabled, including without limitation, the Americans with Disabilities Act, if applicable, health, workers' compensation insurance and unemployment insurance. Franchisee agrees, at its expense, to modify its Franchise, if necessary, to comply with any such applicable laws or regulations. Franchisee shall not engage in any activity or practice that result, or may reasonably be anticipated to result, in any public criticism of the System or any part thereof.

12.02 System Compliance. Franchisee must comply with the System, the Manual, and all systems, procedures and forms, as in effect from time to time. All mandatory specifications, standards, and operating procedures prescribed by Franchisor in the Manual, or otherwise communicated to Franchisee in writing, shall constitute provisions of this Agreement as if fully set forth herein. Accordingly, all references in this Agreement to Franchisee's obligations under this Agreement, including to the Franchise, equipment, procedures shall include such mandatory specifications, standards, and operating procedures. Franchisor may require Franchisee to add additional concepts to the Business in the future; however, these concepts will be complementary.

12.03 Uniformity and Image. In order to maintain uniform standards of quality, appearance, and marketing, it is essential that Franchisee conform to Franchisor's standards and specifications set forth in the Manual and the System. While Franchisee will manage its own operations and employees, Franchisee must agree and conform to all the requirements of this Section.

12.04 Operations. Franchisee must operate the Business in accordance with the System and Manual, as amended by us in our discretion. Franchisee or a fully trained and qualified manager ("Manager") approved by Franchisor must participate personally and full-time in the Business. If a Manager is responsible for day-to-day operations of the Franchise, they must be (1) approved by Us; (2) have a beneficial equity interest of at least ten percent (10%) in the Franchisee or be a party to an arrangement with the Franchisee that we approve; and (3) devote full time and best efforts to the supervision of the Café. If your Manager ceases to meet any of the criteria at any time, you must replace the Manager within thirty (30) days and develop a plan satisfactory to Us to assure proper operation of the Business in the interim. Managers must be certified to Us annually.

12.05 Right of Entry and Inspection. Franchisee must permit Franchisor or its authorized agent or representative to enter the Premises during normal business hours and to reasonably inspect the operations of the franchised Business. Without any liability to Franchisee, Franchisor may confiscate any materials which Franchisor, in its reasonable judgment, determines to be either illegal or in violation of this Agreement. Franchisor shall have the right to observe Franchisee and its customers/clients rendering services, to confer with Franchisee's employees and customers/clients and to generally review the Business operations for compliance with the standards and procedures set forth in the Manual.

12.06 Restrictions on Services and Products. Franchisee is prohibited from offering for sale any products and services not authorized by Franchisor as being a part of the System. Franchisee shall purchase serving items with logo, utensils, ingredients and food items required for the operation of the Business from suppliers designated or approved by Franchisor. However, if Franchisee proposes to offer, conduct or utilize any services, products, materials, forms, items, supplies or services for use in connection with the Business, which are not previously approved by Franchisor as meeting its specifications, Franchisee shall first request approval in writing from Franchisor. Franchisor may, in its sole discretion, for any reason whatsoever, elect to withhold such approval; however, in order to make such determination, Franchisor may require submission of outlet design specifications, information of such equipment and supplies. Franchisor will advise Franchisee within a reasonable time whether such equipment and supplies meet its specifications. Approved equipment descriptions and supplier contact information are prescribed in the Manual. If there is no designated or approved supplier for particular items, Franchisee may purchase from suppliers approved in advance by Franchisor who meet all of Franchisor's specifications and standards as to quality, composition, finish, appearance and service, and who shall adequately demonstrate their capacity and facilities to supply Franchisee's needs in the quantities, at the times, and with the reliability requisite to an efficient operation of the Business.

12.07 Limitations on Supply Obligations. Nothing in this Agreement shall be construed to be a promise or guarantee by Franchisor as to the continued existence of a particular product, nor shall any provision herein imply or establish an obligation on the part of Franchisor to sell equipment and supplies to Franchisee if Franchisee is in arrears on any payment to Franchisor or otherwise in default under this Agreement. If Franchisee fails to pay in advance in full for each shipment of equipment and supplies purchased, Franchisor shall not be obligated to sell equipment and supplies to Franchisee. In addition, Franchisor may impose interest on any late payments on the terms described in Section 5.04.

12.08 Insurance. Franchisee must keep in force insurance policies as prescribed by Franchisor in the Manual by an insurance company acceptable to Franchisor at all times during the term of this Agreement and any renewals. Insurance coverage must include general liability, combined single limit, bodily injury and property damage insurance for premises operations, products liability and all other occurrences against claims of any person, employee, customer, and agent or otherwise in an amount per occurrence of not less than such amount set forth in the Manual and adjusted by Franchisor from time to time. Insurance policies must insure both Franchisee and Franchisor, its officers and directors, as additional named insured against any liability which may accrue against them by reason of the ownership, maintenance or operation by Franchisee of the Business. The policies must also stipulate that Franchisor shall receive a thirty (30) day prior written notice of cancellation. Original or duplicate copies of all insurance policies, certificates of insurance or other proof of insurance acceptable to Franchisor shall be furnished to Franchisor together with proof of payment within thirty (30) days of issuance thereof. In the event Franchisee fails to obtain the required insurance and keep the same in full force and effect, Franchisee shall pay Franchisor upon demand the premium cost thereof, which Franchisor shall then forward to the insurance carrier. Notwithstanding the foregoing, failure of Franchisee to obtain insurance constitutes a material breach of this Agreement entitling Franchisor to terminate this Agreement pursuant to the provisions of this Agreement. Franchisee will also procure and pay for all other insurance required by state or federal law, including, without limitation, workers' compensation and unemployment insurance.

12.09 Appearance and Customer Service. Franchisee and its employees shall (i) maintain a clean and attractive appearance, (ii) give prompt, courteous and efficient service to the public, and (iii) otherwise operate the Business in strict compliance with the policies, practices and procedures contained in the Manual so as to preserve, maintain and enhance the reputation and goodwill of the System. Franchisee may not alter, change, or modify the System, including the Franchise, in any way without the prior written consent and approval of Franchisor.

12.10 Signs. All signs to be used on or in connection with the Business must be approved in writing by Franchisor prior to their use by Franchisee.

12.11 Training. Franchisee or its designated Manager must complete Franchisor's initial training program described in Section 8.04 above. Franchisee shall train its employees according to standards and procedures established by Franchisor.

12.12 Correction of Defects. Should Franchisor notify Franchisee at any time of defects, deficiencies or unsatisfactory conditions in the appearance or conduct of the Business, Franchisee shall correct within a reasonable time, any such items. Franchisee shall establish and maintain an image and reputation for the Business consistent with the standards set forth in this Agreement, the Manual, or as otherwise specified by Franchisor. Franchisee shall keep its Franchise clean and in good order and repair at all times.

12.13 Indemnification. Franchisee agrees to indemnify, defend and hold harmless Franchisor, its parent corporation, its subsidiaries and affiliates, and their respective shareholders, directors, officers, employees, agents, successors and assignees against all claims and liabilities directly or indirectly arising out of the operation of the Business or arising out of the use of the Marks and System in any manner not in accordance with this Agreement. For purposes of this indemnification, claims shall mean and include all obligations, actual and consequential damages and costs reasonably incurred in the defense of any claim, including, without limitation, reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. Franchisor shall have the right to defend any such claim against it. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Franchisee shall not however, be liable for claims arising as a result of Franchisor's intentional or fraudulent acts, omissions or negligence.

12.14 Computer Systems. Franchisee must acquire, maintain, and upgrade computer, information processing and communication systems, including all applicable hardware, software, and Internet and other network access providers, and Web site vendors, as prescribed in the Manual. Franchisee must comply with any separate software or other license agreement that Franchisor or its designee uses in connection with providing these services.

12.15 Computer Problems, Viruses, and Attacks. Franchisee acknowledges and understands that computer systems are vulnerable to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders. Franchisor has taken reasonable steps so that these problems will not materially affect the System. Franchisor does not guarantee that information or communication systems supplied by Franchisor or its suppliers will not be vulnerable to these problems. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from these problems. Franchisee must also take reasonable steps to verify that Franchisee's suppliers, lenders, landlords, customers, and governmental agencies on which Franchisee relies, are reasonably protected. This may include taking reasonable steps to secure Franchisee's systems, including, but not limited to, firewalls, access code protection, anti-virus systems, and use of backup systems.

12.16 Hazardous Materials. Franchisee must not cause or permit any toxic or hazardous waste, substances, or materials, as defined under applicable government laws and regulations to be used, generated, stored or disposed of near, on, under, about or

transported to or from the Premises or any of Franchisee's vehicles except as necessary for Franchisee's operation of the franchised Business and in accordance with the Manual. Franchisee shall conduct such permissible hazardous materials activities in strict compliance, and at Franchisee's expense, with all applicable federal, state, and local laws, rules and regulations now or hereafter in effect and using all necessary and appropriate precautions. Franchisor will not be liable for any of these activities. Franchisee must provide Franchisor with a copy of all hazardous materials inventory statements and updates filed by any governmental agency or regulation and must immediately notify Franchisor both by telephone and in writing of any spill or unauthorized discharge of hazardous materials or of any conditions constituting an imminent hazard.

13. DEFAULT AND TERMINATION

13.01 Termination by Franchisee. Franchisee may terminate this Agreement if Franchisor violates a material provision of this Agreement and fails to remedy or to make substantial progress toward curing the violation within ninety (90) days after receiving written notice from Franchisee detailing the alleged default. Termination by Franchisee is effective ten (10) days after Franchisor receives written notice of termination. If Franchisee terminates this Agreement under this provision, Franchisee must follow the termination procedures as set forth in Section 13.03.

13.02 Termination by Franchisor. Subject to applicable law to the contrary, Franchisor may, at its option, terminate this Agreement before its expiration as set forth below:

(a) With Notice of 30 Days. This Agreement will terminate thirty (30) days after Franchisor gives written notice to Franchisee and Franchisee fails to cure the defect within the 30-day period, in the event that:

(i) Franchisee fails or refuses to maintain and operate the Business in compliance with this Agreement, the System, or the Manual;

(ii) Franchisee fails to pay Franchisor or suppliers for obligations under this Agreement;

(iii) Franchisee fails to comply with any material federal, state, or local law or regulation applicable to the operation of the Business; or

(iv) Franchisee is in breach of any other term, condition, or provision of this Agreement.

(b) Without Notice. This Agreement and license will immediately terminate without notice in the event that:

(i) Franchisee misrepresented or omitted material facts which induced Franchisor to enter into this Agreement;

(ii) Franchisee fails to complete the required initial training or has failed to designate an acceptable site pursuant to Section 10;

(iii) A permanent or temporary receiver or trustee for the Franchise or all or substantially all of Franchisee's property is appointed by any court, or any such appointment is consented to or not opposed through legal action by Franchisee, or Franchisee makes a general assignment for the benefit of Franchisee's creditors or Franchisee makes a written statement to the effect that Franchisee is unable to pay its debts as they become due, or a levy or execution is made on the license, or an attachment or lien remains on the Franchise for thirty (30) days unless the attachment or lien is being duly contested in good faith by Franchisee and Franchisor is advised in writing;

(iv) Franchisee loses possession or the right of possession of all or a significant part of the Franchise through condemnation, casualty, lease termination or mortgage default/foreclosure and the Franchise is not relocated or reopened;

(v) Franchisee contests the validity of, or Franchisor's ownership of, any of the Marks in any court or proceeding;

(vi) Franchisee makes an unauthorized Transfer;

(vii) Franchisee is a business entity and any action is taken which purports to merge, consolidate, dissolve or liquidate the entity without Franchisor's prior written consent.

(viii) Franchisee voluntarily abandons or ceases operation of the Business for more than five (5) consecutive days;

(ix) Franchisee closes an approved location, without prior written consent of the Franchisor, or moves a previously approved location without the prior written consent of the Franchisor;

(x) Franchisee violates any health, safety, or sanitation law, ordinance or regulation, or operates the Restaurant in an unsafe manner;

(xi) Franchisee understates Gross Sales two (2) or more times during the term of this Agreement or by more than two percent (2%) on any one occasion.

(xii) Franchisee commits the same and/or a similar violation of this Agreement, and Franchisor has given written notice of each such violation, more than two (2) times in twelve (12) months;

(xiii) Franchisee enters a lease for a location that was not previously approved by Franchisor, in writing; or

(xiv) The Franchisee or any owner of greater than twenty percent (20%) of the Franchisee entity or operator is charged or convicted of a felony, a crime involving moral turpitude, or any crime or offense that is reasonably likely, in the sole opinion of the Franchisor, to materially and unfavorably affect Clean EatZ System, Marks, goodwill or reputation.

13.03 Effect of Termination. Upon any termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition, confidentiality, and indemnity, will remain in effect, and Franchisee must immediately:

(a) promptly pay all amounts owed to Franchisor based on the operation of the Franchise through the effective date of termination;

(b) return to Franchisor all copies of the Manual, customer lists, records, files, instructions, brochures, advertising materials, agreements, Confidential Information and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items;

(c) cancel or assign within five (5) days all registrations relating to its use of any of the Marks, in Franchisor's sole and absolute discretion. Franchisee must notify the telephone, Internet, email, electronic network, directory, and listing entities of the termination or expiration of the Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and must authorize their transfer to the Franchisor or any new franchisee as may be directed by the Franchisor. The Franchisee acknowledges as between the Franchisor and the Franchisee, the Franchisor has the sole rights to, and interest in, all numbers, addresses, domain names, locators, directories and listings used by Franchisee to promote the System. The Franchisee hereby irrevocably appoints the Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing. Such appointment is evidenced by Attachment III;

(d) cease doing business under any of the Marks, cancel any assumed name registration that includes any of the Marks, assign all domain names and Internet directory listings that contain the Marks to Franchisor, and refrain from identifying itself as a Clean EatZ franchisee;

(e) allow Franchisor or representatives access to the Business and the computer systems to verify and secure Franchisee's compliance with the obligations under this Agreement;

(f) allow Franchisor to make a final inspection and audit of your computer system, books, records and accounts; and

- (g) abide by the terms of the required noncompetition covenant.

In the event that Franchisee terminates this Agreement for cause as set forth in Section 13.01, Franchisee is not required to abide by the noncompetition covenants.

13.04 Failure to Cease or Remove Identification. If, within thirty (30) days after termination of this Agreement by Franchisor, Franchisee fails to remove all displays of the Marks from the Franchise, which are identified or associated with the System, Franchisor may enter the Franchise to effect removal. In this event, Franchisor will not be charged with trespass nor be accountable or required to pay for any displays or materials. If, within thirty (30) days after termination Franchisee has not taken all steps necessary to amend or terminate any registration or filing of any fictitious name or any other registration or filing containing the Marks, Franchisee hereby irrevocably appoints Franchisor as Franchisee's true and lawful attorney for Franchisee, for the purpose of amending or terminating all registrations and filings, this appointment being coupled with an interest to enable Franchisor to protect the System.

13.05 Alternative Liquidated Damages. In the event that Franchisee is notified of default as set out in section 13.02(a), above, and in addition to the remedies set out regarding Termination, Franchisor may, from time-to-time, implement a liquidated damages policy, which shall be provided to Franchisee, in writing. As of the date of this Agreement, Franchisor's policy is that, within ten (10) days of receiving written notice under Section 13.02(a), above, Franchisee must have either cured said default or provided Franchisor with an acceptable written statement setting the reasons why default cannot be cured within such ten (10) period. The acceptance of such reason is within the Franchisor's reasonable discretion. In the event Franchisee does not cure such noticed default within ten (10) days, or provide acceptable explanation regarding the need for additional time, then Franchisee shall pay Franchisor one-hundred dollars (\$100.00) per day until such default is cured, or the Franchisor terminates this Agreement, whichever comes first. Franchisee recognizes that its default under the provisions of Section 13.02(a) cause damage to the Franchisor's system, which damages are difficult to calculate. Franchisee agrees that one-hundred dollars (\$100.00) per day is a reasonable approximation of Franchisor's actual damages and hereby waives any and all arguments to the contrary. Notwithstanding the foregoing, Franchisee acknowledges that Franchisor may make revisions to this policy to provide for increased fines (subject to applicable law governing liquidated damages), adding to those acts which may give rise to liquidated damages (beyond those set out in Section 13.02(a), above), providing for the auto-draft of such liquidated damages from Franchisee and otherwise clarifying or adding to the liquidated damages policy. Franchisor shall provide all such updates and changes to Franchisee, in writing. After receipt of such notification of change, Franchisee may object in writing, in which case Franchisee and Franchisor will attempt to resolve their differences. In the event Franchisor and Franchisee are unable to resolve their differences, the dispute shall be submitted to Arbitration under this Agreement. The arbitrator's sole question to answer shall be whether or not the amendments to Franchisor's liquidated damages policy is reasonable and in accordance with this Section 13.05.

13.06 Other Claims. Termination of this Agreement will not affect, modify or discharge any claims, rights, causes of action or remedies, which Franchisor may have against Franchisee, whether such claims or rights arise before or after termination.

13.07 Cross Default. Any default by Franchisee or an affiliate of Franchisee for which all opportunity to cure has expired under this Agreement shall constitute a default under any additional Franchise Agreements for other franchised Businesses and a default under the Development Agreement, if applicable. Any default by Franchisee or an affiliate of Franchisee under any other Franchise Agreement or the Development Agreement, after the expiration of any opportunity to cure, shall be an incurable default under this Agreement.

14. TRANSFER.

14.01 Prohibited Acts. Any unauthorized Transfer or other conveyance, by operation of law or otherwise, or any attempt to do so, shall be deemed void, a breach of this Agreement, and grounds for termination of this Agreement by Franchisor.

14.02 Transfer by Franchisor. Franchisor's obligations under this Agreement are not personal, and Franchisor can unconditionally assign and transfer, in its sole and absolute discretion, this Agreement to another person or business entity at any time. Franchisor does not need permission of Franchisee for the transfer and may transfer free of any responsibility or liability whatsoever to the Franchisee, provided the transferee assumes the Franchisor's material obligations. Franchisor may also:

- (a) sell or issue its stock, other ownership interests, or assets, whether privately or publicly;
- (b) merge with, acquire, or be acquired by another entity, including an entity that competes directly with Franchisee; or
- (c) undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring.

14.03 Transfer by Franchisee. Franchisee's obligations under this Agreement are personal and may not be voluntarily or involuntarily sold, pledged, assigned, transferred, shared, subdivided, sub franchised, encumbered or transferred in any way without the prior express written approval of Franchisor. Franchisor will not unreasonably withhold, delay or condition its consent to any proposed transfer or assignment by Franchisee, which requires Franchisor's consent under Section 14.03 of the Franchise Agreement.

14.04 Conditions for Transfer or Assignment. No Transfer of this Agreement will be approved by Franchisor or be effective unless and until:

(a) Franchisee is under no default in the performance or observance of any of its obligations under this Agreement or any other agreement with Franchisor at the time Franchisee requests permission to assign this Agreement or at the time of the assignment;

(b) Franchisee has settled all outstanding accounts with Franchisor, and Franchisee, and every principal of Franchisee's entity, have executed a general release of Franchisor and all principals of Franchisor from all claims that may be brought by you or any principal;

(c) the proposed transferee pays Franchisor a fee to transfer the Business (the "Transfer Fee") in the amount of \$5,000.00 unless the transferee is:

(i) a corporation of which Franchisee is the majority stockholder, or a child, parent, sibling or spouse of Franchisee, in which case no Transfer Fee will be required, or

(ii) another franchisee of Clean EatZ, in which case the Transfer Fee will be \$2,500.00;

(d) the proposed transferee executes a separate franchise agreement with Franchisor, using the then-current form of franchise agreement;

(e) the proposed transferee pays for, attends, and satisfactorily completes the training program for new franchisees unless:

(i) the transferee is a current franchisee in good standing in the System,
or

(ii) the transferee is and has been a Manager for a period of one (1) year or more of a Franchise in good standing;

(f) the individual proposed transferee, or the stockholders, partners, members, or trustees and beneficiaries of a proposed entity transferee, each execute a personal guarantee, jointly and severally guaranteeing the performance of the proposed transferee's obligations;

(g) the proposed transferee demonstrates to Franchisor's satisfaction that it, in all respects, meets Franchisor's standards applicable to new franchisees regarding experience, personal and financial reputation and stability, willingness and ability to devote his or her full time and best efforts to the operation of the franchised Business, and any other conditions as Franchisor may reasonably apply in evaluating new franchisees. Franchisor must be provided all information about the proposed transferee as it may reasonably require. Because of the confidential information available to a franchisee, no assignment to a competitor of the System will be permitted;

14.05 Transfer to an Entity. Notwithstanding the preceding section, Franchisee may Transfer its rights and obligations under this Agreement without Franchisor's consent,

to an entity in which Franchisee owns one hundred percent (100%) of the outstanding stock, provided:

- (a) Franchisee remains on the Agreement as a party and the entity is added as a co-party;
- (b) Franchisee, or Franchisee's operational partner or Manager approved by Franchisor, continues to devote full time and best efforts to manage the daily operations of the Business;
- (c) the entity's activities are confined exclusively to operating the franchised Business; and
- (d) the entity assumes joint and several liability with Franchisee.

14.06 Death of Franchisee. Upon the death of an individual Franchisee, the rights granted by this Agreement may pass (without payment of any Transfer Fee) to the next of kin or legatees, provided that Franchisee's legal representatives will within one hundred twenty (120) calendar days of Franchisee's death apply in writing to Franchisor for the right to transfer to the next of kin or legatee Franchisee's rights under this Agreement. Franchisor will not unreasonably withhold permission so long as the proposed transferees meet each of the then-current requirements of franchisees.

14.07 Right of First Refusal. Franchisee grants Franchisor the right to purchase the Business on the same terms and conditions specified in a bona fide written offer from a qualified third party. Within seven (7) days after receipt of the bona fide offer acceptable to Franchisee to transfer all or part of the Business, Franchisee must forward a signed copy of the written offer to Franchisor. Franchisor will then have access to all Franchisee's Business Records in order to evaluate the offer, and may purchase the Business upon notification to Franchisee within thirty (30) days and 60 additional days to close the transaction.

14.08 Election of Right / Set Offs. If Franchisor elects to exercise its option to purchase under this Agreement, Franchisor will have the right to set off against any payment all amounts due from Franchisee under this Agreement and the cost of the appraisal, if any.

14.09 Rights After Refusal. If Franchisor does not exercise its right to purchase within the required timeframe, Franchisee may transfer the Business to the third party, but not at a lower price or on more favorable terms than disclosed to Franchisor in writing. Such transfer remains subject to Franchisor's prior written approval and other conditions specified in this Agreement. If Franchisor does not transfer the franchised Business to the transferee on the same terms offered to Franchisor, then Franchisee must again extend the right of first refusal to Franchisor in the manner described above, before another desired transfer.

15. GENERAL PROVISIONS

15.01 Covenants Not to Compete. During the term of this Agreement and for two (2) years after termination, transfer, or expiration of this Agreement for any reason, neither Franchisee, nor its owners or managers, shall compete with Franchisor, Franchisor's franchisees or Franchisor's affiliates that operate Clean EatZ restaurants. Compete means to own, finance, be employed by, invest in or consult with a quick serve, healthy eating restaurant and/or a business that provides pre-made health focused meals as part of a meal plan (either store pick-up or direct mail/delivery) or "grab-n-go" service and that offers the same or similar food items within the geographic areas covered by this Section. This covenant not to compete applies: (i) during the term of the Agreement, within any state in which Franchisor, or franchisees do business; and after termination within a twenty (20) mile radius from the boundary of Franchisee's approved location, and/or within twenty (20) mile radius from any franchised, Franchisor-owned, affiliated company-owned premises or prospective franchised location where a franchisee has signed a franchise agreement with Franchisor as of the date this Agreement is terminated; and (ii) on the Internet.

This covenant not to compete is given in part in consideration for training and access to Franchisor's Trade Secrets, and which, if used in a competitive business without paying royalties and other payments, would give Franchisee an unfair advantage over Franchisor and Franchisor's franchisees. The unenforceability of all or part of this covenant not to compete in any jurisdiction will not affect the enforceability of this covenant not to compete in other jurisdictions, or the enforceability of the remainder of this Agreement.

15.02 Stock Ownership. Nothing in this Section will prevent any active officer of Franchisee or member of Franchisee's family either individually or collectively, from owning not more than a total of five percent (5%) of the stock of any company, which is subject to the reporting requirements of Sections 11 or Subsection 14(d) of the Securities and Exchange Act of 1934.

16. DISPUTE RESOLUTION

16.01 Negotiation. The parties will first attempt to resolve any dispute relating to or arising out of this Agreement by negotiation. Franchisor will provide a procedure for internal dispute resolution as set forth in the Manual, and this procedure may be revised periodically in Franchisor's discretion.

16.02 Right to Relief. To protect from violations that would cause immediate loss and damages, Franchisor and Franchisee each have the right to seek from a court of competent jurisdiction:

- (a) injunctive relief and any related incidental damages;
- (b) an action for disputes or claims related to or based on the Marks; and

- (c) enforcement of a covenant not to compete.

16.03 Arbitration. Except as specifically provided under this Agreement, any dispute or claim relating to or arising out of this Agreement must be resolved exclusively by mandatory arbitration by and in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“AAA”) or another arbitration service agreed to by the parties. Arbitration will be conducted solely on an individual, not a class-wide, basis, unless all parties so agree. No award in arbitration involving Franchisor will have any effect of preclusion or collateral estoppels in any other adjudication or arbitration. A single arbitrator shall be selected in accordance with standard AAA procedure, and the proceedings will be conducted at its Wilmington, North Carolina, office. Each party shall bear all of its own costs and attorneys’ fees and one-half of the arbitrator’s expenses. The decision of the arbitrator shall be final and binding.

16.04 Applicability. This dispute resolution section applies to claims by and against all parties and their successors, owners, managers, officers, directors, employees, agents, and representatives, as to claims arising out of or relating to this Agreement, except as stated above. This dispute resolution clause shall survive the termination or expiration of this Agreement.

16.05 Governing Arbitration Law. Notwithstanding any choice of law provision of this Agreement, all issues relating to arbitration or the enforcement of the agreement to arbitrate contained in this Agreement are governed by the U.S. Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the U.S. federal common law of arbitration. This federal act preempts any state rules on arbitration, including those relating to the site of arbitration. Judgment on an arbitration award, or on any award for interim relief, may be entered in any court having jurisdiction, and will be binding.

16.06 Governing Law/Consent to Venue and Jurisdiction. Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 *et seq.*) or other federal law, this Agreement shall be interpreted under the laws of the state of North Carolina and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the state of North Carolina, which laws shall prevail in the event of any conflict of law. Franchisee and Franchisor have negotiated regarding a forum in which to resolve any disputes, which may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving Franchisee, its officers, directors, managers or partners (collectively, “Franchisee Affiliates”) and Franchisor, its parent, subsidiaries or affiliates and their respective officers, directors and sales employees (collectively, “Franchisor Affiliates”) the parties agree that the exclusive venue for disputes between them shall be in the state and federal courts of North Carolina or the Wilmington, North Carolina office of the AAA and each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of North Carolina or the Wilmington, North Carolina office of the AAA. Franchisor, Franchisor Affiliates, Franchisee and Franchisee Affiliates each waive their rights to a trial by jury.

16.07 Limitations on Actions. Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or arbitration proceeding brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of two (2) years from the date of discovery of the conduct or event that forms the basis of the legal action or proceeding.

17. RELATIONSHIP OF THE PARTIES

17.01 Independent Contractor. Franchisee is an independent contractor and is not an agent, partner, joint venturer, or beneficiary of Franchisor, nor is Franchisor a fiduciary of Franchisee. Neither party will be bound or obligated by the other, except as set forth in this Agreement. Franchisee may not act as an agent in the Franchisor's name or on behalf of the Franchisor for any purpose whatsoever.

17.02 Operations and Identification. Franchisee must conspicuously identify itself in all dealings with the public as "independently owned and operated" separate from Franchisor. Franchisee's employees are employees of the Franchisee alone and are not, for any purpose, considered employees under the control of Franchisor. Franchisor and Franchisee must file separate tax, regulatory, and payroll reports for each party's own operations, and must indemnify the other for any liability arising from the other's reports.

18. MISCELLANEOUS

18.01 Entire Agreement. This Agreement, together with all written related agreements, exhibits and attachments, constitutes the entire understanding of the parties and supersedes all prior negotiations, commitments, and representations. Nothing in the Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document.

18.02 Modification. No modifications of the terms of this Agreement shall be valid unless made in writing and executed by both Franchisor and Franchisee. However, the Manual may be periodically modified by Franchisor and shall be fully enforceable against Franchisee.

18.03 Waiver. Franchisor's waiver of any particular right by Franchisee will not affect or impair Franchisor's rights as to any subsequent exercise of that right of the same or a different kind; nor will any delay, forbearance or omission by Franchisor to execute any rights affect or impair Franchisor's rights as to any future exercise of those rights.

18.04 Severability. If any part of this Agreement, for any reason, is declared invalid by an arbitrator or court, the declaration will not affect the validity of any remaining portion. The remaining portion will remain in force and effect as if this Agreement were executed with the invalid portion eliminated or curtailed. All partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable.

18.05 Conflict with Local Law. If any provision of this Agreement is inconsistent with a valid applicable law, the provision will be deemed amended to conform to the minimum standards required. The parties may execute an Addendum setting forth certain of these amendments applicable in certain jurisdictions, which will apply only so long as and to the extent that then applicable laws referred to in the addendum remain validly in effect.

18.06 Section Headings. Titles of articles and sections are used for convenience of reference only and are not part of the text, nor are they to be construed as limiting or affecting the construction of the provisions.

18.07 Legal Costs. If either party institutes a legal proceeding, including court proceeding and arbitration, and prevails entirely or in part in any action at law or in equity against the other party based entirely or in part on the terms of this Agreement, the prevailing party shall be entitled to recover from the losing party, in addition to any judgment, reasonable attorneys' fees, court costs and all of the prevailing party's expenses in connection with any action at law.

18.08 Obligations. Franchisor has no liability for Franchisee's obligations to any third party whatsoever.

18.09 Continuation of Agreement. The provisions of this Agreement, which by their terms or by reasonable implication require performance by Franchisee after assignment, expiration or termination, remain enforceable notwithstanding the assignment, expiration or termination of this Agreement, including those pertaining to non-competition, intellectual property protection, confidentiality and indemnity. This Agreement inures to the benefit of and is binding on the respective heirs, legal representatives, successors, and permitted assigns of the parties.

18.10 Delivery. All notices and other communications required by this Agreement must be in writing and must be delivered in person, sent by Federal Express or U.S. Mail overnight delivery, or by registered or certified mail, return receipt requested, via email to your "@cleaneatz.com" address, or such other email address as We may have on file for you, or in any other manner Franchisor may designate. Communications sent to Franchisor must be sent to the attention of the Chief Executive Officer at Franchisor's address or at any other address Franchisor designates in writing. Communications to Franchisee will be sent to Franchisee at Franchisee's last known business address, or at any other address Franchisee designates in writing. Any notice is considered given and received, when delivered in person, or on the third business day following the mailing, if mailed.

18.11 Joint and Several Liability. If two (2) or more persons or entities or any combination sign this Agreement, each will have joint and several liability. All owners and controllers of an entity or association, which comprise the Franchisee, are jointly and severally liable for the obligations of the Franchisee under this Agreement.

18.12 Cumulative Remedies. Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

18.13 Set Off. Franchisee may not set off any amounts owed to Franchisor under this Agreement nor may Franchisee withhold any amounts owed to Franchisor due to any alleged non-performance by Franchisor under this Agreement. Franchisee waives any right to set off.

18.14 Completion of Agreement. The parties agree to acknowledge, execute and deliver all further documents, instruments or assurances and to perform all further acts or deeds as may be reasonably required to carry out this Agreement.

19. ACKNOWLEDGEMENT

BY SIGNING THIS AGREEMENT, FRANCHISEE ACKNOWLEDGES THAT:

(a) FRANCHISEE HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF CLEAN EATZ SYSTEM AND RECOGNIZES THAT THE BUSINESS CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISK AND WILL LARGELY DEPEND UPON THE ABILITY OF FRANCHISEE AS AN INDEPENDENT BUSINESS PERSON; AND

(b) FRANCHISOR HAS NOT GIVEN AND FRANCHISEE HAS NOT RECEIVED ANY EXPRESS OR IMPLIED WARRANTY OR GUARANTY REGARDING POTENTIAL VOLUME, PROFITS, OR SUCCESS OF THE BUSINESS CONTEMPLATED BY THIS AGREEMENT; and

(c) FRANCHISEE IS NOT A PARTY TO OR SUBJECT TO AGREEMENTS THAT MIGHT CONFLICT WITH THE TERMS OF THIS AGREEMENT AND AGREES NOT TO ENTER INTO ANY CONFLICTING AGREEMENTS DURING THE TERM OR ANY RENEWAL TERMS; and

(d) FRANCHISEE HAS RECEIVED THE FRANCHISE DISCLOSURE DOCUMENT DISCLOSURE DOCUMENT REQUIRED BY THE FEDERAL TRADE COMMISSION WITH APPLICABLE EXHIBITS AT LEAST FOURTEEN (14) CALENDAR DAYS BEFORE THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED, AND HAS RECEIVED A COPY OF THE COMPLETE Clean EatZ FRANCHISE AGREEMENT AT LEAST SEVEN (7) CALENDAR DAYS BEFORE THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED.

IN WITNESS WHEREOF, the parties hereto have executed, sealed and delivered this Agreement in two (2) or more counterparts on the day and year first above written.

FRANCHISOR:

FRANCHISEE:

Clean Eatz Franchising LLC

By: _____

Signature

Printed Name

Title

By: _____

Signature

Printed Name

Title

**ATTACHMENT XXXV
TO FRANCHISE AGREEMENT
ADDENDUM**

THIS ADDENDUM to Clean EatZ Franchising LLC Franchise Agreement (“Agreement”) dated _____ 20____ between Clean EatZ Franchising LLC. (“Franchisor”) and _____ (“Franchisee”), is made effective as of the date of the Franchise Agreement.

1. **Principal Business Address.** Franchisee’s Principal Business Address is: _____.
2. **Initial Franchise Fee.** Franchisee shall pay _____ as an Initial Franchise Fee pursuant to Section 5.02 of the Agreement.
3. **Premises.** The Premises will be established in a subsequent addendum to this Attachment I, after Franchisor approves Franchisee’s site.
4. **Protected Territory.** Franchisor will not own, operate, or franchise a fixed franchise for the operation of another Franchise within the area agreed upon between Franchisor and Franchisee in a subsequent addendum to this Attachment I, after the Premises is established.

Fully executed this _____ day of _____, 20_____.

FRANCHISOR:
Clean EatZ Franchising LLC

Signed:_____

By:_____

FRANCHISEE:

Signed:_____

By:_____
Printed name

**ATTACHMENT XXXVI
TO FRANCHISE AGREEMENT**

**AUTHORIZATION AGREEMENT
FOR PREAUTHORIZED PAYMENT SERVICE**

I (or We if there are joint owners of the account referenced later in this agreement) authorize and request Clean EatZ Franchising LLC (the “**Company**”) to obtain payment for all royalty amounts I (we) owe to the Company pursuant to the Franchise Agreement between the Company and me (us), as these amounts become due by initiating a payment entry to my (our) account. The account number, name of financial institution, payment amount, and date on or immediately after which payment should be deducted from the account are identified below. In addition, I (we) authorize and request the financial institution, now referred to as the Bank, to accept the payment entries presented to the Bank and to deduct them from my (our) account without responsibility for the correctness of these payments.

Franchisee Information:

Franchisee Name: _____ Franchise No.: _____

Payment Date: _____ Payment Frequency: _____

Your Bank Account Information:

Please attach a voided check and we will complete this information for you.

Transit Routing Number: _____ Checking Account Number: _____

Bank Name: _____ Bank Address: _____

Your Name(s): _____
(please print)

Signature(s): _____

Date Signed: _____

**ATTACHMENT XXXVII
TO FRANCHISE AGREEMENT**

**COLLATERAL ASSIGNMENT OF
TELEPHONE NUMBERS**

_____, Franchisee/Assignor, in consideration of Franchisor/Assignee granting a Clean Eatz franchise contemporaneously herewith, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged hereby assigns to **Clean Eatz Franchising LLC** all telephone numbers and listings utilized or to be utilized by Franchisee/Assignor in the operation of his/her or its Clean Eatz Licensed Business. The Assignee shall have the option to assume the performance of all of the Terms, Covenants, and Conditions of the agreement(s) with the telephone company with respect to such telephones, telephone numbers and telephone listings with the same force and effect as if Assignee had been originally issued such telephone, telephone numbers, telephone listings and the usage thereof. This Assignment is valid on the effective date and is irrevocable. It applies equally to any numbers first used after the effective date. The telephone company is authorized to rely upon this Assignment at any time that it is delivered to the telephone company by Franchisor/Assignee. Assignee and Assignor each agree to hold harmless and indemnify the telephone company from any claims based upon the telephone company's reliance upon this Assignment. Assignee and Assignor each agree to sign any other documents necessary in the opinion of the telephone company to give effect to this Assignment.

Dated: _____ effective date

Date signed: _____

Clean Eatz Franchising LLC
(Franchisor/Assignee)

(Franchisee/Assignor)

By _____
Name, position
4389 Oleander Drive
Wilmington NC 28403
(910) 452-3733

Franchisee

Subject telephone number(s):
(as of date of this document)

**ATTACHMENT XXXVIII
TO FRANCHISE AGREEMENT**

STATEMENT OF OWNERSHIP

Franchisee: _____

Trade Name (if different from above): _____

Form of Ownership

_____ Individual ___ Partnership ___ Corporation ___ Limited
Liability
Company

If a Partnership, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed and a copy of the Partnership Agreement certified by the Secretary of State for the State in which the Partnership was formed.

If a Limited Liability Company, provide name and address of each member and each manager showing percentage owned and indicate the state in which the Limited Liability Company was formed and a copy of the Operating Agreement certified by the Secretary of State for the State in which the LLC was formed.

If a Corporation, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each and a copy of the Articles of Incorporation certified by the Secretary of State for the State in which the corporation was formed.

Franchisee acknowledges that this Statement of Ownership applies to the Business authorized under the Franchise Agreement.

Use additional sheets if necessary. Any and all changes to the above information must be reported to Franchisor in writing.

Name

Date

**ATTACHMENT V
TO FRANCHISE AGREEMENT**

**GUARANTY AND ASSUMPTION OF FRANCHISEES
OBLIGATIONS**

This **Guaranty and Assumption of Obligation** is given this ____ day of _____, 20____, by _____.

In consideration of, and as inducement to, the execution of that certain Franchise Agreement of even date herewith (the "Agreement") by Clean EatZ Franchising LLC (the "Franchisor"), each of the undersigned hereby personally and unconditionally (a) guarantees to Franchisor, and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____ (the "Franchisee") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities. Notwithstanding clauses (a) and (b) above, a spouse who is also a guarantor hereunder and who becomes widowed and who does not have (and will not obtain) a management interest in the Franchisee, the Agreement, or any Franchise Agreement granted there under as an owner, co-owner, investor, member, partner, shareholder or like capacity shall not thereafter be held responsible for any monetary obligations thereafter arising out of the terms and conditions of this Guaranty and Assumption of Obligations unless any such management interest is acquired in any manner by the widowed spouse, or the widowed spouse's or deceased spouse's children. Notwithstanding any change in ownership resulting from the death of a spouse, all monetary obligations and liabilities existing at the time of death shall continue to be an obligation of the surviving spouse until such obligations or liabilities shall be paid in full by the estate or by the guarantor spouse. Notwithstanding the limitations set forth above, any and all other non-monetary obligations of the Agreement shall remain an obligation of the surviving spouse.

Each of the undersigned waives: (i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (ii) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (iii) protest and non-performance of any obligations hereby guaranteed; (iv) any right it may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (v) any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned consents and agrees that: (i) his/her direct and immediate liability under this guaranty shall be joint and several; (ii) he or she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (iii) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (iv) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit, or other indulgence which Franchisor may from time-to-time grant to Franchisee or to any other person, including without limitation the acceptance of any partial payment or performance, or the compromise or release of

any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Agreement.

IN WITNESS WHEREOF, each of the undersigned has hereunto written his/her signature on the same day and year as the Agreement was executed.

<u>Guarantor(s):</u>	<u>Percentage of Ownership of Franchisee</u>	
_____	_____ %	_____
(Signature)		(Typed or Printed Name)
_____	_____ %	_____
(Signature)		(Typed or Printed Name)
_____	_____ %	_____
(Signature)		(Typed or Printed Name)
_____	_____ %	_____
(Signature)		(Typed or Printed Name)
_____	_____ %	_____
(Signature)		(Typed or Printed Name)

NOTE: THIS GUARANTY

MUST BE SIGNED BY ALL OWNERS AND SPOUSES OWNING OR CONTROLLING FIVE PERCENT (5%) OR MORE OF THE OWNERSHIP INTEREST OF AN ENTITY FRANCHISEE.

ATTACHMENT VI TO FRANCHISE AGREEMENT

CONFIDENTIALITY and COVENANT NOT TO COMPETE AGREEMENT

Instructions: This "Confidentiality and Covenant Not to Compete Agreement" must be completed and signed by certain individuals. The signed original(s) of the Agreement must then be immediately delivered to the Franchisor by the Franchisee.

If the Franchisee is an entity, then these individuals must sign this document: each Member, shareholder, officer, director and partner of the entity, each spouse of such Member, shareholder, officer, director and partner, every manager of the Franchisee, each Guarantor of the Franchisee, the spouse of each Guarantor, and each employee having access to the Franchisor's confidential information.

If the Franchisee is not an entity, then these individuals must sign this Agreement: the spouse of the Franchisee, every manager of the Franchisee, each Guarantor of the Franchisee, the spouse of each Guarantor, and each employee having access to the Franchisor's confidential information.

This Agreement is made and entered into between Clean EatZ Franchising LLC, ("Franchisor"), _
_____ ("Franchisee"), and _____ ("Franchisee Affiliate").

Recitals

Whereas, Franchisor has developed a unique system (the "System") and is engaged in the business of offering, selling or granting franchises or licenses for the operation of a location to provide entrée, snacks, side items, and drinks ("Business"), known as "Clean EatZ"; and,

Whereas, Franchisor has granted to Franchisee the limited right to develop a Clean EatZ Business using the System, the Licensed Marks and the Trade Secrets, pursuant to a Franchise Agreement entered into on the ____ day of _____, 20__ ("Franchise Agreement"), by and between Franchisor and Franchisee; and,

Whereas, the System includes, but is not limited to, certain trade names, service marks, trademarks, logos, emblems and indicia of origin ("Licensed Marks"), including, but not limited to, the marks "Clean EatZ" and other trade names, service marks, trademarks, logos, insignia, slogans, emblems, designs and commercial symbols as Franchisor may develop in the future to identify for the public the source of services and products marketed under such marks and under the System and representing the System's high standards of quality, appearance and service and distinctive marketing, uniform standards, specifications and procedures for performing services, merchandising, management and financial control; operations; quality and uniformity of services offered; training and assistance; and advertising, marketing and promotional programs; all of which may be changed, improved and further developed by Franchisor from time to time and are used by Franchisor in connection with the operation of the System ("Trade Secrets"); and,

Whereas, the Licensed Marks and Trade Secrets provide economic advantages to Franchisor and are not generally known to, and are not readily ascertainable by proper means by, Franchisor's competitors who could obtain economic value from knowledge and use of the Trade Secrets; and,

Whereas, Franchisor has taken and intends to take all reasonable steps to maintain the confidentiality and secrecy of the Trade Secrets; and,

Whereas, Franchisor and Franchisee have agreed in the Franchise Agreement on the importance to Franchisor and to Franchisee and other licensed users of the System of restricting the use, access and dissemination of the Trade Secrets; and,

Whereas, It will be necessary for employees, agents and independent contractors of Franchisee, or any entity having an interest in Franchisee ("Franchisee Affiliates") to have access to and to use some or all of the Trade Secrets in the management and operation of Franchisee's Clean EatZ Business using the System; and,

Whereas, Franchisee has agreed to obtain from those Franchisee Affiliates written agreements protecting the Trade Secrets and the System against unfair competition; and,

Whereas, Franchisee Affiliate desires or will become associated with or be employed by Franchisee; to remain in such employment, or is or will become involved with the Company in the capacity of an officer, partner, director, agent, employee, principal, or as a beneficial owner of the person or entity that has acquired the right to operate a Business of the Company ("Franchisee"), or as an immediate family member of the Franchisee and will become privileged as to certain Confidential Information; and,

Whereas, Franchisee Affiliate desires and needs to receive and use the Trade Secrets in the course of his employment or association in order to effectively perform the services for Franchisee; and,

Whereas, Franchisee Affiliate acknowledges that receipt of and the right to use the Trade Secrets constitutes independent valuable consideration for the representations, promises and covenants made by Franchisee Affiliate herein; and,

Whereas, Franchisee Affiliate is a *(check appropriate space(s) if applicable)*:

_____ the spouse of the Franchisee,
_____ manager of the Franchisee,
_____ Guarantor of the Franchisee,
_____ spouse of each Guarantor
_____ an employee having access to the Franchisor's confidential information

Now Therefore, in consideration of the mutual covenant and obligations contained herein, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

CONFIDENTIALITY AGREEMENT

1. Franchisor and/or Franchisee may disclose to Franchisee Affiliate some or all of the Trade Secrets relating to the System. All information and materials, including, without limitation, manuals, drawings, marketing techniques, specifications, techniques and compilations of data that Franchisor provides to Franchisee and/or Franchisee Affiliate shall be deemed confidential Trade Secrets for the purposes of this Agreement.

2. Franchisee Affiliate shall receive the Trade Secrets in confidence and shall, at all times, maintain them in confidence, and use them only in the course of his employment or association with

a Franchisee and then only in connection with the development and/or operation by Franchisee of a Clean EatZ Business for so long as Franchisee is licensed by Franchisor to use the System.

3. Franchisee Affiliate shall not at any time make copies of any documents or compilations containing some or all of the Trade Secrets without Franchisor's express written permission.

4. Franchisee Affiliate shall not at any time disclose or permit the disclosure of the Trade Secrets except to other employees of Franchisee and only to the limited extent necessary to train or assist other employees of Franchisee in the development or operation of a Business.

5. Franchisee Affiliate shall surrender any material containing some or all of the Trade Secrets to Franchisee or Franchisor, upon request, or upon termination of employment by Franchisee, or upon conclusion of the use for which such information or material may have been furnished to Franchisee Affiliate.

6. Franchisee Affiliate shall not at any time, directly or indirectly, do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Licensed Marks, the Trade Secrets or the System.

7. All manuals are loaned by Franchisor to Franchisee for limited purposes only and remain the property of Franchisor and may not be reproduced, in whole or in part, without Franchisor's written consent.

COVENANTS NOT TO COMPETE

1. In order to protect the goodwill and unique qualities of the System and the confidentiality and value of the Trade Secrets, and in consideration for the disclosure to Franchisee Affiliate of the Trade Secrets, Franchisee Affiliate further agrees and covenants that Franchisee Affiliate will not without the prior written consent of Franchisor:

- a. Have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business, except with Franchisor's approval;
- b. Perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business wherever operating except with Franchisor's approval;
- c. Employ, or seek to employ, any person who is at the time or was within the preceding 180 days employed by Franchisor, any of its affiliates or any of its franchisees, or otherwise directly or indirectly induce such person to leave that person's employment; or
- d. Divert or attempt to divert, directly or indirectly, any business, business opportunity or customer of Clean EatZ Business to any competitor; and
- e. Make any disparaging remarks, or otherwise take any action or do anything that could reasonably be anticipated to cause loss or damage to the business or business opportunities, affairs, reputation and goodwill of, or otherwise negatively reflect upon, Franchisor, the System or the Licensed Marks.

The term "Competitive Business" as used in this Agreement means to own, finance, be employed by, invest in or consult with a quick serve, healthy eating restaurant and/or a business that provides pre-made health focused meals as part of a meal plan (either store pick-up or direct mail/delivery) or "grab-n-go" service and that is competitive with or offers the same or similar types of food items within the geographic areas covered by this Section.

2. This Covenant Not to Compete shall apply:

(a) during the term of Franchisee Affiliate's relationship, association with or employment by Franchisee anywhere within the United States; and,

(b) for the two (2) years following the termination of Franchisee Affiliate's association with or employment by Franchisee:

(1) within Franchisee's Territory or any area serviced by Franchisee;

(2) within counties adjacent to Franchisee's Territory or within a Territory then operated by or under development by Franchisor or another franchisee of Franchisor;

(3) within a twenty mile radius from the boundary of Franchisee's Territory or from any other franchised or company-owned Clean EatZ Outlet, or

(4) on the Internet or on any other Multi-Area Marketing channels used by Franchisor.

1. The restrictions of this Section will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent five percent (5%) or less of the number of shares of that class of securities issued and outstanding. Franchisee Affiliate, Franchisee, and its officers, directors, shareholders, managers, members and partners expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive them of their personal goodwill or ability to earn a living.

MISCELLANEOUS

1. Franchisee shall make all commercially reasonable efforts to ensure that Franchisee Affiliate acts as required by this Agreement.

2. Franchisee and Franchisee Affiliate agree that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisor shall be entitled to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies that are made available to it at law or in equity, including the right to terminate the Franchise Agreement, to a temporary and/or permanent injunction and/or a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security. Franchisee and Franchisee Affiliate agree that Franchisee's and/or Franchisee Affiliate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon hearing duly

had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Franchisee and by Franchisee Affiliate.

3. Franchisee Affiliate agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.

4. Any failure by Franchisor to object to or take action with respect to any breach of this Agreement by Franchisee Affiliate shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Franchisee Affiliate.

5. THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH CAROLINA. FRANCHISEE AFFILIATE HEREBY IRREVOCABLY SUBMITS HIMSELF TO THE JURISDICTION OF THE STATE COURTS OF NEW HANOVER COUNTY, NORTH CAROLINA OR THE U. S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NORTH CAROLINA. FRANCHISEE AFFILIATE HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. FRANCHISEE AFFILIATE HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY NORTH CAROLINA OR FEDERAL LAW. FRANCHISEE AFFILIATE FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN EITHER THE PROPER STATE COURT OF NORTH CAROLINA OR THE U. S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NORTH CAROLINA; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.

6. The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a part, Franchisee Affiliate expressly agrees to be bound by any lesser covenant embraced within the terms of such covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made a part of this Agreement. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect.

7. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

8. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successor and assigns. The respective obligations of Franchisee and Franchisee Affiliate hereunder may not be assigned by Franchisee or Franchisee Affiliate without the prior written consent of Franchisor.

9. The waiver by Franchisor of any breach of any provision of this Agreement by Franchisee or Franchisee Affiliate shall not operate or be construed as a waiver of any subsequent breach thereof.

10. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

11. All notices and demands required to be given hereunder shall be in writing and shall be sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, facsimile, telegram or telex (provided that the sender confirms the facsimile, telegram or telex by sending an original confirmation copy by certified or registered mail or expedited delivery service within three (3) business days after transmission), to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisor, the notice shall be addressed to:

Clean EatZ Franchising LLC
4389 Oleander Drive
Wilmington NC 28403
Attention: Legal Dept.
Don@CleanEatZ.com

If directed to Franchisee, the notice shall be addressed to:

Attention: _____
Email: _____

If directed to Franchisee Affiliate, the notice shall be addressed to:

Attention: _____
Email: _____

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by facsimile shall be deemed given upon transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three (3) business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving 15 days' written notice of such change to the other parties. A "business day" for the purpose of this Agreement excludes Saturday, Sunday and national holidays.

The effective of Agreement shall be the _____ day of _____, 20____.

FRANCHISOR: Clean Eatz Franchising LLC

By: _____

FRANCHISEE: _____

By: _____
Name

FRANCHISEE AFFILIATE: _____

By: Name

EXHIBIT D



Clean EatZ Franchising LLC.

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

EXHIBIT D
Clean Eatz Franchising LLC.

**LIST OF STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS**

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Corporations One Sansome Street, Suite 600 San Francisco, CA 94105 (415) 972-8559	Corporations Commissioner 1515 K Street, Suite 200 Sacramento, CA 95814
CONNECTICUT	Securities and Business Investment Division Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06106 (203) 240-8299	Connecticut Banking Commissioner Same Address
FLORIDA	Department of Agriculture & Consumer Services P.O. Box 6700 Tallahassee, FL 32399-6700 (800) 435-7352	Same
GEORGIA	Office of Consumer Affairs 2 Martin Luther King Drive, S.E. Plaza Level, East Tower Atlanta, GA 30334 (404) 656-3790	Same
HAWAII	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P. O. Box 40 Honolulu, Hawaii 96810 (808) 586-2744	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Securities Compliance Branch 335 Merchant St., Room 205 Honolulu, HI 96810
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General Same Address
INDIANA	Securities Commissioner Indiana Securities Division Room E 111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
IOWA	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 (515) 281-5705	Same
KENTUCKY	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602 (502) 696-5300	Same
LOUISIANA	Department of Urban & Community Affairs Consumer Protection Office 301 Main Street, 6th Floor One America Place Baton Rouge, LA 70801 (504) 342-7013 (gen. info.) (504) 342-7900	Same
MAINE	Department of Business Regulations State House - Station 35 Augusta, ME 04333 (207) 298-3671	Same
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce Corporations and Securities Bureau Same Address
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101 (651) 539-1600	Minnesota Commissioner of Commerce Same Address
NEBRASKA	Department of Banking and Finance 1230 "O" Street, Suite 400 P.O. Box 95006 Lincoln, NE 68509-5006 (402) 471-3445	Director of the Department of Banking and Finance Same Address

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
NEW HAMPSHIRE	Attorney General Consumer Protection and Antitrust Bureau State House Annex Concord, NH 03301 (603) 271-3641	Same
NEW YORK	New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21 st Floor New York, NY 10005 (212) 416-8285	Secretary of State of New York 99 Washington Avenue Albany, New York 12231
NORTH CAROLINA	Secretary of State's Office Securities Division Legislative Annex Building 300 Salisbury Street Raleigh, NC 27602 (919) 733-3924	Secretary of State Secretary of State's Office 300 Salisbury Street Raleigh, NC 27602
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capital, 5 th Floor, Dept 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner Same Address
OHIO	Attorney General Consumer Fraud & Crime Section State Office Tower 15th Floor 30 East Broad Street Columbus, OH 43215 (614) 466-8831 or (800) 282-0515	Same
OKLAHOMA	Oklahoma Securities Commission 2915 Lincoln Blvd. Oklahoma City, OK 73105 (405) 521-2451	Same
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 96310 (503) 378-4387	Director Department of Insurance and Finance Same Address
RHODE ISLAND	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Ave., Building 69-1 Cranston, RI 02910 (401) 462-9588	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Ave., Building 69-1 Cranston, RI 02910 (401) 462-9588

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
SOUTH CAROLINA	Secretary of State P.O. Box 11350 Columbia, SC 29211 (803) 734-2166	Same
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of South Dakota Division of Insurance Same Address
TEXAS	Attorney General's Office Consumer Protection Division P.O. Box 12548 Austin, TX 78711 (512) 463-2070	Same
UTAH	Utah Department of Commerce Consumer Protection Division 160 East 300 South P.O. Box 45804 Salt Lake City, UT 84145-0804 (801) 530-6001	Same
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising PO Box 1197 Richmond, VA 23218-1197 (804) 371-9051	Clerk of the State Corporation Commission State Corporation Commission 1300 E. Main Street Richmond, VA 23219
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760
WISCONSIN	Commission of Securities P.O. Box 1768 Madison, WI 53701-1768 (608) 266-1365	Wisconsin Commissioner of Securities Same Address

EXHIBIT E



Clean EatZ Franchising LLC

MULTI-STATE LAW ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT

EXHIBIT E
Clean Eatz Franchising LLC

**MULTI-STATE LAW ADDENDA TO
FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT**

The following modifications are to Clean Eatz Franchising LLC Franchise Disclosure Document and may supersede, certain portions of the Franchise Agreement dated _____, 20__.

CALIFORNIA

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Disclosure Document
2. Neither the franchisor, nor any person or franchise broker in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.
3. California Business and Professions Code 20000 through 20043 provides rights to the franchisee 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.
4. 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.)
5. The franchise agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
6. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
7. The franchise agreement requires binding arbitration. The arbitration will occur in North Carolina with the costs being borne by both parties.
8. 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 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.
9. The franchise agreement requires application of the laws of North Carolina. This provision may not be enforceable under California law.

10. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.
11. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).
12. “The earnings claims figure(s) does (do) not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.”
13. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS at www.corp.ca.gov.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

Clean EatZ Franchising LLC

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

ILLINOIS

Item 17(v) of the Franchise Disclosure Document and Section 16.06 of the Franchise Agreement are amended to state that any provision that designates jurisdiction or venue in a forum outside the State of Illinois will not be enforceable and is amended to the extent required by Illinois law.

The governing law or choice of law clause that allows for jurisdiction or venue other than Illinois will not be enforceable under Illinois law. This governing law clause shall not be construed to negate the application of the Illinois Franchise Disclosure Act in all situations to which it is applicable. Therefore, Item 17(v)(w) of the Franchise Disclosure Document and Section 16.06 of the Franchise Agreement are amended to accordingly.

Section 705(41) of the Illinois Franchise Disclosure Act states any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of 1 year after the franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to the franchisee of a written notice disclosing the violation, whichever shall first expire. Item 17(b) of the Franchise Disclosure Document, and Section 3 of the Franchise Agreement are amended accordingly.

The conditions under which a franchise can be terminated and your rights upon nonrenewal, as well as the application by which you must bring any claims, may be affected by Sections 705/19 and 20 of the Illinois Franchise Disclosure Act of 1987, 815 ILCS 705/19 and 705/20.

Section 5(2) of the Illinois Franchise Disclosure Act requires 14 calendar days' disclosure prior to the signing of a binding agreement or the payment of any fees to us. Item 23 of the Disclosure Document is amended accordingly, to the extent required by Illinois law.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

Clean Eatz Franchising LLC

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

INDIANA

It is unlawful for any franchise agreement between any franchisor and a franchisee who is a resident of Indiana or a non-resident who is to operate the franchise in Indiana to contain a provision that requires a franchisee not to compete with the franchisor in an area greater than the exclusive territory granted in the franchise agreement or, if no exclusive territory is granted, in an area of more than reasonable size, upon Termination of a franchise agreement. (Ind. Code § 23-2-2.7-1(9)). Accordingly, both the Franchise Agreement and Item 17 of the Disclosure Document are amended to apply to the area within a 50-mile radius of Clean EatZ.

The Franchise Agreement requires binding arbitration. The arbitration will occur in a state other than Indiana, with costs being borne by the non-prevailing party. The provision concerning the place where arbitration will occur is deleted from the Franchise Agreement.

The Franchise Agreement requires application of the laws of another state. This provision is deleted from the Indiana Franchise Agreement.

Item 17 of the Disclosure Document, Sections (u), (v), and (w), is amended to omit any reference to selection of an out-of-Indiana forum or choice of law.

The franchise agreement requires you to sign a general release of claims as a condition of renewing or reselling the franchise. Under the law of Indiana any provision that purports to bind a person acquiring a franchise to waive compliance with the franchise laws of Indiana is void. The Franchise Agreement and Item 17 of the Disclosure Document, Sections (b) (renewal) and (k) (transfer) are amended to omit the requirement that an Indiana Franchisee sign a general release of claims as a condition of renewal or resale. This will not prevent Franchisor from requiring you to sign a general release of claims as part of a settlement of a dispute.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

Clean EatZ Franchising LLC

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

MARYLAND

The following amends the Franchise Disclosure Document, Franchise Agreement and Exhibit D to the Franchise Disclosure Document, the Compliance Questionnaire:

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.). Item 17H of the Franchise Disclosure Document and Section 5.05 of the Franchise Agreement are amended to add this provision.

Item 17M of the Franchise Disclosure Document and Section 14.04(b) of the Franchise Agreement are amended to state that the general release required as a condition of sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Item 17 V of the Franchise Disclosure Document and Section 16.03 of the Franchise Agreement are amended to state: A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Item 17 V of the Franchise Disclosure Document and Section 16.06 of the Franchise Agreement are amended to state; Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

Section 19 of the Franchise Agreement and Exhibit D of the Franchise Disclosure Document, the Compliance Questionnaire are amended to state: All representations requiring prospective franchisees to assent to a release, estoppels or waiver of liability are not intended to nor shall they act as a release, estoppels or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Item 17 of the Franchise Disclosure Document and Section 16.03 of the Franchise Agreement are amended to state: This Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

Section 14 of the Development Agreement is amended to state: A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Section 16 of the Development Agreement is amended to state: All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any liability are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Any acknowledgments or representations of the franchisee made in the franchise agreement or other documents which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

Clean EatZ Franchising LLC

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

MICHIGAN

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

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

- (a) A prohibition on your right to join an association of franchisees.
- (b) A requirement that you assent to a release, assignment, notation, waiver, or estoppels which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits us to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits us to refuse to renew your franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applied only if: (i) the term of the franchise is less than 5 years and (ii) you are prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or you do not receive at least 6 months advance notice of our intent not to renew the franchise.
- (e) A provision that permits us to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a franchise outside this state.
- (g) A provision, which permits us to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent us from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet our then current reasonable qualifications or standards.

- (ii) The fact that the proposed transferee is a competitor of us or our subfranchisor.
- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) Your or proposed transferee's failure to pay any sums owing to us or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants us the right to acquire the assets of a franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

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

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

ESCROW REQUIREMENTS (IF ANY): _____

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

Clean Eatz Franchising LLC

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

MINNESOTA

We will comply with Minnesota Statute 80C.14 subdivisions 3, 4, and 5, which require except in certain specific cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

In accordance with Minnesota Rule 2860.4400J, to the extent required by law, the Disclosure Document and Franchise Agreement are modified so that we cannot require you to waive your rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not bar an exclusive arbitration clause.

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a general release. The Disclosure Document and Franchise Agreement are modified accordingly, to the extent required by Minnesota law.

Pursuant to Minn. Stat. Sec. 80C.12, Subd. 1(g), to the extent required by law, the Franchise Agreement and Item 13 of the Disclosure Document are amended to state that we will protect your right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of our primary trade name.

Pursuant to Minn. Stat. Sec. 80C.17, Subd. 5, to the extent required by law, the Franchise Agreement and Item 17 of the Disclosure Document are amended to state that no action may be commenced pursuant to this section more than three (3) years after the cause of action accrues.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

Clean EatZ Franchising LLC

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal, or civil action pending against that person alleging; a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c) titled **“Requirements for franchisee to renew or extend,”** and Item 17(m), entitled **“Conditions for franchisor approval of transfer”**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The Following language replaces the “Summary” section of Item 17 (d), titled **“Termination by franchisee”**:

You may terminate the agreement on any grounds available by law.

5. The Following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum”** and Item 17(w), titled **“Choice of law”**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

Clean Eatz Franchising LLC

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

NORTH DAKOTA

Item 17(c) Disclosure Document and Section 1.2 of the Franchise Agreement requiring you to sign a general release upon renewal of the franchise may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(i) of the Disclosure Document and Section 16.2 of the Franchise Agreement requiring you to consent to termination or liquidated damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(r) of the Disclosure Document and Section 16.2 of the Franchise Agreement restricting competition are generally considered unenforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(u) of the Franchise Disclosure Document and Section 18.06 of the Franchise Agreement requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law. The site of arbitration or mediation must be agreeable to all parties.

Item 17(w) of the Franchise Disclosure Document and Section 18.06 of the Franchise Agreement relating to choice of law, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17 of the Franchise Disclosure Document and Section 18.16 of the Franchise Agreement requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and is amended accordingly to the extent required by law.

Item 17 of the Franchise Disclosure Document and Sections 17 and 18.16 of the Franchise Agreement requiring the franchisee to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17 of the Franchise Disclosure Document and Section 18.16 of the Franchise Agreement requiring the franchisee to consent to a limitation of claims within one (1) year may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Section 18.16 of the Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by the franchisor in enforcing the agreement, which may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended

accordingly to the extent required by law. The prevailing party in any enforcement action is entitled to recover costs and expenses including attorney's fees..

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

Clean EatZ Franchising, LLC

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

RHODE ISLAND

The Rhode Island Securities Division requires the following specific disclosures to be made to prospective Rhode Island franchisees:

§19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act.”

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

Clean Eatz Franchising LLC

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Clean EatZ Franchising LLC for use in the Commonwealth of Virginia shall be amended as follows:

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act, it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Virginia Retail Franchising Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

Clean EatZ Franchising LLC

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

WASHINGTON

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Use of Franchise Brokers. The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information

provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

Clean EatZ Franchising LLC

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

ACKNOWLEDGMENT:

It is agreed that the applicable foregoing state law addendum, if any, supersedes any inconsistent portion of the Franchise Agreement dated _____, 20__, and of the Franchise Disclosure Document, and for only so long as such state law remains in effect.

DATED this _____ day of _____, 20__.

FRANCHISOR:

Clean Eatz Franchising LLC

By: _____

Title: _____

FRANCHISEE

By: _____

Title: _____

EXHIBIT F



Clean EatZ Franchising LLC

OPERATIONS MANUAL TABLE OF CONTENTS

EXHIBIT F
Clean EatZ Franchising, LLC

OPERATIONS MANUAL TABLE OF CONTENTS AS OF JANUARY 2018

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EXHIBIT G



Clean EatZ Franchising LLC

GENERAL RELEASE

EXHIBIT G
Clean EatZ Franchising LLC

GENERAL RELEASE

FOR AND IN CONSIDERATION of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by all parties, the parties agree and covenant as follows:

1. The undersigned, CLEAN EATZ FRANCHISING LLC ("the Franchisor"), does hereby release, and forever discharge _____ ("the Franchisee"), its officers, directors, successors, shareholders, agents, assigns, employees, representatives, and any and all other persons, firms and corporations whatsoever, from any and all claims, demands, damages, actions, causes of action, or suits of any kind or nature whatsoever, both known and unknown, arising out of, related to or in any way connected with the Franchise Agreement dated _____ and specifically including but not limited to, any and all claims or demands which may have been alleged or any other future claims related to the above Franchise Agreement.
2. The undersigned _____ (the "Franchisee") and its shareholders, officers, and directors does hereby release and forever discharge CLEAN EATZ FRANCHISING LLC its, successors, agents, assigns, officers, directors, shareholders, employees, representatives, and any and all other persons, firms and corporations whatsoever, from any and all claims, demands, damages, actions, causes of action, or suits of any kind or nature whatsoever, both known and unknown, breach of contract, defamation, and any claims whatsoever. This Full, Final and Absolute Mutual Release (the "Release") shall apply to all agreements or contracts heretofore existing or entered into by and between _____ ("the Franchisee") and CLEAN EATZ FRANCHISING LLC.
3. It is understood and agreed that the settlement evidenced by this Release is a compromise of all claims herein specified, whether past, present or future, that such claims are doubtful and disputed, and that execution of this Release is not to be construed as an admission of liability on the part of any party. Rather, liability is expressly denied.
4. The consideration expressly mentioned herein is the only consideration paid or to be paid by said parties hereby released. No representations as to damages or liability have been made. The parties acknowledge that no other party, or agent, or attorney of any other party, has made any promise, or representation or warranty to induce this Release, not herein expressly set forth, and no such promises, representations or warranties are relied upon as a consideration for this Release, or otherwise, but any and all of the parties' respective claims, of whatever nature are hereby fully and forever released, compromised and settled. Full and complete compromise, settlement, and accord and satisfaction are hereby acknowledged, and it is expressly agreed by the undersigned parties never to sue any of the other parties hereby released on any alleged promise, representation or warranty for this Release not herein expressly set forth.

5. This Agreement contains the entire agreement and understanding between the parties as to the matters specified herein and supersedes and replaces all prior negotiations or proposed agreements on this subject matter, whether written or oral. The terms contained herein may not be modified or amended except in writing signed by the parties. The terms of this Release are contractual and not a mere recital. Since the purpose of this Release is to end this matter forever, should it develop that there are any errors, mistakes or any omissions in this instrument, whether legal or factual and whether mutual or unilateral, which would cause the release of the parties herein released to be defective or less than complete, then the undersigned will sign any and all documents and do any and all things necessary to effectuate a full, final and absolute release of said party.
6. The undersigned further state that they have carefully read the foregoing instrument; that they know the contents thereof; that they understand and agree to each and every term and condition contained herein; that they signed the same as their own free act and deed; and that they have not assigned any rights released hereunder to any person or organization, private or governmental.
7. The terms of this Release arose from negotiations and discussions between the parties. Accordingly, no claimed ambiguity in this Release shall be construed against any party claimed to have drafted or proposed the language in question.
8. This Release shall be governed by and construed pursuant to the laws of the State of North Carolina.
9. This Release may be executed in two (2) copies, each of which shall be deemed an original.
10. The general release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

WITNESS OUR SIGNATURES, this the ____ day of _____, 20____.

SIGNED: _____

TITLE: _____

CLEAN EATZ FRANCHISING LLC

(By our Signature above, we attest to this Agreement for stockholders, corporate and individually)

SIGNED: _____

TITLE: _____

FRANCHISE NAME: _____

(By our Signature above, we attest to this Agreement for stockholders, corporate and individually)

EXHIBIT H



CLEAN EATZ FRANCHISING LLC

**DEVELOPMENT
AGREEMENT FOR
CLEAN EATZ® CAFÉS**

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EXHIBITS:

- A. Description of Development Area
- B. Development Schedule
- C. Business Entity Information
- D. Investor Confidentiality Agreement
- E. Lease Rider
- F. Fee Schedule

GLOSSARY OF TERMS

The following terms are used in the Development Agreement (“Agreement”) with the meanings assigned in this Glossary.

Business Entity means a corporation, general or limited partnership, or limited liability company.

Café means a retail establishment at a fixed (permanent) location outside a Mall, Institution, or Hospitality Center that operates continuously on a year-round basis under the CLEAN EATZ® trademark and System.

Charter Documents means a corporation’s articles of incorporation, by-laws, and shareholders agreement (if any); a partnership’s partnership agreement and, in the case of a limited partnership, its articles of limited partnership; a limited liability company’s articles of association and regulations or operating agreement; and comparable governing documents of any other type of business entity.

Company means Clean Eatz Franchising LLC.

Competitive Business as used in this Agreement means to own, finance, be employed by, invest in or consult with a quick serve, healthy eating restaurant and/or a business that provides pre-made health focused meals as part of a meal plan (either store pick-up or direct mail/delivery) or “grab-n-go” service and that is competitive with or offers the same or similar types of food items.

Confidential Information means any services, technologies and procedures relating to the operation of a Clean Eatz; systems of operation, services, programs, products, prices, recipes, procedures, policies, standards, techniques, requirements and specifications which are part of the Clean Eatz System; the Manual; methods of advertising and promotion; instructional materials; and other matters about Company and its business as may reasonably be construed to be confidential or proprietary to Company.

Controlling Ownership Interest in Developer means the percent of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in Developer, the determination of whether a Controlling Ownership Interest is involved must be made as of both immediately before and immediately after the proposed transfer to see if a Controlling Ownership Interest will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer). In making the determination, Company also may consider all previous transfers of ownership interests to assess whether, in the aggregate, there has been or would be the transfer of a Controlling Ownership Interest.

Controlling Principal(s) means, if Developer is a Business Entity, each of the officers, directors, shareholders, partners, and members, plus any individual and their spouse who owns, directly or indirectly, a five percent (5%) or greater equity interest in Developer. Each Controlling Principal will be individually bound by certain obligations in this Agreement concerning confidentiality and

noncompetition. No Controlling Principal may, within the time periods specified in this Agreement, hold an ownership interest in or perform services in any capacity for any other Competitive Business.

Developer means that Person listed on the first page of this Agreement, including the plural as well as the singular, masculine, and feminine.

Development Agreement means this Agreement.

Development Area means that particular area, as specifically described in Exhibit A to this Agreement, in which Developer will have development rights.

DMA means Designated Market Area, an advertising term that Neilson Rating Service uses to demarcate the primary coverage of broadcast and print media in given markets. The boundaries of a particular DMA will be determined by reference to television coverage.

Effective Date means the date Company signs this Agreement, as indicated in its signature block.

Event of Default means failure to meet those contractual obligations as stated in, but not limited to, Section 10 of this Agreement and the consequences and cures of same.

Franchise Agreement means that Franchise Agreement between Company and Developer under which Developer purchases the franchised rights to operate a CLEAN EATZ® Café.

Franchise Disclosure Document means the most current disclosure document of Clean EatZ Franchising LLC.

Hospitality Center means a hotel, lodge, country club, social club, resort, casino, theater, or similar facility that provides recreation, entertainment, or lodging either to the general public or to private members.

Institution means a hospital, airport, public or private school, university or college campus, airport terminal, convention center, exhibition hall, amusement park, fairground, sports arena, military base, state or national park, or other facility in which Special Outlets are frequently located.

Intranet is Company's restricted global computer-based communications network.

Investor Confidentiality Agreement means the document substantially similar to that appearing in Exhibit D to this Agreement.

Lease Rider means the document substantially similar to that appearing in Exhibit E to this Agreement.

Mall means an assembly of retail establishments housed in a structure that encloses more than 250,000 square feet of floor space (including common areas) under a single roof.

Marks refers to and includes (i) the CLEAN EATZ® service mark and logo, (ii) the CLEAN EATZ trade name, (iii) the elements and components of a Café's Trade Dress, and (iv) any and all additional or different trade names, trademarks, service marks, logos, and slogans that Company adopts to identify the CLEAN EATZ® franchise system and the products and services Cafés offer.

Operations Manual means and collectively includes all manuals, policy statements, directives, bulletins, and memoranda, as revised from time to time, that contain prescribed or recommended specifications, standards, procedures, policies, and advice relating to a Café's operation and management and to marketing the products that Cafés serve. The Operations Manual discloses the principal elements of Company's proprietary System, and its contents are and shall remain Company's exclusive property.

Option Expiration Date means the date by which Developer must complete the development schedule, as noted on Exhibit B to this Agreement (unless otherwise extended).

Person means an individual or a Business Entity.

Principal means any Person with an ownership interest in Developer, if Developer is a Business Entity. A Principal includes a Controlling Principal. A Principal with access to Trade Secrets and other Confidential Information must agree to be bound by certain covenants concerning confidentiality, even if that Principal is not a Controlling Principal.

Scheduled Opening Date means the date the Café is open for business.

Special Outlet means a kiosk, a satellite unit, an express unit, a mini-store, a mobile dispensing unit, a temporary or seasonal booth, or similar installation, no matter how denominated.

System means the compilation of operating procedures, marketing concepts, management techniques, and communications methods and procedures that Company has developed or adopted to govern the operation of Cafés, the marketing of their products and services, and the methods of communication between and among Company and Café operators, all or some of which may be deleted, changed, improved, or further developed by Company from time to time.

Territory means that certain area within which a Café is located.

Trade Dress means decorative, non-functional components of a Café that provide the establishment a distinctive, memorable appearance.

Trade Secrets means the components of the System, the contents of the Operations Manual and of all employee training materials and computer programs developed by Company or in accordance with its specifications, and any other confidential information that Company imparts to Franchisee with respect to a Café's operation or management, whether through the Operations Manual or otherwise.

CLEAN EATZ FRANCHISING LLC
DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (“Agreement”) is entered into by and between Clean EatZ Franchising LLC, a North Carolina limited liability company (“Company”), and _____ (“Developer”). Certain terms are used in this Agreement with the meanings assigned in the Glossary of Terms appearing at the beginning of this Agreement. That Glossary is incorporated into, and made an integral part of, this Agreement by reference.

1. Recitals.

Company sells franchises to operate CLEAN EATZ® Cafés (“Cafés”). Developer is a prospective franchisee whose application to become a CLEAN EATZ® franchisee has been approved by Company.

2. Grant of Franchise Purchase Option.

In consideration of the Development Fee(s) Developer pays in accordance with Section 7, Company grants to Developer an option (or options) to operate a franchise (or franchises) of one (1) or more Cafés in the Development Area described in Exhibit A. The option’s term is the period between the Effective Date and the Option Expiration Date, both of which are indicated on the signature page of this Agreement.

If Developer is a Business Entity, Developer must provide copies of its Charter Documents, any amendments thereto, resolutions of the Board of Directors authorizing entry into and performance of this Agreement, and any certificates, buy-sell agreements, or other documents restricting the sale or transfer of stock or any other documents as may be reasonably required by Company to be furnished to Company prior to or after the execution of this Agreement. Developer further represents, warrants, and covenants that it is duly organized and validly existing under the law of the state of its formation and is duly qualified and authorized to do business in each jurisdiction in which its business activities or the nature of the properties it owns requires such qualification.

To exercise the option, Developer must comply with all the requirements of Section 3(b). If Developer does not fulfill those requirements before the Option Expiration Date, the original option will unconditionally expire, and this Agreement will automatically terminate on the Option Expiration Date.

Developer represents, warrants, and agrees that Exhibit C is complete, current, and accurate. Each Person who is or becomes a Principal and has access to Trade Secrets or other Confidential Information must agree to be bound by certain confidentiality covenants. In addition, Developer agrees to comply with all terms of use concerning Company’s Intranet.

If, at any time during this Agreement, a permitted change is made in Developer’s Controlling Principals, Developer shall notify Company in writing within five (5) days after such change becomes effective and submit to Company a revised Exhibit C.

Developer will notify Company within five (5) days after the commencement of any action, suit, arbitration, proceeding, or investigation, or the issuance of any order, writ, injunction, award, or decree, by any court, agency, or other governmental instrumentality that names Developer and/or any Controlling Principal as a party or otherwise concerns the operation of a Café or Developer's financial condition.

3. Café Development Procedure.

(a) Within 30 days of the Execution Date of the Franchise Agreement, Company will designate Developer's Protected Territory in writing and approve, if it meets Company standards and specifications for approval, the franchise location selected solely by Developer to be used for the operation of the Franchise.

(b) Company will provide advice about selecting and analyzing a site for the Franchise. Company does not own any property from which Developer's Franchise can be leased. Site selection is Developer's sole responsibility and, although Company reserves the right to accept or reject a Franchise location, Company will not select or designate a site for Developer.

(c) Developer will be solely responsible for determining that any available sites submitted for Company's approval are (i) within Developer's designated territory and (ii) at least 2,000 square feet. The factors Company considers in evaluating the sustainability of the proposed sites include (i) population density, (ii) traffic patterns, (iii) proximity of the proposed site to other Company or franchise owned Clean EatZ Cafes, and (iv) any other reasonable criteria. Developer holds the sole risk for the approved location's business and financial suitability.

(d) If Developer and Company cannot agree on the site selection, then Developer must select two (2) alternative sites. Company will give an evaluation of each site. Company must approve or disapprove the site within 30 days after notice is received from Developer. If the Parties cannot agree on any of the three (3) sites, Company reserves the right to have a third-party site-selection company assist in site selection, a cost that Developer will be responsible for. The Franchise Agreement cannot be terminated due to failure to agree on site selection; however, the Franchise Agreement may be terminated for failure to designate a location within three (3) months of signing the Franchise Agreement. Assistance by Company in no way constitutes a representation or warranty with respect to the property.

(e) Company will aid Developer in the negotiation of the lease, which will be leased by Developer from independent third parties. However, Company reserves the right to reject any site or lease proposal Developer submits and to require that Developer obtain information on additional sites. Under no circumstances will Company authorize Developer to pursue a site located inside the Territory of another Café that is either operating or under development. The purpose of the assistance is to confirm compliance with the franchisor protections required by the Franchise Agreement and is for the protection of Company. This assistance in no way constitutes a representation or warranty with respect to the lease or purchase. If Developer uses the services of a third-party location developer/agent, any expenses for those services are at Developer's sole expense.

(f) Company will provide assistance sourcing equipment, signs, fixtures, opening inventory and supplies from approved suppliers. Company will provide a list of the names of approved suppliers and interior design firms. Upon request, Company will provide written specifications for these items. Company does not deliver or install any of the items.

(g) Estimated length of time between the signing of a Franchise Agreement and the opening of a café will usually be between six (6) to twelve (12) months. Factors affecting this length of time include financing arrangements, property lease terms, construction or conversion requirements, and scheduling and completion of the training program.

4. Area Development Rights.

This Section 4 (as well as Sections 5 and 6) applies if Exhibit B indicates that Company has granted Developer the right to develop more than one (1) Café.

(a) In consideration of the development fee Developer pays in accordance with Section 7(b), Company grants to Developer the right (and Developer undertakes the obligation) to develop the number of Cafés indicated in Exhibit B in the Development Area.

(b) In order to retain the right to develop Cafés, Developer must:

(i) comply with the requirements of Sections 2 and 3;

(ii) develop and open Cafés in compliance with Section 5 of this Agreement and the development schedule indicated in the “Scheduled Opening Date” column of Exhibit B; and

(iii) as of each Café’s Scheduled Opening Date, be operating in the Development Area the cumulative total number of Cafés indicated in the “Required # of Operating Cafés” column of Exhibit B.

(c) Subject to earlier termination in accordance with Section 10 and to renewal under Section 9, Developer’s development rights will continue from the Effective Date of this Agreement until (i) ten (10) years from the date Developer’s first Café opens for business, or (ii) Developer fails to meet the scheduled opening dates as set forth in Exhibit B, whichever occurs first.

(d) If Developer defaults under this Agreement in the manner described in Section 10, Company may exercise the rights granted in Section 10.

After this Agreement expires or terminates, Developer’s right to develop Cafés in the Development Area ends. Company then may grant additional development rights and Café franchises in Developer’s former Development Area and may open its own Cafés there. This consequence follows even if Developer has completed its development obligations on time and in strict compliance with this Agreement. However, termination of Developer’s development rights does not affect the status of the franchise for any Café Developer is operating when this Agreement expires or terminates.

5. Additional Café Development Procedure.

Not later than the Scheduled Opening Date for a particular Café, Developer must complete the following steps, in the sequence shown, for a Café's development:

(a) Developer must notify Company that Developer is prepared to commence the Café's development. If Company's then current form of Franchise Disclosure Document bears a more recent date than the most recent Franchise Disclosure Document that Developer received, Company will, if required by applicable law, furnish the current Franchise Disclosure Document to Developer, and Developer will execute the then current form of Franchise Agreement. Developer must also pay in full to Company all outstanding amounts then owed to Company.

(b) Developer must comply with all of the requirements of Sections 2 and 3(b) for each additional Café.

6. Café Development Extensions; Force Majeure.

(a) If any Café's opening is delayed beyond its Scheduled Opening Date on account of a natural disaster, fire, or other casualty, labor dispute, materials shortage, or similar event over which Developer lacks control, that Café's Scheduled Opening Date will be extended for the time reasonably necessary to remedy the event's effects. The extension provided in this Section 6(a) will be available only if Developer gives Company prompt written notice of the event's occurrence and an estimate of the time required to remedy its effects.

(b) An extension under Section 6(a) will apply only to the Scheduled Opening Date of the Café whose development is interrupted; an extension will not delay the Scheduled Opening Date of any subsequent Café.

7. Fees.

Franchise Fees will be paid according to the Fee Schedule in Exhibit F.

8. Competitive Protection; Territorial Scope of Development Rights.

(a) The Developer will not have exclusive territorial rights, however, as each Café is opened under this Agreement, each Café will have a territorial protection consistent with the then current Franchise Agreement.

(b) Any exclusivity granted in a Franchise Agreement will not to any extent prohibit or restrict Company from engaging in the distribution of its proprietary or branded products and other merchandise to or through commercial establishments that are not affiliated with Company or associated with the CLEAN EATZ® service mark or franchise system, including (for example) department stores, supermarkets, direct-to-consumer and convenience stores. Company may exercise its distribution rights, both inside and outside the Development Area, without being deemed to have infringed Developer's competitive protection rights.

9. Renewal.

(a) If Section 4 applies, Developer will have a conditional right to secure a renewal of the exclusive right to develop Cafés in the Development Area.

(b) Renewal will be permitted only if all of the following conditions are satisfied:

(i) Developer opens the full number of Cafés indicated in Exhibit B in compliance with Sections 3 and 5 and the Development Schedule indicated in Exhibit B (taking into account any deadline extensions that Developer obtains in compliance with Section 6);

(ii) Developer continuously operated at least the total number of Cafés set out in Exhibit B up to and including the renewal notice deadline;

(iii) Developer does not cause or permit a default to occur under Section 10, whether or not Company exercises the right to terminate Developer's exclusive rights under this Agreement on account of the default;

(iv) All of Developer's Cafés are being operated in substantial compliance with Company's quality control and other operational standards, and Developer is not delinquent in paying royalty or other monetary obligations to Company or in submitting required financial reports to Company; and

(v) Based on its review of the financial and additional information that Developer submits in accordance with Section 9(c)(i), Company is satisfied that Developer is financially capable of completing the development of the additional Cafés that Developer proposes to develop.

(c) To secure a renewal of the development rights, Developer must comply with the following procedures:

(i) Not later than one hundred eighty (180) days before the first Café's Franchise Agreement expires, as extended, Developer must provide written notice to Company of Developer's intention to continue developing Cafés in the Development Area and must submit to Company a new application, current financial information for Developer and its Controlling Principals, copies of any outstanding lawsuits, proof of payment of all taxes, copies of the latest tax returns, and Developer's latest quarterly unaudited financial statements. Developer's notice must specify at least three (3) additional Cafés Developer proposes to develop during the renewal period and indicate any changes Developer seeks in the Development Area's boundaries if Developer requests a larger Development Area.

(ii) Company will evaluate the application Developer submits as well as Developer's financial information and development proposal no later than 30 days before the renewal date. If Company determines that Developer is financially able to develop the additional Cafés and is at least as financially stable as Developer was on the effective date of this Agreement, it will furnish Developer a new Development Agreement on the form Company is then using. The exhibits to that agreement will reflect the development area

boundaries, number of Cafés, and development schedule that Company is willing to accept, which may differ from Developer's proposal. In any event, upon full compliance, the renewed Development Agreement will cover the same Development Area as this agreement, at a minimum.

(iii) No earlier than 15 calendar days, but no later than 20 calendar days, after Company furnishes the new Development Agreement to Developer, Developer must sign and return it to Company, together with the development fee specified in that agreement.

10. Default and Termination.

Developer shall be in default if Developer:

- (a) fails to sign an approved lease for any Café in compliance with Sections 3 and 5;
- (b) signs a lease without express written authorization from Company or otherwise proceeds with a Café's development before signing a Franchise Agreement or paying the franchise fee for the Café;
- (c) fails to open any Café in compliance with Sections 3 and 5 on or before its Scheduled Opening Date (taking into account any extension of that date that Developer obtains under Section 6(a));
- (d) without Company's express prior written permission, fails to have open and operating in the Development Area the cumulative total number of Cafés indicated in the "Required # of Operating Cafés" column of Exhibit B as of the Scheduled Opening Date of any Café (taking into account any extension of a particular Café's Scheduled Opening Date that Developer obtains under Section 6(a));
- (e) allows an Event of Default to occur under any Franchise Agreement (i) that is not cured by the end of the related remedial period provided in the Franchise Agreement or (ii) that is not curable under the Franchise Agreement;
- (f) attempts to assign, transfer, or sell, without Company's approval, any development or franchise purchase rights under this Agreement, or allows a transfer of its ownership interests to be made, in contravention of Section 11;
- (g) offers or issues any securities of Developer; becomes insolvent by reason of its inability to pay its debts as they mature; files a petition in bankruptcy or reorganization or a similar proceeding; if suit is filed to foreclose any lien or mortgage against Developer's assets; or requests any appointment of a receiver or makes a general assignment for the benefit of creditors;
- (h) makes any unauthorized use or disclosure of Company's Confidential Information or the Marks or materially impairs the goodwill associated therewith;

(i) enters negotiations to lease or obtains an option to lease a site for a Café located outside the Development Area, except pursuant to another effective development agreement between Company and Developer;

(j) makes any material misstatement or omission in its application or in any other written information provided to Company; or

(k) is convicted of, or pleads no contest to, a felony or other crime or offense that Company reasonably believes may adversely affect the goodwill associated with the Marks.

Cross-Default. Any default by Developer or an affiliate of Developer for which all opportunity to cure has expired under this Agreement shall constitute a default under all Franchise Agreements for Cafés. Any default by Developer or an affiliate of Developer under any Franchise Agreement, after the expiration of any opportunity to cure, shall be an incurable default under this Agreement.

If an Event of Default occurs, Company may, at its option and sole discretion, (i) eliminate the exclusivity of Developer's right to develop Cafés in the Development Area (in which case Company may engage and allow other franchisees or licenses to engage in such activities) (this applies when Developer has committed to develop more than one (1) Café in the Development Area, as Developer otherwise has no exclusive rights under this Agreement), (ii) decrease the number of Cafés to be developed according to the development schedule, (iii) reduce the size of the Development Area, or (iv) terminate all of Developer's rights under this Development Agreement, in all cases by giving Developer written notice of Company's election, which may or may not offer an opportunity to cure. Company may choose the option it prefers. Termination of this Agreement will not affect the status of any Franchise Agreement then in effect between Company and Developer.

11. Prohibition Against Assignment.

(a) Except as permitted in Sections 11(b) and 11(c), Developer may not assign or otherwise transfer any of the option, development, or franchise purchase rights or any of the obligations under this Agreement, either contractually or by operation of law, and there may be no transfer of a Controlling Ownership Interest in Developer. Developer expressly acknowledges and agrees that Company does not permit its franchisee/developers to sub-franchise CLEAN EATZ® Cafés or to partition or sell undeveloped territory.

(b) If Developer is a Business Entity, Company hereby consents to assignments and transfers of ownership interests in Developer that are not, either individually or combined with other preceding or successive transfers or assignments, assignments or transfers of Controlling Ownership Interests in Developer. There may be no transfer or assignment of a Controlling Ownership Interest in Developer without Company's prior written consent, which Company may grant or withhold as it deems best.

(c) The rights of an individual Developer, or the ownership interests in a Developer that is a Business Entity, may be devised by will or distributed to the individual Developer's or Principal's heirs pursuant to the laws of descent and distribution if such heirs satisfy Company's then current standards for developers and receive Company's prior written approval.

(d) No assignment or transfer in contravention of this Section 11 will be binding on Company, and Company will not be obligated to issue any Franchise Agreement under Section 3 or Section 5 in the name of any person or business entity other than Developer or a person to whom an individual Developer's rights are devised or distributed in accordance with Section 11(c).

(e) In the event Developer requests approval of Assignment otherwise prohibited by this Section, Company may approve such assignment in its sole discretion. In the event that an assignment is permitted, Developer and any assignee shall be jointly and severally liable for performance of all obligations under this Agreement, as well as any Franchise Agreement made and entered pursuant to this Agreement.

12. Notices.

All notices required or permitted under this Agreement must be in writing and will be deemed delivered when deposited with the United States Postal Service, first class postage prepaid, certified mail, return receipt requested, or with an overnight delivery service for next business day delivery with proof of delivery, and addressed as follows:

If to Company, to: Clean EatZ Franchising LLC
4389 Oleander Drive
Wilmington NC, 28403

If to Developer, to: _____

Either party may change its address for notices by written notice to the other given in accordance with this Section 12.

13. Status of Parties; Representations and Warranties.

This Agreement is not intended to create and shall not be interpreted or construed as creating a franchise, partnership, joint venture, agency, employment, personal services, or similar relationship between Company and Developer. No representation to the contrary shall be binding upon Company.

(a) Developer covenants and agrees that, during the term of this Agreement and for two (2) years after its expiration or termination, Developer shall not have any ownership interest

in or perform services in any capacity for any Competitive Business, except as a franchisee of Company.

(b) During the term of this Agreement, Developer's covenant not to compete will apply universally; for the two-year (2) period after this Agreement expires or is terminated, Developer's covenant will apply in the Development Area and in each DMA in which a Company-owned, affiliate-owned, or franchised Café is then operating or under development. For purposes of calculating the duration of the two-year (2) period, any time during which Developer is in violation or breach of the covenant shall be excluded.

(c) Developer acknowledges that Developer's covenant not to compete is reasonable and necessary to protect the business and goodwill of the CLEAN EATZ® franchise system and to avoid misappropriation or other unauthorized use of the System and Company's other Trade Secrets.

14. Law Governing; CONSENT TO JURISDICTION.

(a) EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.) OR OTHER FEDERAL LAW, THIS AGREEMENT AND THE RELATIONSHIP BETWEEN COMPANY AND DEVELOPER SHALL FOR ALL PURPOSES BE GOVERNED BY AND INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH CAROLINA, EXCEPT THAT ITS CHOICE OF LAW AND CONFLICT OF LAW RULES SHALL NOT APPLY, AND ANY NORTH CAROLINA LAW REGULATING THE SALE OF FRANCHISES OR BUSINESS OPPORTUNITIES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.

(b) DEVELOPER AGREES THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN DEVELOPER AND COMPANY MUST BE COMMENCED IN A STATE OR FEDERAL COURT OF GENERAL JURISDICTION LOCATED IN THE STATE OF NORTH CAROLINA, AND DEVELOPER IRREVOCABLY SUBMITS TO THE JURISDICTION OF THOSE COURTS AND WAIVES ANY OBJECTION IT MIGHT HAVE TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NONETHELESS, DEVELOPER AGREES THAT COMPANY MAY ENFORCE THIS AGREEMENT IN THE COURTS LOCATED IN THE STATE OR STATES IN WHICH DEVELOPER IS DOMICILED OR THE DEVELOPMENT AREA IS LOCATED.

15. Miscellaneous.

(a) The terms used in this Agreement, unless otherwise defined, are also listed in the Glossary of Terms attached hereto and made a part hereof.

(b) This Agreement may not be amended or modified except by a written agreement executed by Company and Developer.

(c) Time is of the essence in this Agreement; Developer's compliance with the deadlines stated in this Agreement are vitally important.

16. Developer's Acknowledgments.

(a) Developer acknowledges and agrees that this Agreement, together with any duly signed addendum attached to this Agreement, contains the entire agreement between the parties with respect to Developer's rights to develop and acquire franchises for Cafés in the Development Area, and that this Agreement supersedes any prior or contemporaneous agreements between the parties, written or oral, with respect to those development and franchise acquisition rights. Nothing in any franchise agreement is intended to disclaim the express representations made in the Franchise Disclosure Document.

_____ **[DEVELOPER'S INITIALS]**

(b) Developer confirms and acknowledges that no written or oral agreements, promises, commitments, undertakings, or understandings concerning Developer's development or franchise acquisition rights were made to or with Developer that are not expressly stated in this Agreement and any duly signed amendment or addendum and that no written or oral representations were made by Company to Developer concerning Developer's development or franchise acquisition rights except as provided in Company's Franchise Disclosure Document and this Agreement.

_____ **[DEVELOPER'S INITIALS]**

(c) Developer acknowledges (i) that this Agreement is not a Franchise Agreement and that it provides Developer neither a license to use the CLEAN EATZ® trademark nor any right to operate a Café, (ii) that Developer's rights under this Agreement are solely contractual and that no property rights are granted in or with respect to the Development Area, and (iii) that until a Franchise Agreement for a particular Café location is issued in accordance with this Agreement, Developer will not have or be entitled to exercise any of the rights or privileges of a CLEAN EATZ® franchisee at or with respect to that location.

_____ **[DEVELOPER'S INITIALS]**

(d) DEVELOPER ACKNOWLEDGES THAT THE WRITTEN AUTHORIZATIONS CONTEMPLATED BY THIS AGREEMENT WILL BE VALID ONLY IF SIGNED BY AN OFFICER OF COMPANY. DEVELOPER MAY NOT RELY ON VERBAL OR WRITTEN APPROVALS FROM ANY EMPLOYEE WHO IS NOT AN OFFICER OR FROM ANY AGENT WHO MIGHT REPRESENT COMPANY IN THE FIELD. DEVELOPER ASSUMES FULL RISK AND FINANCIAL RESPONSIBILITY FOR SIGNING A LEASE WITHOUT COMPANY'S PRIOR WRITTEN AUTHORIZATION, INCLUDING THE RISK THAT COMPANY MAY TERMINATE THIS AGREEMENT UNDER SECTION 10(b) ON ACCOUNT OF AN UNAUTHORIZED LEASE SIGNING. COMPANY WILL HAVE NO

OBLIGATION TO ISSUE A FRANCHISE FOR A CAFÉ UNLESS AND UNTIL DEVELOPER COMPLIES FULLY WITH ALL APPLICABLE REQUIREMENTS OF SECTIONS 3 AND 5.

_____ [DEVELOPER'S INITIALS]

(e) Company will assign a unique Café Number to each Café upon its opening. Company has instructed the vendors with whom Company's franchisees do business not to accept work orders or purchase orders for a Café that is not properly identified by a Café Number. Developer acknowledges that Developer will be unable to order furniture, fixtures, equipment, signs, and inventory for any Café before a Café Number for that particular Café has been assigned.

_____ [DEVELOPER'S INITIALS]

(f) Developer acknowledges that all amounts payable under Section 7 represent fees, not deposits, and that none of those fees are refundable in whole or in part under any circumstances.

_____ [DEVELOPER'S INITIALS]

(g) Developer acknowledges and agrees that, by evaluating and accepting a particular Café location, providing any other site selection assistance to Developer, or authorizing Developer to negotiate or sign a Café lease, Company does not guarantee the suitability of any site for the operation of a Café or warrant that Developer can profitably operate a Café at any location that Company accepts. Company disclaims (and Developer recognizes and accepts Company's disclaimer of) any warranties, express or implied, with respect to the suitability or profit potential of any site Developer selects for a Café.

_____ [DEVELOPER'S INITIALS]

(h) DEVELOPER ACKNOWLEDGES AND AFFIRMS THAT NEITHER DEVELOPER NOR ANY OF ITS PRINCIPALS HAVE MADE ANY UNTRUE STATEMENT OF ANY MATERIAL FACT OR OMITTED TO STATE ANY MATERIAL FACT IN ITS APPLICATION OR ANY OTHER WRITTEN INFORMATION IN OBTAINING THE RIGHTS GRANTED HEREUNDER. NEITHER DEVELOPER NOR ANY OF ITS PRINCIPALS HAVE ANY DIRECT OR INDIRECT LEGAL OR BENEFICIAL INTEREST IN ANY BUSINESS THAT MAY BE DEEMED A COMPETITIVE BUSINESS, EXCEPT AS OTHERWISE COMPLETELY AND ACCURATELY DISCLOSED IN DEVELOPER'S APPLICATION. THE EXECUTION AND PERFORMANCE OF THIS AGREEMENT WILL NOT VIOLATE ANY OTHER AGREEMENT TO WHICH DEVELOPER OR ANY OF ITS PRINCIPALS MAY BE BOUND. DEVELOPER RECOGNIZES THAT COMPANY HAS EXECUTED THIS AGREEMENT IN RELIANCE ON ALL OF THE STATEMENTS DEVELOPER AND ITS PRINCIPALS HAVE MADE IN THE APPLICATION AND ANY OTHER WRITTEN INFORMATION.

_____ [DEVELOPER'S INITIALS]

CLEAN EATZ FRANCHISING LLC

DEVELOPER

By: _____

Title: _____

Date: _____

Date: _____ *

By: _____

Name: _____

Title: _____

Date: _____

*Considered the Effective Date of this
Agreement for all purposes

The Option Expiration Date is _____

EXHIBIT A
DESCRIPTION OF DEVELOPMENT AREA

The Development Area is the geographical area described as follows and which may be more specifically shown on a map attached to this Exhibit A, if available:

All street boundaries shall be deemed to end at the street center line unless otherwise specified above.

CLEAN EATZ FRANCHISING LLC

DEVELOPER

By: _____

Title: _____

Date: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT B
DEVELOPMENT SCHEDULE

<u>CAFÉ #</u>	<u>SCHEDULED OPENING DATE</u>	<u>REQUIRED # OF OPERATING CAFÉS</u>
1		1
2		2
3		3

CLEAN EATZ FRANCHISING LLC

DEVELOPER

By: _____

Title: _____

Date: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT C

BUSINESS ENTITY INFORMATION

This form must be completed if this Development Agreement has more than one (1) owner or if Developer is owned by a business organization (a corporation, partnership, limited liability company, or similar entity). This form must also be re-executed and sent to Company whenever there is any permitted change in ownership.

1. **Form of Owner.** Is a (check one):

- (a) ☐ General Partnership
- (b) ☐ Corporation
- (c) ☐ Limited Partnership
- (d) ☐ Limited Liability Company
- (e) ☐ Other (Specify) _____

2. **Business Entity.** Developer was incorporated or formed on _____, 20__ under the laws of the State of _____. Developer has not conducted business in any name other than Developer's business entity name and _____.

3. **Business Entity Owners.** The following list includes the full name and mailing address of each person who is an owner of Developer (stockholders, partners, or members (if a limited liability company)) and the nature of each owner's position and ownership interest in Developer.

Owner's Name and Address	Description of Interest	Ownership %

4. **Controlling Principal.** Provide the name, position, and ownership interest of each Controlling Principal as of the date of this Development Agreement.

Principal's Name and Address	Position Held in Entity	Ownership %

--	--	--

5. **Governing Documents.** Developer must attach copies of articles of incorporation or organization and partnership, shareholder, or member agreements (the “Charter Documents”).

6. **Representation.** Developer represents and warrants that the information provided in this form is true, accurate, and complete and that Clean EatZ Franchising LLC may consider this statement as continuing to be true, accurate, and correct until a written notice of change in ownership and/or in the Principal status is given to Clean EatZ Franchising LLC by Developer.

7. THIS DEVELOPMENT AGREEMENT AND SYSTEM OF BUSINESS REQUIRE THAT THE DEVELOPER BE UNDER THE DAILY CONTROL AND DIRECT SUPERVISION OF A CONTROLLING PRINCIPAL, AND FAILURE TO COMPLY CONSTITUTES A MATERIAL DEFAULT OF THIS DEVELOPMENT AGREEMENT.

OWNER:

Signature

Print Name

Title

EXHIBIT D

INVESTOR CONFIDENTIALITY AGREEMENT

This Investor Confidentiality Agreement (“Agreement”) is made and entered into as of _____, 20__, by and between Clean EatZ Franchising LLC, a North Carolina limited liability company (“we,” “us,” or “our”), and _____ (“you” or “your”).

PREAMBLES

We and you intend to enter into a Development Agreement. As part of our and your relationship, we will allow you to gain access to certain of our Confidential Information (defined below). Before allowing you and your personnel to have access to the Confidential Information, we require that you sign this Agreement.

DEFINITION

The term “Confidential Information” as used in this Agreement means our methods, techniques, formats, specifications, procedures, information, systems, sales and marketing techniques, and knowledge and experience in the development, operation, and franchising of CLEAN EATZ® Cafés that is disclosed to you or your personnel or that you and your personnel learn in connection with your and their dealings with us.

PROTECTION OF CONFIDENTIAL INFORMATION

You acknowledge and agree that neither you nor your personnel, nor any other person or entity, will acquire any interest in or right to use the Confidential Information under this Agreement. You further acknowledge and agree that the unauthorized use or duplication of the Confidential Information, including, without limitation, in connection with any of your other business activities, would be detrimental to us, cause us substantial and irreparable harm, and constitute a breach of your obligations of confidentiality and an unfair method of competition with us.

You acknowledge that the Confidential Information is our property, involves our trade secrets, and will be disclosed to you solely on the condition that you agree, and you hereby do agree, that you will: (1) not use the Confidential Information other than to the extent necessary to perform your obligations to us under a Development Agreement or any Franchise Agreement signed under that particular Development Agreement; (2) maintain the absolute confidentiality of the Confidential Information; (3) not make unauthorized copies of any records (in written, electronic, or other form) disclosing the Confidential Information; and (4) adopt and implement reasonable procedures to prevent disclosure of the Confidential Information, including, but not limited to, restricting its disclosure to employees and using nondisclosure agreements with employees who have access to the Confidential Information.

SURRENDER OF DOCUMENTS

You agree that, after you have completed all development requirements, you shall immediately return to us (or, at our option, destroy) all copies of the Confidential Information made available to you or your personnel in written, electronic, or other tangible form.

COSTS AND ATTORNEYS' FEES

In the event that we are required to engage legal counsel to secure the performance of your obligations under this Agreement, you must promptly reimburse us for all costs and expenses that we incur, including, without limitation, our reasonable attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses, whether incurred prior to, in preparation of, in contemplation of, or in connection with any trial or administrative proceeding or on appeal.

SEVERABILITY

If any provision of this Agreement is held for any reason to be invalid, or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction in a proceeding to which we are a party, that ruling shall not impair the operation of or have any other effect upon such other portions of this Agreement as may remain otherwise intelligible. Such other portions shall continue to be given full force and effect and bind the parties hereto.

GOVERNING LAW

This Agreement and the relationship between the parties hereto shall be construed and governed in accordance with the internal laws of the State of North Carolina, without regard to its conflict of laws principles.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple counterparts as of the day and year first above written.

CLEAN EATZ FRANCHISING LLC, a North Carolina
limited liability company

By: _____
Print Name: _____
Title: _____

[DEVELOPER]

By: _____
Print Name: _____
Title: _____

EXHIBIT E
LEASE RIDER

This Lease Rider is entered into this _____ day of _____,
20_____ by and between _____
_____ (“Franchisee”) and _____ (“Landlord”).

WHEREAS, Franchisee has entered into a Development Agreement dated
_____ (the “Development Agreement”) with Clean EatZ Franchising LLC
 (“CEF”);

WHEREAS, the Development Agreement provides that CEF and Franchisee will enter
into a Franchise Agreement (the “Franchise Agreement”) for the operation of a CLEAN EATZ®
Café (“Café”) after Franchisee secures possession of premises suitable for the Café’s operation;
and

WHEREAS, Franchisee and Landlord propose to enter into the lease to which this Rider
is attached (the “Lease”), pursuant to which Franchisee will occupy premises located at
_____ (the “Premises”) for the
purpose of constructing and operating the Café in accordance with the Franchise Agreement; and

WHEREAS, the Development Agreement provides that, as a condition to CEF’s
authorizing Franchisee to enter into the Lease, the parties must execute this Lease Rider.

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set
forth in this Rider and in the Franchise Agreement, the receipt and sufficiency of which the
parties acknowledge, the parties agree as follows:

1. During the term of the Franchise Agreement, Franchisee shall be permitted
to use the Premises for the operation of the Café and for no other purpose.
2. Subject to applicable zoning laws and deed restrictions and to prevailing
community standards of decency, Landlord consents to Franchisee’s installation and use of such
trademarks, service marks, signs, decor items, color schemes and related components of the
CLEAN EATZ® system as CEF may from time to time prescribe for the Café.
3. Landlord agrees to furnish CEF with copies of all letters and notices it sends
to Franchisee pertaining to the Lease and the Premises at the same time it sends such letters and
notices to Franchisee. Such letters and notices shall be sent to Clean EatZ Franchising LLC, 4389
Oleander Drive, Wilmington NC, 28403, or such other address provided to Landlord in writing.
4. CEF shall have the right, without being guilty of trespass or any other crime
or tort, to enter the Premises at any time or from time to time (i) to make any modification or
alteration it considers necessary to protect the CLEAN EATZ® system and marks, (ii) to cure any
default under the Franchise Agreement or under the Lease, or (iii) to remove the distinctive
elements of the CLEAN EATZ® trade dress upon the Franchise Agreement’s expiration or
termination. Neither CEF nor Landlord shall be responsible to Franchisee for any damages

Franchisee might sustain as a result of action CEF takes in accordance with this provision. CEF shall repair or reimburse Landlord for the cost of any damage to the Premises' walls, floor or ceiling that result from CEF's removal of trade dress items and other property from the Premises.

5. If CEF cures a default by Franchisee under the Lease, or if CEF notifies Landlord that the Franchise Agreement has been terminated (which termination shall constitute a non-curable default pursuant to the Lease upon Landlord's receipt of CEF's notice thereof), Landlord agrees, upon CEF's written request, to assign to CEF any and all rights that Landlord may have under the Lease to remove and evict Franchisee from the Premises and shall cooperate with CEF in order to pursue such action to a conclusion.

6. If CEF cures a default by Franchisee under the Lease or notifies Landlord of the termination of the Franchise Agreement, CEF shall have the right and option, upon written notice to landlord, to do the following:

a. Undertake to perform the terms, covenants, obligations and conditions of the Lease on behalf of Franchisee (notwithstanding any removal or eviction of Franchisee) for a period not to exceed six (6) months from the first date of any cure by CEF; or

b. At any time within or at the conclusion of such six (6) month period, assume the terms, covenants, obligations, and conditions of the Lease for the remainder of the term, together with any applicable renewal options. In such event, Landlord and CEF shall enter into an agreement to document such assumption. CEF is not a party to the Lease and shall have no liability under the Lease unless and until said Lease is assigned to, and assumed by, CEF as herein provided.

7. If, during the six (6) month period set forth in section 6(a) above or at any time after the assignment contemplated in section 6(b), CEF shall notify Landlord that the franchise for the Café is being granted to another CEF franchisee, Landlord shall permit the assignment of the Lease to said franchisee, without any further consent of Landlord being required as a condition thereto and without the payment of any fee or other cost requirement. Thereafter, CEF shall be released from any and all further liabilities under the Lease. The parties agree to execute any commercially reasonable documents in furtherance of this section.

8. Franchisee shall be permitted to assign the Lease to CEF or its designee upon the expiration or termination of the Franchise Agreement. Landlord consents to such an assignment and agrees not to impose any assignment fee or similar charge, or to increase or accelerate rent under the Lease, in connection with such an assignment.

9. In the event Franchisee assigns the Lease to CEF or its designee in accordance with the preceding paragraph, the assignee must assume all obligations of Franchisee under the Lease from and after the date of assignment, but shall have no obligation to pay any delinquent rent or to cure any other default under the Lease that occurred or existed prior to the date of the assignment.

10. Franchisee may not assign the Lease or sublet the Premises without CEF's prior written consent, and Landlord will not consent to an assignment or subletting by Franchisee without first verifying that CEF has given its written consent to Franchisee's proposed assignment or subletting.

11. Landlord and Franchisee will not amend or modify the Lease in any manner that could materially affect any of the provisions or requirements of this Lease Rider without CEF's prior written consent.

12. The provisions of this Lease Rider will supersede and control any conflicting provisions of the Lease.

13. Landlord acknowledges that CEF is not a party to the Lease and shall have no liability or responsibility under the Lease unless and until the Lease is assigned to, and assumed by, CEF.

IN WITNESS WHEREOF, the parties have executed this Lease Rider of the date first above written.

LANDLORD:

By: _____

Name: _____

Title: _____

FRANCHISEE (TENANT):

By: _____

Name: _____

Title: _____

EXHIBIT F

FEE SCHEDULE

Number of Cafés	Total Franchise Fee	Paid At Development Agreement Execution	Remaining Franchisee Fee(s)
Two (2)	\$99,000	\$74,250	\$24,750 is paid at the execution of <u>each</u> Franchise Agreement
Three (3)	\$148,500	\$99,000	
Four (4)	\$198,000	\$123,750	
Five (5)	\$247,500	\$148,500	



Clean EatZ Franchising LLC

STATE EFFECTIVE DATES AND RECEIPT

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

Illinois	Pending
Indiana	Pending
Michigan	Pending
North Dakota	Pending
Rhode Island	Pending
Virginia	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT (FRANCHISOR 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 Clean Eatz Franchising LLC. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Clean Eatz Franchising LLC. 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 Commissioner, Washington. D.C. 20580 and the state agency listed on Exhibit D for your state.

Date of Issuance: April 30, 2026

The franchise seller for this offering is _____ (name), _____ (title), at Clean Eatz Franchising LLC, 4389 Oleander Drive Wilmington, NC, (910) 452-3733

See Exhibit D for our registered agents authorized to receive service of process.

I have received a disclosure document dated _____ that included the following Exhibits:

- A Lists of Current and Former Franchises
- B Financial Statements
- C Franchise Agreement
 - Attachment I Addendum to Franchise Agreement
 - Attachment II Electronic Payment Authorization
 - Attachment III Collateral Assignment of Telephone Numbers
 - Attachment IV Statement of Ownership
 - Attachment V Guaranty and Assumption of Franchisee's Obligations
 - Attachment VI Confidentiality And Covenant Not To Compete Agreement
- D State Administrators and Agents for Service of Process
- E State and Provincial Addendum
- F Manual Table of Contents
- G General Release
- H Development Agreement
- State Effective Dates
- Receipt – Last Page

Dated: _____

PROSPECTIVE FRANCHISEE:

(Print Name)

(Signature)

Please sign this copy of the receipt, date your signature, and return it to Clean Eatz Franchising LLC.

RECEIPT (FRANCHISEE 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.

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Dated: _____

PROSPECTIVE FRANCHISEE:

(Print Name)

(Signature)

Please sign this copy of the receipt, date your signature, and return it to Clean Eatz Franchising LLC.